TRENCHANT
CAPITAL CORP.

FILING STATEMENT

Dated as of April 20, 2017

Neither the TSX Venture Exchange Inc. (the "Exchange") nor any securities regulatory authority has in any way passed upon the merits of the Change of Business described in this filing statement.

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GLOSSARY

“**Abacus**” means Abacus Private Equity Ltd.

“**Affiliate**” means a company that is affiliated with another company as described below.

A company is an “Affiliate” of another company if:

(a) one of them is the subsidiary of the other, or

(b) each of them is controlled by the same Person.

A company is “controlled” by a Person if:

(a) voting securities of the company are held, other than by way of security only, by or for the benefit of that Person, and

(b) the voting securities, if voted, entitle the Person to elect a majority of the directors of the company.

A Person beneficially owns securities that are beneficially owned by:

(a) a company controlled by that Person, or

(b) an Affiliate of that Person or an Affiliate of any company controlled by that Person.

“**Agency Agreement**” means the agency agreement dated April 20, 2017 between Trenchant and the Agents in connection with the Convertible Debenture Financing.

“**Agents**” means, collectively, IAS, as lead agent, and Canaccord Genuity Corp., GMP Securities L.P., Raymond James Ltd., Echelon Wealth Partners Inc., Mackie Research Capital Corporation, PI Financial Corp., Hampton Securities Limited, Integral Wealth Securities Limited and Leede Jones Gable Inc.

“**Agents’ Commission**” means the cash commission to be paid by Trenchant to the Agents in an amount equal to 6.5% of the aggregate gross proceeds of the Convertible Debenture Financing (including gross proceeds derived from any exercise of the Over-Allotment Option).

“**Agents’ Expenses**” means the Agents’ reasonable expenses and fees, including travel expenses and other expenses associated with the Convertible Debenture Financing as well as the reasonable fees of legal counsel to the Agents, plus taxes and disbursements, in connection with the Convertible Debenture Financing.

“**Arm’s Length Transaction**” means a transaction which is not a Related Party Transaction (as defined in Policy 1.1 of the Manual).

“**Associate**” when used to indicate a relationship with a Person, means

(a) an Issuer of which the Person beneficially owns or controls, directly or indirectly, voting securities entitling him to more than 10% of the voting rights attached to outstanding securities of the Issuer,

(b) any partner of the Person,

(c) any trust or estate in which the Person has a substantial beneficial interest or in respect of which a Person serves as trustee or in a similar capacity,

(d) in the case of a Person, who is an individual:

(i) that Person's spouse or child, or

(ii) any relative of the Person or of his spouse who has the same residence as that Person;

but

(e) where the TSXV determines that two Persons shall, or shall not, be deemed to be associates with respect to a Member firm, Member corporation or holding company of a Member corporation, then such determination shall be determinative of their relationships in the application of Rule D with respect to that Member firm, Member corporation or holding company.

"**BCBCA**" means the *Business Corporations Act* (British Columbia), and the regulations thereunder, as amended from time to time.

"**BCSC**" means the British Columbia Securities Commission.

"**Board**" means the board of directors of Trenchant.

"**Borrower**" or "**WILP**" means Waiward Investments Limited Partnership.

"**Borrower's General Partner**" means 9254064 Canada Ltd., the general partner of the Borrower.

"**Break Costs**" means any break funding costs or make-whole amount or prepayment penalty or premium incurred by the Lender or the Company in connection with any early repayment or redemption of the Debentures which repayment or redemption is required as a result of an early repayment or an event of default under the Loan Agreement, provided that the terms of the Debentures have been approved by the Borrower prior to the issuance thereof.

"**Business Day**" means a day other than Saturday or Sunday or a day on which banks are generally closed for business in the cities of Vancouver, British Columbia, or Toronto, Ontario.

"**CEO**" means chief executive officer.

"**CFO**" means chief financial officer.

"**Change of Business**" or "**COB**" means a transaction or series of transactions which will redirect an Issuer's resources and which changes the nature of its business, for example, through the acquisition of an interest in another business which represents a material amount of the Issuer's market value, assets or operations, or which becomes the principal enterprise of the Issuer.

"**Closing**" means each closing of a tranche of the Initial Investment, the Convertible Debenture Financing or the Convertible Preferred Share Financing.

"**Common Share**" means a common share without par value in the capital of Trenchant.

"**company**", unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual.

"**Company**" or "**Trenchant**" means Trenchant Capital Corp., a company incorporated under the laws of the Province of British Columbia, which is the "Issuer" in connection with the Change of Business.

"**Computershare Investor Services**" means Computershare Investor Services Inc.

"**Computershare Trust**" means Computershare Trust Company of Canada.

"**Concurrent Financings**" means, collectively, the Convertible Debenture Financing and the Convertible Preferred Share Financing.

"**Control Person**" means any Person that holds or is one of a combination of Persons that holds a sufficient number of any of the securities of an Issuer so as to affect materially the control of that Issuer, or that holds more than 20% of the outstanding voting securities of an Issuer except where there is evidence showing that the holder of those securities does not materially affect the control of the Issuer.

"**Conversion Notice Date**" means the date a notice of conversion is delivered by a holder of Convertible Debentures to Trenchant.

"**Conversion Restriction**" means the requirement that unless a holder holds Convertible Debentures having an aggregate amount that does not exceed $10,000, no more than 25% of the aggregate principal amount of Convertible Debentures held by such holder may be converted by such holder in any 180 day period.

"**Convertible Debenture**" means a $1,000 principal amount 9% secured convertible debenture of Trenchant.

"**Convertible Debenture Conversion Price**" means the greater of: (i) 95% of the VWAP for the 30 trading day period ending three Business Days prior to an applicable Conversion Notice Date; and (ii) $1.00 per Common Share, subject to adjustment on the occurrence of certain events.

"**Convertible Debenture Financing**" means the public offering of Convertible Debentures to raise minimum gross proceeds of $5,000,000 and maximum gross proceeds of $20,000,000 (or $23,000,000, in the event that the Over-allotment Option is duly exercised in full and the increase in the Initial Investment is consented to by the Borrower) through the issuance of a minimum of 5,000 and a maximum of 20,000 Convertible Debentures (or 23,000 in the event that the Over-Allotment Option is exercised in full) at a price of $1,000 per Convertible Debenture, which may be closed in one or more tranches.

"**Convertible Preferred Share**" means a convertible preferred share in the capital of Trenchant issued in connection with the Convertible Preferred Share Financing.

"**Convertible Preferred Share Financing**" means the private placement offering of Convertible Preferred Shares to raise minimum gross proceeds of $2,750,000 and maximum gross proceeds of $3,500,000 through the issuance of a minimum of 6,875,000 and a maximum of 8,750,000 Convertible Preferred Shares at price of $0.40 per Convertible Preferred Share, which may be closed in one or more tranches.

“**Debenture Indenture**” means the trust indenture between Trenchant and Computershare Trust to be entered into on or prior to the Initial Closing.

“**Debt Service Obligations**” for a particular period means a borrower’s interest expense, non-discretionary principal repayments and lease payments for that period.

“**Debt Service Ratio**” for a particular period means the ratio of (i) a borrower’s EBIT to (ii) that borrower’s Debt Service Obligations for that period.

“**EBIT**” for a particular period means earnings before interest and taxes for that period. This is a non-IFRS measure that reflects net operating income.

“**EBITDA**” for a particular period means earnings before interest, taxes, depreciation and amortization for that period. This is a non-IFRS measure that reflects operational profitability.

“**Escrow Agreement**” means the TSXV Form 5D value security escrow agreement to be entered into between the Company, Computershare Investor Services and the holders of Escrow Shares in connection with the completion of the Transaction.

“**Escrow Shares**” means the Common Shares to be placed in escrow under the Escrow Agreement.

“**Filing Statement**” means this filing statement dated April 20, 2017, together with all schedules hereto.

“**Final Exchange Bulletin**” means the bulletin issued by the TSXV following the Initial Closing and the submission of all documents required by Policy 5.2 of the Manual, which evidences the final TSXV acceptance of the RTO.

“**Finance Fee**” means a fee equal to 7.0% of the amount of the Initial Investment, to be paid by the Borrower to the Lender, which the Lender may deduct from the drawdown of the principal amount of the Initial Investment by the Borrower.

“**Fixed Charge Coverage Ratio**” for a particular period means the ratio of (i) a borrower’s EBITDA to (ii) that borrower’s Debt Service Obligations, plus capital expenditures and income taxes, for that period.

“**HCG5**” means HCG5 Investment Limited Partnership, a limited partnership related to Hillcore Group.

“**Hillcore Group**” means Hillcore Group Ltd. and, where applicable, its Associates and Affiliates.

“**HWIL**” means Hillcore Waiward Investments Ltd.

“**IAS**” means Industrial Alliance Securities Inc.

“**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“**Initial Closing**” means the first Closing, which is expected to occur on or about April 27, 2017.

“**Initial Investment**” means the loan in the minimum principal amount of $5,000,000 and the maximum principal amount of $23,000,000 (if the Over-Allotment Option is duly exercised in full) to be made by the Lender to the Borrower pursuant to the Loan Agreement, which may be made in one or more tranches.

"**Initial Listing Requirements**" means initial listing requirements of the TSXV as set out in Policy 2.1 of the Manual.

"**Insider**" if used in relation to an Issuer, means:

(a) a director or senior officer of the Issuer;

(b) a director or senior officer of a company that is an insider or subsidiary of the Issuer;

(c) a Person that beneficially owns or controls, directly or indirectly, Voting Shares carrying more than 10% of the voting rights attached to all outstanding Voting Shares of the Issuer; or

(d) the Issuer itself if it holds any of its own securities.

"**Interest Calculation Date**" means the last day of each fiscal quarter of Trenchant, being March 31, June 30, September 30 and December 31.

"**Interest Payment Date**" means 20 calendar days following an applicable Interest Calculation Date, being January 20, April 20, July 20 and October 20 (or, if such a day is not a Business Day, the next Business Day).

"**Investment Committee**" means the investment committee of the Company, as appointed by the Board.

"**Investment Policy**" means the investment policy of the Company, as adopted by the Board on October 27, 2016 and amended on March 31, 2017.

"**Issuer**" has the meaning ascribed thereto in Policy 1.1 of the Manual.

"**Lender**" means 0960128 B.C. Ltd., a wholly-owned subsidiary of Trenchant, incorporated under the BCBCA.

"**Loan Agreement**" means the loan agreement dated effective March 2, 2017 between the Lender and the Borrower with respect to the Initial Investment.

"**Manual**" means the TSXV Corporate Finance Manual.

"**Maximum Debenture Financing**" means, in connection with the Convertible Debenture Financing, the issuance of a maximum of 20,000 Convertible Debentures for maximum gross proceeds of $20,000,000 (subject to increase to 23,000 Convertible Debentures for gross proceeds of $23,000,000 in the event that the Over-Allotment Option is duly exercised in full).

"**Maximum Financings**" means, collectively, the Maximum Preferred Financing and the Maximum Debenture Financing.

"**Maximum Preferred Financing**" means, in connection with the Convertible Preferred Share Financing, the issuance of a maximum of 8,750,000 Convertible Preferred Shares for maximum gross proceeds of $3,500,000.

"**MD&A**" means Management's Discussion and Analysis.

"**Member**" has the meaning ascribed thereto in Policy 1.1 of the Manual.

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*.

"**Minimum Debenture Financing**" means, in connection with the Convertible Debenture Financing, the issuance of a minimum of 5,000 Convertible Debentures for minimum gross proceeds of $5,000,000.

"**Minimum Financings**" means, collectively, the Minimum Preferred Financing and the Minimum Debenture Financing.

"**Minimum Preferred Financing**" means, in connection with the Convertible Preferred Share Financing, the issuance of a minimum of 6,875,000 Convertible Preferred Shares for minimum gross proceeds of $2,750,000.

"**Named Executive Officer**" or "**NEO**" means:

(a) the CEO;

(b) the CFO;

(c) each of the Issuer's three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed financial year and whose total salary and bonus exceeds $150,000 per year; or

(d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Issuer at the end of the most recently completed financial year.

"**Net Debt**" means operating loans, long term debt (including current portions thereof) and accounts payable greater than 120 days, less cash.

"**Net Debt to EBITDA Ratio**" for a particular period means the ratio of (a) a borrower's Net Debt at the end of that period to (b) the EBITDA for that period.

"**Non Arm's Length Party**" means in relation to a company, a promoter, officer, director, other Insider or Control Person of that company (including an Issuer) and any Associates or Affiliates of any of such Persons. In relation to an individual, means any Associate of the individual or any company of which the individual is a promoter, officer, director, Insider or Control Person.

"**Over-Allotment Option**" means the option granted by Trenchant to the Agents in connection with the Convertible Debenture Financing, exercisable in whole or in part, to arrange for the purchase and sale of up to such number of Convertible Debentures as is equal to 15% of the Convertible Debentures sold by the Agents under the Convertible Debenture Financing (prior to the exercise of the Over-Allotment Option), under and on the same terms as the Convertible Debenture Financing, provided that IAS has notified WILP that the Agents intend to exercise the Over-Allotment Option not less than five Business Days prior to the final Closing, and provided that WILP has agreed to increase the Initial Investment by such amount as is equal to the gross proceeds derived from the exercise of the Over-Allotment Option.

"**Person**" is to be construed broadly and includes any individual, company, partnership, joint venture, association, trust, trustee, executor, administrator, unincorporated association, governmental entity or other entity, whether or not having legal status.

"**Pledge Agreement**" means the Pledge of Securities Agreement between Trenchant and Computershare Trust to be entered into on or prior to the Initial Closing, pursuant to which Computershare is granted a first ranking security interest in the securities of the Lender on behalf of itself and the holders of the Convertible Debentures.

"**Redemption Date**" means the date fixed by Trenchant for redemption of the Convertible Debentures.

"**Redemption Price**" means the redemption price applicable with respect to a redemption of the Convertible Debentures.

"**Related Party Transaction**" has the meaning ascribed to that term in Policy 5.9 of the Manual, and includes a related party transaction that is determined by the TSXV, to be a Related Party Transaction. The TSXV may deem a transaction to be a Related Party Transaction where the transaction involves Non-Arms Length Parties, or other circumstances exist which may compromise the independence of the Issuer with respect to the transaction.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, which is available at www.sedar.com.

"**Shareholders**" means the holders of Common Shares from time to time.

"**Significantly Concentrated Debt Investment**" means each loan by the Company which constitutes greater than 25% of the total of all loans made by the Company, on a consolidated basis.

"**Special Situation Debt**" means debt and debt-like securities, excluding all senior secured or vendor take-back debt, but including secondary, subordinated, mezzanine or non-traditional debt, asset backed securities and back-levered/holdco debt.

"**Stock Option Plan**" means the incentive stock option plan of Trenchant dated March 3, 2010.

"**Strategic Alliance Agreement**" means the letter agreement dated April 25, 2016 between Trenchant and Hillcore Group.

"**Transaction**" means, collectively, the Change of Business, the Initial Investment and the Concurrent Financings, and all transactions related thereto.

"**Transaction Resolution**" means the written consent resolution of the Shareholders approving the COB.

"**Trenchant**" or the "**Company**" means Trenchant Capital Corp., a company incorporated under the laws of the Province of British Columbia, which is the "Issuer" in connection with the Change of Business.

"**TSX**" means the Toronto Stock Exchange.

"**TSXV**" or the "**Exchange**" means the TSX Venture Exchange Inc.

"**VWAP**" means the volume weighted average trading price of the Common Shares on the TSXV (or such other stock exchange as the Common Shares are principally traded at the applicable time) for an applicable period (which must be calculated utilizing days in which the Common Shares actually trade).

"**Waiward Holdings GP**" means 9254072 Canada Ltd., the general partner of WHLP.

"**Waiward Steel GP**" means Waiward Steel GP Corp., the general partner of WSLP.

"**WHLP**" means W. H. Limited Partnership.

"**WHLP Units**" means all of the units in WHLP owned by the Borrower issued and outstanding from time to time.

"**WSLP**" or "**Waiward Steel**" means Waiward Steel Limited Partnership.

"**WSLP Units**" means all of the units in WSLP issued and outstanding from time to time indirectly owned by the Borrower through its proportionate ownership of WHLP.

Words importing the singular include the plural and vice versa and words importing any gender include all genders.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

This Filing Statement contains statements and information that, to the extent that they are not historical fact, may constitute "forward-looking statements" or "forward-looking information" (collectively "**forward-looking statements**") within the meaning of applicable securities legislation. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "pro forma", "expects", "anticipates", "plans", "believes", "estimates", "intends", "targets", "projects", "forecasts", "seeks", "likely", "goals", "milestones" or negative versions thereof, as applicable, and other similar expressions, or future or conditional verbs such as "may", "will", "should", "would" and "could". Forward-looking statements may include financial and other projections, as well as statements regarding future plans, objectives or economic performance, or any assumption underlying any of the foregoing. In particular, forward-looking statements in this Filing Statement include, but are not limited to, statements regarding:

- the proposed Transaction;
- the timing of any Closing;
- the expected use of proceeds from the Concurrent Financings;
- Trenchant's ability to obtain all required approvals in connection with the Transaction;
- expectations as to future operations of the Company;
- the Company's anticipated financial performance following completion of the Transaction;
- future development and growth prospects;
- expected general and administrative expenses and other expenses of the Company;
- the ability of the Company to identify other potential investment opportunities on satisfactory terms or at all; and
- the ability of the Company to obtain future financing on acceptable terms or at all,

and other statements under the headings "*Information Concerning the Company – The Concurrent Financings*", "*Information Concerning the Company – Selected Consolidated Financial Information and Management's Discussion and Analysis*", "*Information Concerning the Transaction*", "*Information Concerning the Company – Capitalization*", "*Information Concerning the Company – Available Funds and Principal Purposes*", and "*Information Concerning the Company – Directors, Officers and Promoters*".

These forward-looking statements are based upon certain material factors, assumptions and analyses that were applied in drawing a conclusion or making a forecast or projection, including Trenchant's experience and perceptions of historical trends, current market conditions and expected future developments, the expected completion of the Transaction, the timing and amount of capital and other expenditures, as well as other factors that are believed to be reasonable in the circumstances.

By their nature, forward-looking statements are subject to inherent risks and uncertainties that may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, that assumptions may not be correct and that objectives, strategic goals and priorities will not be achieved. A variety of material factors, many of which are beyond the control of Trenchant, could cause actual results to differ materially from current expectations of estimated or anticipated events or results. The risks, uncertainties and other factors that could influence actual results include, but are not limited to: the TSXV not approving the Transaction; the Company's lack of operating history as an investment company; portfolio exposure risks and sensitivity to macro-economic conditions; the availability of sources of income to generate cash flow and revenue; risks relating to investments in private issuers and illiquid securities; the volatility of Trenchant's stock price; risks relating to the trading price of the Common Shares relative to net asset value; risks relating to available investment opportunities and competition for investments; the volatility of the share prices of investments in public companies, if any; risks relating to the potential concentration of investments; the Company's dependence on management, directors and the members of the Investment Committee; risks relating to additional funding requirements; due diligence risks; exchange rate risks; risks relating to non-controlling interests; potential conflicts of interest; potential transaction and legal risks; and risks related to the Initial Investment, as more particularly described under the heading "*Risk Factors*" in this Filing Statement.

The reader is cautioned that the foregoing list of factors is not exhaustive and that other factors may emerge from time to time. It is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of Trenchant or the Borrower, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements. Although the forward-looking statements contained in this Filing Statement are based upon what management of Trenchant and the Borrower, as applicable, currently believe to be reasonable assumptions, actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or, if any of them do, what benefits will be derived therefrom. The forward-looking statements contained herein are made as of the date of this Filing Statement and, other than as specifically required by law, Trenchant does not assume any obligation to update or revise any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events, whether as a result of new information, future events or results, or otherwise.

INFORMATION CONCERNING THE BORROWER

The information contained or referred to in this Filing Statement relating to the Borrower, WHLP and WSLP has been furnished by the Borrower. In preparing this Filing Statement, Trenchant has relied upon the Borrower to ensure that the Filing Statement contains accurate disclosure of relating to the Borrower, WHLP and WSLP. Although Trenchant has no knowledge that would indicate that any statements contained herein concerning Borrower are inaccurate, neither Trenchant nor any of its directors or officers assumes any responsibility for the accuracy of such information or for any failure by the Borrower to ensure disclosure of events or facts that may have occurred which may affect the accuracy of any such information.

DATE OF INFORMATION

Except as otherwise indicated in this Filing Statement, all information disclosed in this Filing Statement is as of April 20, 2017 and the phrase "as of the date hereof" and equivalent phrases refer to April 20, 2017.

SUMMARY OF FILING STATEMENT

The following is a summary of information relating to Trenchant and the Transaction and should be read together with the more detailed information and financial data and statements contained elsewhere in this Filing Statement. This summary is provided for convenience only and is qualified in its entirety by the more detailed information appearing or referred to elsewhere in this Filing Statement.

Trenchant

The Company was incorporated under the BCBCA on December 17, 2009 and the Common Shares were listed on the TSXV on August 27, 2010, with the Company classified as a Capital Pool Company (as defined in Policy 2.4 of the Manual). On May 4, 2011, the Company completed its Qualifying Transaction (as defined in Policy 2.4 of the Manual), resulting in the Company being classified as a resource issuer. Until 2015, the Company was engaged in the acquisition, exploration and development of natural resources properties. The Company currently has no active business. See "*Information Concerning the Company – General Development of the Business*".

Hillcore Group

Hillcore Group is a leading independent Canadian investment and advisory firm that invests predominantly in the life sciences, real estate, seniors living, financial, industrial and energy sectors. With offices in Toronto, Vancouver, Calgary and Montreal, the Hillcore Group employs approximately 2,500 people throughout Canada across its various groups and portfolio companies. Entities under management by the Hillcore Group had an asset value in excess of $4.4 billion as of December 31, 2015. See "*Information Concerning the Company – General Development of the Business – Hillcore Strategic Alliance*".

Hillcore Strategic Alliance

On April 25, 2016, the Company and Hillcore Group entered into the Strategic Alliance Agreement, pursuant to which Hillcore Group has agreed to grant Trenchant an exclusive first right to: (i) review Hillcore's initial due diligence on potential business targets, and (ii) negotiate with Hillcore Group the participation by Trenchant in Hillcore Group's acquisition of business targets, primarily by way of Special Situation Debt, which may include secondary, subordinated, mezzanine or non-traditional debt, asset backed securities and back-leveraged/holdco debt. Trenchant has also been granted certain back-in and tag along negotiation rights, as well as negotiation rights for capital market transactions with respect to projects for which Trenchant has provided financing. See "*Information Concerning the Company – General Development of the Business – Hillcore Strategic Alliance*".

The Change of Business

On April 26, 2016, the Company issued a news release announcing the strategic alliance with the Hillcore Group, and that the Company intended to apply to the TSXV for approval of a Change of Business. On May 9, 2016, in anticipation of the Change of Business, the Company changed its name to "Trenchant Capital Corp.". On June 6, 2016, the Company executed a non-binding term sheet with Hillcore Group, pursuant to which the Company proposed to loan up to $20,000,000 to the Hillcore Group or one of its portfolio companies. On June 7, 2016, the Company announced that it was pursuing a Change of Business to become a Tier 2 Investment Issuer on the TSXV, focused on providing Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth, and that it would be undertaking a series of financings to fund this loan and the Change of Business. On March 8, 2017, the Company provided an update on the revised terms of the Loan

Agreement and the Concurrent Financings. See "*Information Concerning the Company – General Development of the Business*", "*Information Concerning the Company – Narrative Description of the Business – Reasons for the Change of Business*" and "*Information Concerning the Company – The Initial Investment*".

The Company has undertaken to the TSXV to make a second investment within one year of the Final Exchange Bulletin.

Investment Policy

The Company has adopted the Investment Policy to govern its investment activities. The Investment Policy sets out, among other things, the Company's investment objectives and strategy, which is to provide Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth, the ability to generate shareholder equity by taking and, where prudent, exercising equity purchase rights in portfolio companies, participating in potential going-public transactions or other liquidity events in portfolio companies, and seeking to preserve capital and limit downside risk through securely structuring its investments. A copy of the Investment Policy is attached hereto as Schedule "C". See "*Information Concerning the Company – Narrative Description of the Business – The Investment Policy*".

Officers and Directors

There is not expected to be any change in the directors or officers of the Company following the Initial Closing. As such, following the Initial Closing, the officers and directors of the Company are expected to continue to be as follows:

Eric Boehnke – CEO and Director
John Legg – Director
Thomas English – Director
Jennie Choboter – CFO and Secretary

See "*Information Concerning the Company – Directors, Officers and Promoters*".

Waiward Steel

Waiward Steel is a construction, engineering and drafting services company based in Edmonton, Alberta. Waiward Steel operates one of Canada's largest steel fabrication facilities, with over 200,000 square feet of fabrication space and the ability to produce up to 1,000 tons per week. With over 600 employees, Waiward Steel has been named one of Canada's *Top 50 Best Managed Companies* every year since 2005 and serves multiple sectors across Western Canada and around the world.

See "*Information Concerning the Company – The Initial Investment*".

The Initial Investment

Pursuant to the terms of the Loan Agreement, the Lender has agreed to make the Initial Investment, in the minimum principal amount of $5,000,000 and the maximum principal amount of $20,000,000 (or $23,000,000 in the event that the Borrower consents and the Over-Allotment Option is duly exercised in full) to the Borrower, subject to the terms and conditions set out therein, including completion of the minimum Concurrent Financings and the approval of the TSXV for the Change of Business. The Initial Investment is to be drawn down by the Borrower in one or more drawdowns, with the initial drawdown to be drawn down on or prior to May 15, 2017 and to be in an amount not less than $5,000,000 and subsequent drawdowns to be in an amount not less than $2,000,000, with the final drawdown to be drawn down on or prior to September 30, 2017. The Borrower intends to use the proceeds of the Initial Investment for debt repayment, distributions, operating expenses and general working capital purposes.

The Borrower is a limited partnership related to Hillcore Group and indirectly controls an 82.89% interest in Waiward Steel. The Borrower has agreed to pledge the WHLP Units, representing 92.11% of the outstanding units in the capital of WHLP, as security for the Initial Investment. Waiward Steel had revenues in excess of $200,000,000 for each of 2015 and 2016.

The outstanding principal of the Initial Investment will bear interest at the rate of 12.5% per annum, with 10% payable quarterly in cash and 2.5% being added quarterly to the outstanding principal of the Initial Investment and payable on the maturity date, which will be March 31, 2022. The Borrower has also agreed to pay the Lender the Finance Fee. The Initial Investment will be secured by, among other things, the Borrower's indirect equity interest in Waiward Steel.

The Loan Agreement provides that, in connection with the Initial Closing, Trenchant and the Borrower will enter into a management agreement, the form of which is attached to the Loan Agreement, pursuant to which, among other things: (i) Trenchant will agree to provide management services to the Borrower, including strategic guidance, program development, logistical analysis and financial consulting services (collectively, the "**Services**"); (ii) the Borrower will agree to grant Trenchant certain corporate governance rights, including observer rights at board meetings of the Borrower's General Partner and of Waiward Holdings GP, and the right to appoint a nominee to the board of directors of the Borrower's General Partner; and (iii) the Borrower will agree to reimburse Trenchant for all reasonable expenses incurred in connection with providing the Services.

At the Initial Closing, Trenchant will also be granted a non-transferable five year unit purchase option, entitling Trenchant to purchase up to 10% of the Borrower's indirect holdings in WHLP, with an escalating exercise price based upon the projected earnings of Waiward Steel. The actual percentage interest to be acquired will be based upon the amount of funds advanced under the Loan Agreement.

See "*Information Concerning the Company – The Initial Investment*".

The Concurrent Financings

The Convertible Debenture Financing

Effective April 20, 2017, the Company entered into the Agency Agreement with the Agents pursuant to which IAS agreed to act as lead agent and sole bookrunner, on behalf of a syndicate of Agents, in connection with the Convertible Debenture Financing, pursuant to which Trenchant will sell a minimum of 5,000 Convertible Debentures and a maximum of 20,000 Convertible Debentures, at a price of $1,000 per Convertible Debenture, for minimum gross proceeds of $5,000,000 and maximum gross proceeds of $20,000,000 (or 23,000 Convertible Debentures for gross proceeds of $23,000,000 in the event that the Over-Allotment Option is duly exercised in full (subject to the Borrower consenting to a corresponding increase in the principal amount of the Initial Investment)). The gross proceeds of the Convertible Debenture Financing will be used to fund the Initial Investment.

The Convertible Debentures will mature on March 31, 2022, and the outstanding principal of the Convertible Debentures will bear interest at the rate of 9.0% per annum, based on a 365-day year. Interest shall be calculated quarterly on each Interest Calculation Date and payable on the applicable Interest Payment Date. Commencing on the date that is one year after the Initial Closing, the Convertible Debentures will be convertible into fully paid and non-assessable Common Shares at the option of the holder thereof at any time prior to the close of business on the earlier of: (i) the Business Day immediately preceding the maturity date, (ii) the Business Day immediately preceding the Redemption Date if the Convertible Debentures are called for redemption by Trenchant, or (iii) if called for a repurchase pursuant to a Change of Control, on the Business Day immediately preceding the payment date, in each case at the Convertible Debenture Conversion Price, provided that, except in the case of a redemption, unless the aggregate principal amount of Convertible Debentures held by a holder is less than $10,000, no more than 25% of the aggregate principal amount of any Convertible Debentures held by such holder may be converted in any 180-day period. Assuming a minimum Convertible Debenture Conversion Price of $1.00, this represents a conversion rate of 1,000 Common Shares per $1,000 principal amount of Convertible Debentures, subject to adjustment upon the occurrence of certain events, including, but not limited to: share consolidations, share splits, spin-off events, rights issues or reorganizations, as provided in the Debenture Indenture.

In consideration for their services, the Agents will receive the Agents' Commission, being a cash commission equal to 6.5% of the gross proceeds of the Convertible Debenture Financing (including any proceeds received in connection with the exercise of the Over-Allotment Option) and be reimbursed for their reasonable Agents' Expenses.

See "*Information Concerning the Company – The Concurrent Financings – The Convertible Debenture Financing*".

The Convertible Preferred Share Financing

In connection with the Transaction, Trenchant is also undertaking the Convertible Preferred Share Financing of a minimum of 6,875,000 Convertible Preferred Shares and a maximum of 8,750,000 Convertible Preferred Shares, at a price of $0.40 per Convertible Preferred Share, for minimum gross proceeds of $2,750,000 and maximum gross proceeds of $3,500,000 (or such other number of Preferred Shares and at such price as may be determined by the Board in its sole discretion). The proceeds of the Convertible Preferred Share Financing are expected to be used to pay costs related to the completion of the Concurrent Financings and the Transaction and to fund the working capital needs of Trenchant, including payment for due diligence expenses incurred in connection with the evaluation of potential investment opportunities.

The Convertible Preferred Shares will be subject to special rights and restrictions, which include the right of holders to receive annual preferential, non-cumulative dividends at a fixed rate of 8% per annum. The holders of Convertible Preferred Shares may, at any time commencing on the date that is one year after the date of Closing, convert their Convertible Preferred Shares, without the payment of any additional consideration, into Common Shares on a one for one basis (subject to adjustment), subject to a maximum conversion limit in any 180 day period of a maximum of 25% of the number of Convertible Preferred Shares that the holder initially held following the applicable Closing. The Preferred Shares will automatically convert into Common Shares on a one for one basis (subject to adjustment) on the third anniversary of the Closing.

See "*Information Concerning the Company – The Concurrent Financings – The Convertible Preferred Share Financing*".

Non-Arm's Length Transaction

HCG5, a limited partnership related to the Hillcore Group, is the holder of 2,000,000 Common Shares, representing 17.3% of the issued and outstanding Common Shares as at the date hereof, and, as a result, is a Non-Arm's Length Party to Trenchant. As a result, **the Transaction is not an Arm's Length**

Transaction, and Policy 5.2 of the Manual requires that the Transaction be approved by a majority of the Shareholders, excluding those votes attaching to Common Shares beneficially owned by HCG5. As a result, all Common Shares held by HCG5 will be excluded from voting on the Transaction Resolution.

In addition, because HCG5 is the beneficial owner of 17.3% of the Common Shares (being over 10% of the Common Shares), the Transaction is considered a "related party transaction" as defined in MI 61-101, which requires that Trenchant obtain a formal valuation for, and minority shareholder approval of, the Transaction, unless applicable exemptions thereto are available under MI 61-101. Trenchant is relying on the exemptions from the formal valuation and minority shareholder approval requirements set out in Sections 5.5(e) and 5.7(c) of MI 61-101. The Initial Investment and related transactions are supported, and Trenchant anticipates will be approved, by Eric Boehnke, a director of Trenchant, who owns 4,958,293 Common Shares, representing 43.0% of the issued and outstanding Common Shares, as at the date hereof, and is not an interested party in connection with the Transaction.

See "*Information Concerning the Company - Non-Arm's Length Party Transactions*".

Availability of Funds and Principal Purposes

The following table sets out information respecting the Company's expected sources of cash following the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to Trenchant as at the date hereof:

Source of Funds	**Minimum Offerings ($)**	**Maximum Offerings ($)**	**Maximum Offerings plus Over-Allotment Option ($)**
Estimated working capital of Trenchant as at December 31, 2016	222,415	222,416	222,415
Gross proceeds of Convertible Debenture Financing	5,000,000	20,000,000	23,000,000
Gross proceeds of Convertible Preferred Share Financing	2,750,000	3,500,000	3,500,000
Finance Fee	350,000	1,400,000	1,610,000
Estimated funds available to the Resulting Issuer	**8,322,415**	**25,122,415**	**28,332,415**

The following table sets out information respecting the Company's intended principal uses of funds for the 12 months following the completion of the Transaction. The intended uses of funds may vary based upon a number of factors and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to Trenchant as at the date hereof:

Use of Funds	**Minimum Offerings ($)**	**Maximum Offerings ($)**	**Maximum Offerings plus Over-Allotment Option ($)**
Agents' Commission	325,000	1,300,000	1,495,000
Estimated remaining costs in connection with	275,000	350,000	365,000

Use of Funds	Minimum Offerings ($)	Maximum Offerings ($)	Maximum Offerings plus Over-Allotment Option ($)
COB (i.e. legal, accounting, TSXV fees, Agents' Expenses and other payables)			
Loan to Borrower	5,000,000	20,000,000	23,000,000
General and administrative expenses(1)	469,400	469,400	469,400
Unallocated funds	2,253,015	3,003,015	3,003,015
Total	**8,322,415**	**25,122,415**	**28,332,415**

(1) The estimate of general and administrative expenses is comprised of management and consulting fees of $250,000; travel expenses of $120,000; rent and utilities of $30,000; legal and audit fees of $40,000; investor relations fees of $15,000; TSXV and transfer agent fees of $14,400.

The Company intends to use the unallocated funds to fund the operating expenses of the Company following the Initial Closing and for general working capital purposes, including for due diligence on potential investment opportunities, as more particularly described herein. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary. See "*Information Concerning the Company – Available Funds and Principal Purposes*".

Financial Information

Included as Schedule "B" to this Filing Statement are the audited annual financial statements of the Company for the fiscal years ended March 31, 2014, 2015 and 2016 and unaudited interim financial statements of the Company for the nine month periods ended December 31, 2016 and 2015. The Company's financial statements are also available on SEDAR at www.sedar.com.

	Nine Months Ended December 31		Year Ended March 31, 2016 (audited)	Year Ended March 31, 2015 (audited)
	2016 (unaudited)	**2015 (unaudited)**		
Current assets	$488,218	$3,469	$6,555	$1,868
Current liabilities	$87,915	$168,933	$160,587	$136,000
Working capital	$400,303	($165,464)	($154,032)	($134,132)

Stock Exchange Listing

The Common Shares are currently listed on the NEX board of the TSXV under the symbol "TCC.H". The Common Shares were halted from trading on the NEX board on June 7, 2016 in connection with the announcement of the Change of Business and resumed trading on November 9, 2016. The closing price of the Common Shares on April 19, 2017 was $0.50.

Sponsorship for the Transaction

Pursuant to Policy 2.2 of the Finance Manual, sponsorship is generally required in conjunction with a COB. Trenchant has obtained a waiver of the sponsorship requirement in connection with the Transaction from the TSXV on the basis of Section 3.4(ii) of Policy 2.2 of the Manual as the Company is conducting the Convertible Debenture Financing as a public offering, by way of prospectus, through the Agents.

Conflicts of Interest

The directors and officers of the Company are also involved in other projects and may have a conflict of interest in allocating their time between the business of the Company and other businesses or projects in which they are, or may become, involved. See "*Information Concerning the Company – Directors, Officers and Promoters*".

Conditional Listing Approval

The TSXV has conditionally accepted the Transaction subject to Trenchant fulfilling all of the requirements of the TSXV.

Summary of Risk Factors

An investment in the Company involves a substantial degree of risk and should be regarded as highly speculative due to the nature of the proposed business of the Company. The Company will be subject to certain risks that should be carefully considered, including the following:

- risk of default by investee companies, including the risk that the Borrower may default on the repayment of the Initial Investment;
- lack of operating history;
- risk of dilution as a result of equity financings;
- risks related to inability to finance the business of the Company;
- potential failure or poor performance of investee companies, including the Borrower;
- the Company's ability to enforce on defaults by investee companies, including the Borrower;
- risks associated with required continuous public disclosure of information respecting the business of the Company;
- volatility of share prices for publicly traded companies;
- the limited investment interest that will be held by the Company on completion of the Change of Business;
- the risk that the Company will not be able to make additional investments on the scale envisioned as necessary for development of the business of the Company;
- dependence on key personnel;
- competition from other more well established companies with businesses similar to that of Company;
- the Company's ability to pay dividends in the future and the timing and amount of those dividends;
- the risk that the Company may be negatively affected by regulatory changes related to its

business; and

- the risk that the Company may invest in non-Canadian companies and may be experience foreign exchange losses.

See "*Risk Factors*" for a detailed discussion of such risks.

RISK FACTORS

There are inherent risks related to the business of the Company. The Transaction must be considered highly speculative due to the nature of the business of the Company. The business of the Company following completion of the Transaction will be subject to risks and hazards, some of which are beyond its control. Shareholders must rely on the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company.

The following is a summary of risks and uncertainties that management believes to be material to the Company's business and therefore the value of the Common Shares. It is possible that other risks and uncertainties that affect the business of the Company will arise or become material.

Risks Related to the Business of the Company

Proposed Change of Business Not Approved

The completion of the Change of Business is subject to the final approval of the TSXV. There can be no assurance that such approval will be obtained.

Possible Trading Suspension

The Company has applied for the approval of the TSXV for the Change of Business. The completion of the Change of Business is subject to the Company fulfilling all of the requirements of the TSXV. In the event that the Company fails to complete the Transaction as required to meet the Initial Listing Requirements (as defined in Policy 1.1 of the Manual) for an Investment Issuer, the Company will remain on the NEX board of the TSXV, which comprises TSXV listed issuers that do not meet the TSXV's Tier 2 tier maintenance requirements.

Risk of Payment Defaults Under Investment Agreements

While the Company intends to structure its investments, including the Initial Investment, in such a way as to minimize the risk of default, there is no guarantee that investee companies will not default on their payment obligations because of business failure or obligations to other lenders, investors or stakeholders. Further, there is no assurance that, in the event of a default by an investee company, the Company will be able to recover all or any of its investment. Such failure could have an adverse impact on the Company's financial condition and results of operations, including impairing the Company's ability to pay amounts owing under the Convertible Debentures or to pay dividends on the Convertible Preferred Shares. In addition, in the event investments in investee companies are structured on a subordinated or unsecured basis, the Company's rights, including payment rights, will be subordinate to the rights of secured lenders of investee companies and other parties holding security interests against investee companies. As such, upon a default by an investee company, there may be no funds left to permit the Company to recover its investment.

Dependence on the Performance of Investee Companies

The Company will be dependent on the operations, assets and financial health of the investee companies in which it makes investments. The Company's ability to meet its operating expenses in the long term will be largely dependent on the interest and other payments received from investee companies, which are expected to be the sole source of cash flow for the Company. While the Company intends to focus on Special Situation Debt financing to the Hillcore Group's pipeline of current and future private equity investments, payments to the Company from investee companies may be based on a percentage of such companies' top line revenues, in which case negative financial performance of an investee company will likely have a negative impact on the Company's cash flow. In addition, if the financing position of an investee company declines such that it is unable to make interest payments to the Company, the Company's financial condition and cash flow would be adversely affected.

The Company has conducted and will conduct due diligence on each of its investee companies prior to entering into agreements with them. In addition, the Company plans to monitor investee company performance through observer rights at board meetings of investee companies, negotiating rights to appoint one or more directors to the boards of investee companies, and receiving and reviewing regular financial reports from the investee companies. Nonetheless, there is a risk that there may be some liabilities or other matters that are not identified through the Company's due diligence or ongoing monitoring that may have an adverse effect on an investee company's business and, as a result, on the Company.

Lack of Control Over Investee Company Management

The Company does not expect to have a high degree of influence over any of its investee companies or their operations. Payments received by the Company from investee companies may therefore depend upon several factors that may be outside of the Company's control.

Volatility of Share Price

Securities markets throughout the world are cyclical and, over time, tend to undergo high levels of price and volume volatility. A publicly traded company will not necessarily trade at values determined by reference to the underlying value of its business. The prices at which the Common Shares will trade following completion of the Transaction cannot be predicted. The market price of the Common Shares could be subject to significant fluctuations in response to variations in quarterly and annual operating results, the results of any public announcements the Company makes, general economic conditions, and other factors. Increased levels of volatility and resulting market turmoil may adversely impact the price of the Common Shares. If the Company is (as it is expected to be) required to access capital markets to carry out its business objectives, the state of domestic and international capital markets and other financial systems could affect its access to, and cost of, capital. Such capital may not be available on terms acceptable to the Company or at all, and this could have a material adverse impact on its business, financial condition, results of operations or prospects.

Dilution

Trenchant is authorized to issue an unlimited number of Common Shares and other securities for such consideration and on such terms and conditions as may be established by the Board without the approval of the Shareholders. It is currently anticipated that the Company may be required to conduct additional equity financings in order to finance additional investments and develop the business of the Company as currently planned and envisioned by management of the Company. Any further issuance of Common Shares pursuant to such equity financings will dilute the interests of existing Shareholders and such Shareholders will have no pre-emptive rights in connection with such future issuances. In addition, conversion of the Convertible Debentures or the Convertible Preferred Shares will also dilute the interests of existing Shareholders.

Financing Risks

The Company has no history of earnings and there can be no assurance that the Company will be profitable after the Change of Business is completed. In addition, the Company's business model is expected to be dependent on making investments in additional investee companies, and the Company anticipates having to raise additional capital to fund these investments. While the Company may generate additional working capital through equity or debt offerings, or through the receipt of interest or other payments from investee companies, there is no assurance that such funds will be sufficient to facilitate the development of the Company's business as envisioned or, in the case of equity financings, that such funds will be available on terms acceptable to the Company or at all. If available, future equity financing may result in substantial dilution to the Shareholders.

Conflicts of Interest

Certain of the directors and officers of the Company will also serve as directors and/or officers of other companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers will be made in accordance with their duties and obligations under the BCBCA and other applicable laws to deal fairly and in good faith with a view to the best interests of the Company and the Shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the BCBCA, and other applicable laws.

Early Stage of Development

The Company will be in an early stage of development upon completion of the Change of Business. There will be limited financial, operational and other information available with which to evaluate the prospects of the Company. There can be no assurance that the Company's operations will be profitable in the future or will generate sufficient cash flow to satisfy its working capital requirements.

Limited Number of Investments

The Company intends to complete the Initial Investment concurrently with Exchange approval of the Change of Business. While the Company's intention is to negotiate and fund additional investments in companies in different industry sectors, it could take many years to create a diversified portfolio of investee companies and there is no guarantee the Company will ever achieve sufficient diversification. The Company may have a significant portion of its assets dedicated to a single business sector or industry for an extended period of time. In the event that any such business or industry is unsuccessful or experiences a downturn, this could have a material adverse effect on the Company's business, results of operations and financial condition.

Ability to Negotiate Additional Investments

A key element of the Company's growth strategy is expected to involve negotiating and finding investments in other operating companies. Achieving the benefits of future investments will depend in part on successfully identifying and capturing such opportunities in a timely and efficient manner and in structuring such arrangements to ensure a stable and growing stream of revenues. The Company's ability to identify investee companies and negotiate and fund additional investments in such a manner is not guaranteed.

Ability to Manage Future Growth

The Company's ability to achieve desired growth will depend on its ability to identify, evaluate and successfully negotiate and fund investments in other companies. Achieving this objective in a cost-effective manner will be a product of the Company's strategic alliance with Hillcore Group, as well as its own sourcing capabilities, management of the investment process, ability to provide capital on terms that are attractive to private businesses, and access to financing on acceptable terms. As the Company grows, it will also be required to hire, train, supervise and manage new employees. Failure to manage any future growth or to successfully negotiate suitable investments effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Effect of General Economic and Political Conditions

The Company's business and the business of its investee companies are expected to be subject to the impact of changes in national or international economic conditions, including but not limited to, recessionary or inflationary trends, equity market conditions, consumer credit availability, interest rates, consumers' disposable income and spending levels, job security and unemployment, and overall consumer confidence. These economic conditions may be further affected by political events throughout the world that cause disruptions in the financial markets, either directly or indirectly. Adverse economic and political developments could have a material adverse effect on the Company and its investee companies' business, financial condition, results of operations and cash flows.

Competition From Other Investment Companies

The Company expects to compete with a large number of private equity funds and mezzanine funds, investment banks, equity and non-equity based investment funds, and other providers of financing, including the public capital markets. Some of the Company's competitors are expected to be substantially larger and have considerably greater financial resources than the Company. Competitors may have a lower cost of funds and many are expected to have access to funding sources and unique structures that are not available to the Company. In addition, some of the Company's competitors may have higher risk tolerance or different risk assessment parameters, which could allow them to consider a wider variety of investments than the Company. Pressure from the Company's competitors may have a material adverse effect on the Company's business, financial condition and results of operations.

Payment of Dividends

The Company has never declared dividends on any of its securities. Following completion of the Change of Business, the Company intends to reinvest all future earnings to finance the development and growth of its business. As a result, the Company does not intend to pay dividends on its securities in the foreseeable future, except as explicitly required by the rights and restrictions of such securities. Any future determination to pay dividends will be at the discretion of the Board and will depend on the Company's financial condition, operating results, capital requirements, contractual restrictions on the payment of dividends; prevailing market conditions and any other factors that the Board deems relevant.

Liquidity and Capital Resources

There is no guarantee that cash flow from investments will be readily available or will provide the Company with sufficient funds to meet its ongoing financial obligations. The Company may therefore require additional equity or debt financing to meet its operational requirements. The Company also plans to rely on additional equity financing to make investments in investee companies to grow the Company's business to the level envisioned by its management. There can be no assurance that such financing will be available when required or available on commercially favourable terms or on terms that are otherwise satisfactory to the Company. The ability of the Company to arrange such financing in the future will depend in part upon prevailing capital market conditions as well as its business performance.

Currency Fluctuations

The Company may make investments in companies with significant United States or foreign operations. The Canadian dollar relative to the United States dollar or other foreign currencies is subject to fluctuations. Failure to adequately manage foreign exchange risk could therefore adversely affect the Company's business, financial condition and results of operations.

Exercise of Early Payout or Buyout Option

The Company's investments in investee companies may contain early repayment or buyout options which allow investee companies to repurchase the Company's investments in them for a set price. Although the Company's management intends to structure repurchase terms to adequately compensate the Company for such repayments or buyouts, the value of a repayment or buyout option relative to the ongoing value of a lost payment stream may result in the Company's return on an investment being lower than expected or that would be the case absent the buyout or repurchase, which could adversely affect the Company's business.

Impact of Regulation and Regulatory Changes

The Company and its investee companies are expected to be subject to a variety of laws, regulations and guidelines in the jurisdictions in which they operate, and may become subject to additional laws, regulations and guidelines in the future, particularly as a result of acquisitions or additional changes in the jurisdictions in which they operate. The financial and managerial resources necessary to ensure such compliance could escalate significantly, and without warning, which could have a material adverse effect on the Company and investee companies' business, resources, financial condition, results of operations and cash flows. Such laws and regulations are also subject to change from time to time, and it is impossible for the Company to predict the cost or impact of changes on its future operations.

Reliance on Key Personnel

The success of the Company will depend on the abilities, experience, efforts and industry knowledge of its senior management and other key personnel. The long-term loss of the services of any key personnel for any reason could have a material adverse effect on the business, financial condition, results of operations or future prospects of the Company. In addition, the growth plans of the Company described in this Filing Statement may require additional personnel, increase demands on management, and produce risks in both productivity and retention levels. The Company may not be able to attract and retain additional qualified management and personnel as needed in the future. There can be no assurance that the Company will be able to effectively manage its growth, and any failure to do so could have a material adverse effect on its business, financial condition, results of operations and future prospects.

Litigation

To the Company's knowledge, as of the date of this Filing Statement, no material claims or litigation have been brought against the Company. However, the Company may become party to litigation from time to time in the ordinary course of business, which could adversely affect its business. Should any litigation in which the Company becomes involved be determined against the Company, such a decision could adversely affect the Company's ability to continue operating and the market price for the Common

Shares, and could result in significant financial and management resources of the Company being expended in connection therewith. Even if the Company is involved in litigation and wins, litigation can redirect significant company resources.

In addition to being subject to litigation in the ordinary course of business, in the future, the Company may be subject to class actions, derivative actions and other securities litigation and investigations. This litigation may be time consuming, expensive and may distract the Company from the conduct of its daily business. It is possible that the Company will be required to pay substantial judgments, settlements or other penalties and incur expenses that could have a material adverse effect on its operating results, liquidity or financial position. Expenses incurred in connection with these lawsuits, which would be expected to include substantial fees of lawyers and other professional advisors, and the Company's obligations to indemnify officers and directors who may be parties to such actions, could materially adversely affect the Company's reputation, operating results, liquidity or financial position.

Risks Facing Investee Companies

As previously noted, the Company's financial condition and results of operations will be affected by the performance of the companies in which it invests. Each investee company will also be subject to risks which will affect their respective financial condition. Given that, other than with respect to the Initial Investment, the Company does not currently know the exact nature of the businesses in which it may make investments, it is impossible to predict exactly what risks investee companies will face. Nonetheless, typical risks which investee companies might be expected to face include the following:

- Investee companies may need to raise capital through equity or debt financing. Failure to obtain such equity or debt, or the terms of such equity or debt that may be available, may impair the ability of investee companies to finance their future operations and capital needs. Flexibility to respond to changing business and economic conditions may therefore be limited.

- The success of investee companies may depend on the talents and efforts of one or two persons or a small group of persons. The death, disability or resignation of one or more of these persons could have a material adverse impact on an investee company.

- Investee companies may require additional working capital to carry out their business activities and to expand their businesses. If such working capital is not available, the financial performance and development of the businesses of the investee companies may be adversely affected.

- Damage to the reputation of investee companies' brands could negatively impact consumer opinion of those companies or their related products and services, which could have an adverse effect on their businesses.

- Investee companies may face intense competition, including competition from companies with greater financial and other resources, and more extensive development, manufacturing, marketing and other capabilities. There can be no assurance that investee companies will be able to successfully compete against their competitors or that such competition will not have a material adverse effect on their businesses.

- Investee companies may experience reduced revenues through the loss of a customer representing a high percentage of their revenues.

- Investee companies may experience reduced revenues due to an inability to meet regulatory requirements, or may experience losses of revenues due to unforeseeable changes in regulations imposed by various levels of government.

- Investee companies may rely on government or other subsidy programs for revenue or profit generation. Changes to, or elimination of, such programs may have an adverse effect on such companies.

- Investee companies may experience negative financial results based on foreign exchange losses.

Risks Related to the Business of Waiward Steel

Market Economic Conditions and Competition

Waiward Steel has three primary operating divisions, being engineering and drafting, steel fabrication and construction. These sectors are subject to cyclical variations. The non-residential construction sector is very closely tied to changes in overall economic conditions. Fluctuations in demand for construction products and solutions could lower sales volume and reduce profit margins. Growth and economic cycles have a direct impact on the level of annual demand in the construction sector. Moreover, cyclical fluctuations in demand are frequent in Waiward Steel's activity sector and can have a significant impact on the level of competition for available projects and the award of new contracts. Given the cyclical nature of the engineering and construction sectors, Waiward Steel's financial results, as well as those of other companies in these sectors, could be affected by various factors that are beyond its control, and consequently, the Company's financial results could occasionally undergo major and unforeseeable fluctuations. In certain market sectors, Waiward Steel faces competitors with integrated activities (fabrication of steel and finished products). Depending on the market, it may compete with local, regional, national and international corporations for certain products. This competition increases when market conditions are difficult and exerts pressure on prices, which is one of the primary factors considered in determining which qualified contractor or supplier is awarded a contract.

Interruption or Slowdown of Activities

Waiward Steel's activities could be interrupted or slowed down at one or several fabrication plants if it does not obtain new contracts. Certain factors, such as the unavailability of materials, the loss of an executive officer or key fabrication site, the unavailability of qualified personnel, a labour dispute or the unfavorable geographic location of a plant could prevent Waiward Steel from meeting customer demand, reduce its sales or have an impact on its net income. Waiward Steel holds the appropriate insurance policies to cover the interruption of activities and sociopolitical risks. A succession plan for key personnel has been put in place and is reviewed annually. As regards the continuity of production, a preventive maintenance program for production equipment is in place.

Environment, Health and Safety

The design and fabrication of construction products entails risks to operations and the environment as well as to health and safety. Human error or circumstances that are beyond Waiward Steel's control can cause material damage or physical injury that could result in loss of revenue, increased costs or liability to third parties. Certain of Waiward Steel's operations involve risks of environmental liability. The operations that could have potential repercussions on the environment are welding, which produces smoke (emitted in the form of atmospheric particles), and painting, which releases volatile organic compounds (VOC) and generates hazardous residual materials. Waiward Steel uses software that has improved the design, drafting, estimation and fabrication of its products to minimize human error in its operations. It also controls production quality in its plants and is protected by liability insurance coverage. Environment, health and safety personnel oversee the introduction and application of good practices to prevent, detect and correct all instances of non-compliance or exposure to environmental, health and safety risks.

Compliance with Laws and Regulations

Waiward Steel is exposed to risks of non-compliance with applicable laws and regulations, which vary from one country to the next and are subject to change. Non-compliance with applicable laws and regulations as well as an instance of fraud could render Waiward Steel ineligible to obtain certain contracts, result in penalties or lawsuits, and eventually harm its image or reputation. Over and above the code of ethics that personnel must adhere to annually and the signed declarations required of management team members that are designed to promote a culture of compliance with laws and regulations as well as to prevent fraud at Waiward Steel, any intentional act or voluntary omission that could harm the interests or damage the reputation of Waiward Steel will be the subject of a sanction that can go as far as the termination of the relationship of the party in question, whether an employee or business partner.

Disruptions in Information and Communications Technology Services

A disruption in information and communications technology (ICT) services, some of which depend on services provided by third parties, can impair the efficiency of Waiward Steel's activities as computer systems play an important role in the design and fabrication processes of products and services that are offered both externally and internally. Waiward Steel is exposed to the risk of cyber incidents in the normal course of business, such as deliberate attacks aimed at stealing intellectual property or other assets and sensitive information. Such incidents could result in damage to its reputation, lawsuits, inefficiencies or production stoppages as well as an increase in the costs related to protection and applicable corrections with regard to cyber security. Given the rapid evolution of ICT and the sophisticated level of cyber incidents, evasive action against ICT-related risks may not be sufficient to guarantee that Waiward Steel's activities will not be interrupted or suffer losses related to ICT disruptions. Despite this reality, Waiward Steel, through internal auditing or the services of external experts, is taking measures in the area of technological security and has disaster recovery plans in place to mitigate the risk to which it is exposed with regard to these vulnerabilities related to emerging information and communications technologies.

Customer Requirements and Satisfaction

Changing demand in the construction sector, the complex economic environment in the digital age, and market globalization, combined with the increasingly sophisticated needs of customers who have high and uncompromising expectations with regard to quality, can limit Waiward Steel's ability to offer, produce and deliver, on the deadline agreed upon with the customer, high quality products and services in a reliable and profitable way. Products or services that do not meet customer expectations could cause bad publicity or harm Waiward Steel's reputation, resulting in the loss of current or potential customers. Waiward Steel is also exposed to lawsuits in the event of a fabrication defect that causes damages to third parties.

Liquidity and Funding

Waiward Steel requires sufficient working capital to be able to operate. Its contracts are primarily based on firm prices. For the majority of sales, billing is performed when the products are delivered. For others, including erection contracts, billing is performed on a monthly basis according to the progress of the work. When modifications or additions are required by clients during the course of a project, Waiward Steel incurs additional costs, and the associated revenues are recognized only once they have been accepted by the client. To the extent that Waiward Steel is unable to receive payments in the early stages of a project, its cash flows could be reduced.

Credit Risk

Credit risk is the risk that Waiward Steel will incur a loss due to the failure by its debtors to settle some or all of their debts at due date. Waiward Steel is mostly exposed to credit risk by its cash, accounts receivable, costs and estimated profits in excess of billings and long-term receivables. Waiward Steel considers credit risk related to debtors and contracts in progress is limited for the following reasons:

- Waiward Steel conducts an ongoing evaluation of its clients. The established procedures ensure that it benefits from maximum protection through guarantees available in the North American construction industry.

- Waiward Steel sells to a wide range of clients that operate in various sectors and geographical regions.

- Waiward Steel is exposed to a normal credit risk for its accounts receivable. The debtors' financial position is analyzed to determine if there is an indication of impairment, and a provision is established accordingly. Waiward Steel takes into account the specific credit risk of clients, their historical tendencies and the economic situation.

INFORMATION CONCERNING THE COMPANY

Name and Incorporation

Trenchant's full corporate name is "Trenchant Capital Corp.". It was incorporated under the BCBCA on December 17, 2009.

The head office and principal business office of Trenchant is located at 333 Bay Street, Suite 630, Toronto Ontario M5H 2R2 and its registered office is located at Suite 900 – 885 West Georgia Street, Vancouver, BC V6C 3H1.

The Company has one subsidiary, being the Lender, a company incorporated under the BCBCA, which is currently inactive and is expected to be utilized by the Company for the purpose of making the Initial Investment.

General Development of the Business

The Company was formed on December 17, 2009 under the name "Rara Terra Capital Corp.". The Common Shares were listed for trading on the TSXV in August 2010. The Company was initially a Capital Pool Company (as defined in the Manual) and completed its Qualifying Transaction (as defined in the Manual) in 2011, by way of the acquisition of certain mineral claims in the Omenica Mining District in British Columbia, thus becoming a Resource Issuer (as defined in the Manual). In connection therewith, the Company changed its name to "Rara Terra Minerals Corp.", effective May 4, 2011. In 2012, the Company acquired interests in certain oil and gas properties located in Trego County, Kansas and, in connection therewith, changed its name to "Echelon Petroleum Corp.", effective May 3, 2013. In 2014, the Company disposed of its oil and gas interests, and the Company's last remaining mineral claims expired in 2015.

In August 2015, the BCSC issued a cease trade order against the Company for failure to file its annual audited financial statements and MD&A for the year ended March 31, 2015, and trading in the Common Shares was halted by the TSXV. In November 2015, the Company's listing was transferred to the NEX board of the TSXV. In January 2016, the BCSC issued a partial revocation order in respect of the cease trade order, pursuant to which the Company was permitted to undertake a $600,000 private placement, in order to enable the Company to complete its delinquent filings, as well as a debt settlement (see "*Prior Sales*" for details of the private placement and a debt settlement). The BCSC revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSXV reinstated trading in the Common Shares on the NEX on May 3, 2016.

On May 10, 2016, the Company changed its name from "Echelon Petroleum Corp." to "Trenchant Capital Corp." to facilitate the proposed Change of Business from a Resource Issuer to an Investment Issuer.

Hillcore Strategic Alliance

On April 25, 2016, the Company entered into the Strategic Alliance Agreement with the Hillcore Group. Hillcore Group is a leading independent Canadian investment and advisory firm that invests predominantly in the life sciences, real estate, seniors living, financial, industrial and energy sectors. With offices in Toronto, Vancouver, Calgary and Montreal, the Hillcore Group employs approximately 2,500 people throughout Canada across its various groups and portfolio companies. Entities under management by the Hillcore Group had an asset value in excess of $4.4 billion as of December 31, 2015.

Pursuant to the terms of the Strategic Alliance Agreement, Hillcore Group has agreed to grant Trenchant an exclusive first right to: (i) review Hillcore Group's initial due diligence on potential business targets, and (ii) negotiate with Hillcore Group the participation by Trenchant in Hillcore Group's acquisition of business targets, primarily by way of Special Situation Debt, which may include secondary, subordinated, mezzanine or non-traditional debt, asset backed securities and back-leveraged/holdco debt. Trenchant has also been granted certain back-in and tag along negotiation rights, as well as negotiation rights for capital market transactions with respect to projects for which Trenchant has provided financing. HCG5, a limited partnership related to the Hillcore Group, holds approximately 17.3% of the issued and outstanding Common Shares.

On June 6, 2016, the Company executed a non-binding term sheet with Hillcore Group pursuant to which the Company proposed to loan up to $20,000,000 to the Hillcore Group or one of its portfolio companies. On June 7, 2016, the Company announced that it was pursuing a Change of Business to become a Tier 2 Investment Issuer on the TSXV, focused on providing Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth, and that it would be undertaking a series of financings to fund the Initial Investment and complete the Change of Business.

Narrative Description of the Business

Reasons for The Change of Business

Due to the current state of the natural resources exploration and development market, and given the expertise of the members of the Board, the Board believes the best path forward for the Company is as an Investment Issuer, focused on providing Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth. For these reasons, the Board has proposed that the Company complete the Change of Business.

Description of the Proposed Business

As an investment issuer, the Company plans to provide Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth. The Company also plans to generate shareholder equity by taking and where prudent, exercising, equity purchase rights in portfolio companies, and by participating in potential going-public transactions or other liquidity events in portfolio companies.

The Company will seek to preserve capital and limit downside risk through investing in connection with obtaining appropriate security for such investment. The Company plans to work closely with management of portfolio companies, either by securing board observation rights and/or board appointment rights, or entering into management service arrangements. Barring special circumstances, the Company will be limited to investing not more than 30% of its equity capital in any one particular investment in accordance with its Investment Policy.

The Company will seek to make investments in companies where historical financial and product performance can be used as the primary gauge of risk. Investment due diligence is expected to be focused on tangible, measurable results rather than forward looking estimates more common in venture capital investments.

Like other investment companies, the Company expects to have a highly scalable business model where a small investment team can drive a large number of transactions. As such, the Company expects to continue to operate with a small Board and limited management team.

Market

The Company intends to seek investments in private companies with a history of stable cash flow. Companies within the Company's target market are typically looking for growth capital or succession liquidity. Although well established with a long track record of operation, many potential investee companies fail to qualify for the investment criteria of traditional capital providers due to a variety of factors, including that:

- traditional private equity institutional investors, an important source of growth capital, tend to invest in larger enterprises with a longer history of established cash flows;

- traditional venture capital investors tend to seek very high growth companies with potential for high multiple (greater than 10X) returns, and companies with this characteristic represent a small percentage of the total market; and

- traditional lenders such as banks are highly risk-averse and provide only limited capital to companies in the Company's target market, with terms designed to protect their investment through profitability covenants, which is often counter-productive to an investee company's growth.

As a result, the Company believes that there is a niche in the capital sector for investment companies that seek to make investments of the type the Company intends to pursue.

Investment Policy

As required by the TSXV's listing requirements for an Investment Issuer, the Company has adopted the Investment Policy to govern its investment activities. A copy of the Investment Policy is attached hereto as Schedule "C". The Investment Policy sets out, among other things, the Company's investment objectives and strategy based on the fundamental principles set out below.

The Investment Policy provides that the Company will: (a) seek to provide Special Situation Debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth (outside of the resource extraction and resource exploration sectors), (b) generate shareholder equity by taking and where prudent, exercising, equity purchase rights in portfolio companies, (c) participate in potential going-public transactions or other liquidity events in portfolio companies, and (d) seek to preserve capital and limit downside risk through securely structuring its investments. The Company plans to work closely with management of portfolio companies, either by securing board observation rights and/or board appointment rights, or management service arrangements. Barring special circumstances, the Company will be limited to investing not more than 30% of its equity capital in any one particular investment.

The Investment Policy provides the Company with broad discretion with respect to the form of investments made. The Company may employ a wide range of investment instruments, including: equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, and other hybrid instruments. The Company may acquire limited partnership interests, joint venture or real property interests. Where appropriate the Company may act as a third party advisor with respect to opportunities with target or other companies in exchange for a fee. The Investment Policy shall not permit the Company to invest in physical commodities, derivatives, "short" sales, substantial "passive" equity positions or other similar transactions. Notwithstanding the foregoing, the Company may authorize investments outside of these structures for the benefit of the Company and its shareholders.

The Company is committed to providing investors with sufficient disclosure about its investments to enable investors to evaluate the performance, operations and risks thereof. In particular, if the Company has any Significantly Concentrated Debt Investment, the Investment Policy requires the Company to:

- confirm the sufficiency of each borrower's cash flow to service its debts, and the adequacy of the security package provided by such borrower, and to disclose in the Company's MD&A whether the Company considers such borrower's cash flow and pledged collateral are sufficient and adequate;

- disclose in the Company's MD&A the following key ratios on a comparative basis, which the Company considers to be the essential information required by a prudent debt investor:

    - Debt Service Ratio,

    - Fixed Charge Coverage Ratio, and

    - Net Debt to EBITDA Ratio;

- disclose in the Company's MD&A the approximate percentage increases and decreases, on a comparative basis, in a borrower's revenue and earnings; and

- disclose any material changes or facts in the business or affairs of a borrower that would have a material adverse impact on a borrower's cash flow or pledged collateral.

The Company will establish the Investment Committee to monitor its investment portfolio on an ongoing basis and to review the status of its investments at least once a month or on an as-needed basis. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members, including two members of the Board. The members of the Investment Committee will be appointed by the Board, and may be removed or replaced by the Board. Each member of the Investment Committee shall be financially literate. Initially, it is expected that the members of the Investment Committee will include directors and/or officers of the Company; however, the Company may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions. Nominees to the Investment Committee shall be recommended by the Board.

The members of the Investment Committee shall be appointed annually by the Board at the first Board meeting subsequent to the annual meeting of shareholders or on such other date as the Board shall determine. Members of the Investment Committee may be removed or replaced by the Board. Officers of the Company may be members of the Investment Committee.

On completion of the Change of Business, the Investment Committee shall be comprised of Eric Boehnke, Chief Executive Officer, Thomas English, director, and John Legg, director.

The Initial Investment

Pursuant to the terms of the Loan Agreement, the Lender has agreed to make the Initial Investment, in the minimum principal amount of $5,000,000 and the maximum principal amount of $20,000,000 (or $23,000,000 in the event that the Borrower consents and the Over-Allotment Option is duly exercised in full) to the Borrower, subject to the terms and conditions set out therein, including completion of the Convertible Debenture Financing and the approval of the TSXV for the Change of Business. The Initial Investment is to be drawn down by the Borrower in one or more drawdowns, with the initial drawdown to be drawn down on or prior to May 15, 2017 and to be in an amount not less than $5,000,000 and subsequent drawdowns to be in an amount not less than $2,000,000, with the final drawdown to be drawn down on or prior to September 30, 2017. The Borrower intends to use the proceeds of the Initial Investment for debt repayment, distributions, operating expenses and general working capital purposes.

The Borrower is a limited partnership related to Hillcore Group and indirectly controls an 82.89% interest in Waiward Steel. The Borrower has agreed to pledge the WHLP Units, representing 92.11% of the outstanding units in the capital of WHLP, as security for the Initial Investment.

The Company has undertaken to the TSXV to make a second investment within one year of the TSXV's final bulletin accepting the COB.

Waiward Steel

Hillcore Group acquired Waiward Steel in April 2015. Waiward Steel is a diversified construction, engineering and drafting services company based in Edmonton, Alberta that has been in business for over 45 years. Waiward Steel operates one of Canada's largest steel fabrication facilities, with over 200,000 square feet of fabrication space and the ability to produce up to 1,000 tons per week. With over 600 employees, Waiward Steel has been named one of Canada's Top 50 Best Managed Companies every year since 2005 and serves multiple sectors across Western Canada and around the world.

As a result of its solid reputation, strong relationships and breadth of services, Waiward Steel has garnered a client base that boasts the industry's leading customers including:

• SNC Lavalin	• Siemens	• Canadian Natural Gas	• Encana	• Shell
• Ledcor	• ATCO Group	• Suncor	• Worley Parsons	• TransCanada
• Krupp Canada	• PCL Construction	• Fluor	• Enbridge	

Waiward Steel has three primary operating divisions, being engineering and drafting, steel fabrication and construction.

Engineering and Drafting

Waiward Steel's full-service engineering and drafting division provides services that include:

- connection design;
- 3D modelling;
- cutting and drilling requirements;
- shop, erection and anchor bolt layout drawings; and
- specialized reporting.

Waiward Steel provides full service engineering and drafting services to different sectors, including:

- Industrial: Petro-chemical and oil-sands projects;
- Mining: Both open cast and underground facilities;
- Infrastructure: Including road and river bridges;
- Commercial: Stadiums, hotels, office towers and malls; and
- Institutional: Hospitals, clinics and corrections facilities.

Steel Fabrication

Waiward Steel has one of Canada's largest fabrication facilities, with 216,000 sq. ft. of fabrication space on 16 acres of land, and can produce up to 1,000 tonnes per week. Its fabrication services include:

- structural steel fabrication and erection;
- heavy plate work;
- large span truss;
- industrial process equipment fabrication;
- material handling equipment; and
- material processing/shop detailing.

Waiward Steel's fabrication facility is equipped with automated detail equipment and robotic welding equipment that pull information directly from its drafting models, allowing for increased welding precision and efficiency.

Waiward Steel manages strategic partnerships with a select group of fabricators across Canada. This access to capacity gives it the ability to address changes in project scope and schedule.

In addition, Waiward Steel has a 36,000 sq. ft. onsite blasting and painting operation that can easily handle any project coating requirements.

Construction

Waiward Steel's construction division wholly manages construction projects on behalf of its clients. Waiward Steel's construction expertise is primarily focused around the erection and installation of structural steel and equipment.

Waiward Steel's construction services include:

- Structural Steel Erection;
- General Construction Services – including civil services, steel erection, building envelope, painting, mechanical, electrical and scaffolding;
- Pipe Fabrication and Installation;
- Equipment Installation;
- Onsite Construction Services/MRO Work – Waiward Steel maintains a year-round presence on some of its clients' sites, performing onsite maintenance, repair, overhaul and shutdown work in the operating portions of their plants. This service provides clients with direct access to Waiward Steel's staff, engineering and drafting services, procurement power, inventory and erection/installation crews, helping to reduce operational costs and downtime while successfully completing capital projects; and

- Modular and Pre-Construction Assembly – Waiward Steel devises solutions to complete erection, assembly and installation work to produce cost and time savings, reduced risk and increased levels of safety and quality.

Waiward Steel – Management

Jean-Marc Bougie, Chairman of the Board

Mr. Bougie is chairman of Waiward Steel and CEO of Hillcore Group, where he oversees operations, team building, asset management and the strategic direction of the company. Prior to joining Hillcore Group, he was Managing Director in RBC Capital Markets' Investment banking group. Mr. Bougie holds a Bachelor of Commerce degree from Concordia University and a Masters in Finance degree from the London Business School.

Terry Degner, President

Mr. Degner is President of Waiward Steel and has been with the company since 2001. He is the son of the previous owner and has held various positions within the organization. Mr. Degner holds a Bachelor of Commerce degree from the University of Alberta. Prior to joining Waiward Steel, he spent 6 years as an investment advisor in the Edmonton area.

Jim Kanerva, Chief Operations Officer

Mr. Kanerva is Chief Operations Officer of Waiward Steel. He has been with Waiward Steel since 1994 and was promoted to Chief Operations Officer in 2010. He holds a Bachelors Degree in Mechanical Engineering and a Masters of Engineering Degree in Engineering Management from the University of Alberta. He is currently working to complete a PhD in Construction and Engineering Management at the University of Alberta.

Rob Wright, Vice-President Fabrication

Mr. Wright is Vice President, Fabrication, of Waiward Steel and has been with Waiward Steel since 1997. He has a Bachelor of Science degree in Civil Engineering and a Masters degree in Welding Engineering from the University of Alberta. Mr. Wright is also an International Welding Engineer, certified through the International Institute of Welding, and a Canadian Welding Bureau Level III Certified Welding Inspector. He currently sits on the CSA Technical Committee on Welding of Bridges, Buildings and Machinery.

Donny McCue, Vice-President Construction

Mr. McCue is Vice President, Construction, of Waiward Steel. He joined Waiward Steel in February 2010 to oversee construction operations. Prior to joining Waiward Steel, Mr. McCue worked for Suncor Energy in its major projects division in Fort McMurray, Calgary and Edmonton. He started with Suncor as an on-site construction coordinator and later became the construction manager in Calgary's planning department. He later moved to the Suncor fabrication team in Edmonton, managing fabrication shops and module assembly yards. Mr. McCue has 25 years of experience in the construction industry working on large projects throughout Alberta. He holds a Journeyman Ironworker Certificate and a Project Management certificate from the Northern Alberta Institute of Technology.

Nazim Merali, Chief Financial Officer

Mr. Merali is Chief Financial Officer of Waiward Steel and joined Waiward Steel in August 2015. He has in excess of 20 years' experience as CFO for the University of Alberta and Caritas Health Group and CEO of uDigit Systems in Edmonton, Alberta. He has an exemplary track record in successfully leading organizations through complex financial and organizational operations, and information technology transformations, including a one-enterprise approach to the management and delivery of financial and management information across a multitude of organizations.

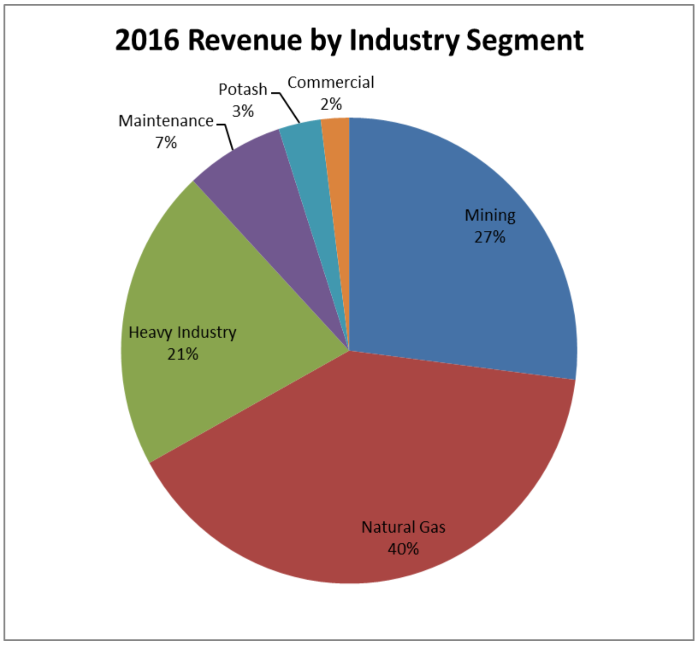
Due Diligence Process

Trenchant's management team has conducted due diligence on the business and affairs of the Borrower, WHLP and Waiward Steel, including:

- review of Waiward Steel's audited financial statements and unaudited interim financial statements;
- review of Waiward Steel's operating model and financial projections;
- review of Waiward Steel's order book;
- review of industry, competition and comparables, sectoral revenue streams, growth plans and sectoral risks;
- site visits;
- interviews with members of the Borrower's senior management; and
- weekly calls with the Borrower.

In determining that the cash flow from the Borrower's indirect 82.9% interest in Waiward Steel and the pledge of the WHLP Units (representing 92.11% of the outstanding units in the capital of WHLP) will be sufficient to fund the Borrower's interest payments and to repay the Initial Investment in full, and is adequate collateral for the Borrower's obligations, the Company considered:

- Waiward Steel's historical revenues, which were in excess of $200,000,000 for each of 2015 and 2016;
- Waiward Steel's assets and liabilities;
- the decrease in the outstanding principal amount of Waiward Steel's net debt (current and long term debt, less cash) from approximately $35,000,000 at December 31, 2015 to approximately $18,500,000 at December 31, 2016;
- Waiward Steel's earnings and cash flows;
- that the Loan Agreement includes a contractual cap on WHLP or Waiward Steel taking on debt in excess of the greater of: (i) $50,000,000 or (ii) three times trailing EBITDA; and
- the diversification of Waiward Steel's business by industry segment, as set out in the chart below.



Terms of the Initial Investment

The Initial Investment may be made in one or more advances, with the initial advance to be an amount not less than $5,000,000 and each subsequent advance to be in an amount of not less than $2,000,000. The initial advance shall be available until, and shall be drawn down on or prior to, May 15, 2017, and all advances shall be drawn down not later than September 30, 2017 (or such other date as may be mutually agreed by the parties).

The outstanding principal of the Initial Investment will bear interest at the rate of 12.5% per annum, with 10% payable quarterly in cash and 2.5% being added quarterly to the outstanding principal of the Initial Investment and payable on the maturity date, which will be March 31, 2022. Interest will be calculated as of the last day of each quarter during the term of the Initial Investment, beginning on June 30, 2017 (in any case, a "**Loan Interest Calculation Date**"). On each Loan Interest Calculation Date, the Borrower shall defer, or "pay in kind", an amount equal to one-fifth (1/5) of the interest payment otherwise due on such date (the "**PIK Interest**"), which PIK Interest shall be added to the aggregate outstanding principal as at such Loan Interest Calculation Date. The Lender shall, following each such Loan Interest Calculation Date, notify the Borrower of the amount of such PIK Interest deferred and the principal amount then outstanding. The Borrower has also agreed to pay the Lender the Finance Fee.

The Borrower may prepay the outstanding principal of the Initial Investment and any accrued and unpaid interest thereon in whole or in part at any time without penalty or bonus, provided that the Borrower shall reimburse the Lender for any break funding costs or make-whole amount or prepayment penalty incurred by the Lender in connection with any early repayment or redemption of the Convertible Debentures which repayment or redemption is required as a result of such early repayment or redemption, provided that the terms of the Debentures have been approved by the Borrower prior to the issuance thereof (in any case, the "**Break Costs**"). The proceeds arising from: (i) any public or private offering of equity securities of the Borrower, the Borrower's General Partner or WHLP, including an outright sale of the Borrower, the Borrower's General Partner or Waiward Holdings; or (ii) the realization against any or all of the assets of the Borrower or the Borrower's General Partner included in the security under the Initial Investment upon an event of default under the Loan Agreement, shall be applied against the balance of the principal remaining unpaid, together with applicable Break Costs. Such mandatory prepayment may be waived by the Lender in its sole discretion.

The Loan Agreement provides that, in connection with the Initial Closing, Trenchant and the Borrower will enter into a management agreement, the form of which is attached to the Loan Agreement, pursuant to which, among other things: (i) Trenchant will agree to provide management services to the Borrower, including strategic guidance, program development, logistical analysis and financial consulting services (collectively, the "**Services**"); (ii) the Borrower will agree to grant Trenchant certain corporate governance rights, including observer rights at board meetings of the Borrower's General Partner and of Waiward Holdings GP, and the right to appoint a nominee to the board of directors of the Borrower's General

Partner; and (iii) the Borrower will agree to reimburse Trenchant for all reasonable expenses incurred in connection with providing the Services.

At the Initial Closing, Trenchant will also be granted a five-year unit purchase option by the Borrower, entitling Trenchant to purchase up to 10% of the Borrower's holdings in WHLP, with an escalating exercise price based upon the projected earnings of Waiward Steel. The actual percentage interest available to be acquired will be based upon the amount of funds advanced under the Loan Agreement.

The Initial Investment will be secured by the following:

(i) a promissory note payable by the Borrower to the Lender evidencing the Initial Investment;

(ii) a securities pledge agreement from the Borrower pursuant to which the Borrower will pledge all WHLP Units in favour of the Lender, together with applicable acknowledgements and agreements of WHLP, stock power(s) of attorney and authorizing resolutions and consents;

(iii) a full recourse guarantee with assignment and postponement of claims from the Borrower's General Partner and a securities pledge agreement from the Borrower's General Partner pursuant to which the Borrower's General Partner will pledge all of the issued and outstanding units of the Borrower registered in its name in favour of the Lender, together with applicable stock powers of attorney and authorizing resolutions and consents;

(iv) a securities pledge agreement from HWIL pursuant to which HWIL will pledge all shares in the capital of Waiward Holdings GP in favour of the Lender, together with applicable acknowledgements and agreements of Waiward Holdings GP, stock power(s) of attorney and authorizing resolutions and consents;

(v) a direction from the Borrower to WHLP and from WHLP to Waiward Steel GP to: (a) pay an amount up to the amount contemplated on each Payment Date (as defined in the Loan Agreement) as notified by the Lender directly to the Lender, (b) pay an amount up to the amount required on the Maturity Date directly to the Lender, and (c) following delivery of a notice of a Default or an Event of Default (each as defined in the Loan Agreement) from the Lender, pay all distributions in respect of the WSLP Units directly to the Lender, in all cases, from amounts otherwise payable to WHLP related to the WSLP Units; and

(vi) a direction from Abacus Private Equity Ltd. ("**Abacus**") to Waiward Steel GP to pay all management fees from amounts otherwise payable to Abacus in respect of Waiward Steel directly to the Lender to the extent that any distribution from WHLP or Waiward Steel is not sufficient to pay amounts due on any Payment Date as contemplated in clause (v) above), or such amounts due are not paid to the Lender for any reason.

Key Ratios and other Summary Disclosures

Waiward Steel had gross revenues of approximately $215,000,000 for the fiscal year ended December 31, 2016 and approximately $155,000,000 for the nine-month period ended December 31, 2015 (approximately $207,000,000 annualized).

As provided in the Investment Policy, the following are the key ratios that the Company must consider with respect to the Initial Investment as, at the time of the Initial Closing, it will constitute a Significantly Concentrated Debt Investment, as contemplated by the Investment Policy:

	12 months ended 12/31/2016 (Pro Forma)(1)	12 months ended 12/31/2016
Debt Service Ratio(1)	1.59	2.11
Fixed Charge Coverage Ratio(2)	1.33	1.58
Net Debt to EBITDA Ratio(3)	2.05	0.89

(1) Assumes the Maximum Debenture Financing is completed such that the Initial Investment has a principal amount of $20,000,000.

The Company has confirmed the sufficiency of the Borrower's cash flow to service the Initial Investment, and the adequacy of the security package provided by the Borrower in connection therewith, and believes that the Borrower's cash flow and pledged collateral are sufficient and adequate to service the Initial Investment.

As required by the Investment Policy, the following are the approximate percentage increases in Waiward Steel's revenues and net income for its most recently completed fiscal year ended December 31, 2016:

Trailing 12 month increase (decrease) in	12 months ended 12/31/2016
Revenue(1)	4%
Net Income(1)	97%

(1) Prior year figures annualized.

The Company is not aware of any material changes or facts in the business or affairs of the Borrower that would have a material adverse impact on the Borrower's cash flow or pledged collateral.

The initial closing of the Initial Investment is subject to the concurrent initial closing of the minimum Concurrent Financings and the approval of the TSXV.

Potential Future Deal Flow

- **Hillcore has under LOI:** Alberta based Industrial Company; sales of $50MM+ with strong book of business – strong sales synergies with Waiward; mezzanine financing opportunity - $5-10MM

- **Hillcore Portfolio Company:** Ontario based Long-term Care Operator; sales of $100MM; government license to operate; mezzanine financing opportunity of $7.5-15MM

- **Target Companies:** Seniors Living Operations; Quebec, Ontario and BC based operations; enterprise values of $100-$300MM; mezzanine financing opportunity of $10-50MM per deal

- **Real Estate Opportunities:** Industrial/Commercial Real Estate; primarily Ontario and Alberta based opportunities; $50-100MM asset values; mezzanine financing opportunities of $10-20MM per deal

Notwithstanding the foregoing, the sole recourse of Computershare Trust (on behalf of the holders of the Convertible Debentures) against the Company shall be with respect to the first priority security interest granted to Computershare Trust in the securities of the Lender, and Computershare and the holders of the Convertible Debentures shall have no right to payment from the Company or against any of the Company's other property or assets, except as otherwise permitted by law. The Company has not undertaken due diligence on these potential future deals, nor has it engaged in any negotiations of terms. The potential future deals listed are for illustrative purposes only. There is no guarantee that future deals will pass due diligence review or that the Company will be able to negotiate terms acceptable to it in connection therewith.

The Concurrent Financings

The Change of Business is conditional upon the Company completing the Concurrent Financings in the minimum amounts.

The Convertible Debenture Financing

Pursuant to the Agency Agreement, the Company has agreed to retain the Agents to offer for sale, on a best efforts basis, to the public in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario, subject to prior sale, if, as and when issued by the Company, a minimum of 5,000 Convertible Debentures and up to a maximum of 20,000 Convertible Debentures for aggregate gross proceeds of a minimum of $5,000,000 up to a maximum of $20,000,000 at a price of $1,000 per Convertible Debenture, subject to compliance with all necessary legal requirements and to the conditions contained in the Agency Agreement (and up to 23,000 Convertible Debentures for gross proceeds of up to $23,000,000 if the Over-Allotment Option is exercised by the Agents in full).

The Convertible Debentures will be created pursuant to the Debenture Indenture, to be entered into between the Company and Computershare Trust, as debenture trustee, at or prior to the Initial Closing. The following is a summary of the material attributes and characteristics of the Debentures and is subject to, and qualified in its entirety by reference to, the terms of the Debenture Indenture.

The Convertible Debentures will be dated as at the applicable Closing and will be issuable only in denominations of $1,000 and multiples thereof. The maturity date for the Convertible Debentures will be March 31, 2022.

The Convertible Debentures will bear interest from the date of issue at the rate of 9.0% per annum, based on a 365 day year, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually. Interest shall be calculated quarterly on each Interest Calculation Date, being March 31, June 30, September 30 and December 31), and will be paid in arrears in equal quarterly payments (with the exception of any first interest payment, which will include interest from and including the applicable Closing to the next Interest Calculation Date, and the last interest payment, which will include interest from January 1, 2022 to but excluding the maturity date and will be payable on the maturity date, if not redeemed or converted prior to the maturity date), in cash, on the applicable Interest Payment Date (being January 20, April 20, July 20 or October 20, with the exception of the last interest payment), to holders of record as at the close of business on the applicable Interest Calculation Date (or as at the close of business on the Business Day prior to the maturity date in the case of the last interest payment).

The principal amount of the Convertible Debentures will be payable in lawful money of Canada or, at the option of the holders thereof and subject to the terms of the Debenture Indenture and applicable regulatory approval, may be converted into Common Shares. Interest on the Convertible Debentures will be payable only in cash.

The Debentures will be secured by the Pledge Agreement. Under the Pledge Agreement, Computershare Trust has been granted a first priority security interest in the securities of the Lender as agent for the holders of the Convertible Debentures. Following and during the continuance of an Event of Default (as defined in the Debenture Indenture), Computershare Trust will have the rights described in the Pledge Agreement. In the event that the Company defaults in its obligations under the Debenture Indenture, the sole recourse of Computershare Trust (on behalf of the holders of the Convertible Debentures) against the Company shall be with respect to the first priority security interest granted to Computershare Trust in the securities of the Lender, and Computershare Trust and the holders of the Convertible Debentures shall have no right to payment from the Company or against any of the Company's other property or assets, except as otherwise permitted by law.

Commencing on the date that is one year after the Initial Closing, the outstanding principal amount of the Convertible Debentures may be converted into fully paid and non-assessable Common Shares at the option of the holder until the close of business on the earlier of: (i) the Business Day immediately preceding the maturity date, (ii) the Business Day immediately preceding the Redemption Date if the Convertible Debentures are called for redemption by the Company, or (iii) if called for a repurchase pursuant to a Change of Control (as defined in the Debenture Indenture), on the Business Day immediately preceding the payment date (in any case, the "**Time of Expiry**"), subject, except in the case of a redemption by the Company, to the Conversion Restriction. Any such conversion will be at the Convertible Debenture Conversion Price. Assuming a minimum Convertible Debenture Conversion Price of $1.00, this represents a conversion rate of 1,000 Shares per $1,000 principal amount of Convertible Debentures, subject to adjustment upon the occurrence of certain events, including, but not limited to: share consolidations, share splits, spin-off events, rights issues or reorganizations, as provided in the Debenture Indenture.

Pursuant to the terms of the Debenture Indenture, holders of Convertible Debentures may be required to withdraw their Convertible Debentures from CDS and to obtain a certificate representing the Convertible Debentures registered in their own name (or then name of their applicable CDS participant) prior to effecting any conversion.

If prior to the Time of Expiry, the Company shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Common Shares in respect of any period of time, the Convertible Debenture Conversion Price shall be adjusted immediately after such record date in accordance with the terms of the Debenture Indenture.

Holders converting their Convertible Debentures will receive accrued and unpaid interest thereon from and including the day after the most recent Interest Calculation Date to the date that is one Business Day prior to the date of conversion, provided that interest will be payable solely in cash. Holders converting their Convertible Debentures shall become holders of record of Common Shares on the Business Day immediately after the conversion date. If a Convertible Debenture is surrendered for conversion on an Interest Calculation Date, the person entitled to receive Common Shares in respect of the Convertible Debenture so surrendered for conversion shall not become the holder of record of such Common Shares until the Business Day following the applicable Interest Payment Date.

Subject to the provisions thereof, the Debenture Indenture will provide for the adjustment of the Convertible Debenture Conversion Price in certain events. No fractional Common Shares will be issued on any conversion. The Company shall satisfy fractional interests by a cash payment equal to the Current Market Price of any fractional interest (less any tax required to be deducted, if any), provided, however, that the Company shall not be required to make any payment of less than $5.00.

The Debentures will not be redeemable prior to the second anniversary of the Initial Closing (except in limited circumstances involving a Change of Control (as defined in the Debenture Indenture). At any time after two years from the Initial Closing, the Company may, at its option, on not more than 60 days and not less than 30 days prior notice, redeem, in whole or in part, from time to time, the principal amount of the Convertible Debentures at the Redemption Price, which will be: (i) commencing on the date which is two years and one day after the Initial Closing and ending on the date which is three years after the Initial Closing, 105% of the outstanding principal amount of the Debentures plus any accrued and unpaid interest thereon; (ii) commencing on the date which is three years and one day after the Initial Closing and ending on the date which is four years after the Initial Closing, 103% of the outstanding principal amount of the Convertible Debentures plus any accrued and unpaid interest thereon; and (iii) commencing on the date which is four years and one day after the Initial Closing and ending on the date which is one day prior to the maturity date, 101% of the outstanding principal amount of the Convertible Debentures plus any accrued and unpaid interest thereon. The holders will have the right to accept the repayment or convert the principal amount of the Convertible Debentures at any time prior to the Redemption Date in accordance with the terms of the Debenture Indenture, provided that if a holder elects to convert their Convertible Debentures, the redemption amount shall be equal to the actual principal amount of the Convertible Debentures of such holder then outstanding and such holder will not be eligible to receive any premium in connection therewith. The Redemption Price will be paid in cash.

The Company will also be required to make an offer to repurchase the Convertible Debentures in the event of a Change of Control (as defined in the Debenture Indenture), in accordance with the terms of the Debenture Indenture.

The proceeds of the Convertible Debenture Financing will be used solely for making the Initial Investment. The Agency Agreement provides that the Company will pay to the Agents the Agents' Fee equal to 6.5% of the gross proceeds realized under the Offering, including proceeds derived from any exercise of the Over-Allotment Option, if any, being $65 per Convertible Debenture sold, in consideration for the Agents' services in connection with the Convertible Debenture Financing. In addition, the Company will reimburse the Agents for their reasonable expenses in connection with the Convertible Debenture Financing, subject to the terms of the Agency Agreement. As the entire gross proceeds of the Convertible Debenture Financing will be used for the Initial Investment, the Agents' Fee and the Agents' Expenses will be paid out of the proceeds of the Convertible Preferred Share Financing.

The Company has agreed to use reasonable commercial efforts to cause the listing of the Convertible Debentures on the TSXV within 90 days following the Initial Closing.

The initial closing of the Convertible Debenture Financing is expected to occur on or about April 27, 2017 (or such other date as may be agreed to by Trenchant and the Agents). The closing will be subject to the concurrent closing of the Convertible Preferred Share Financing, the satisfaction or waiver of all conditions precedent to the making of the first tranche of the Initial Investment (other than the completion of the minimum Concurrent Financings), and the receipt of the conditional approval of the TSXV for the Transaction.

The Convertible Preferred Share Financing

In connection with the Transaction, Trenchant is also undertaking the Convertible Preferred Share Financing of a minimum of 6,875,000 Convertible Preferred Shares and a maximum of 8,750,000 Convertible Preferred Shares, at a price of $0.40 per Convertible Preferred Share, for minimum gross proceeds of $2,750,000 and maximum gross proceeds of $3,500,000 (or such other number of Preferred Shares and at such price as may be determined by the Board in its sole discretion). The proceeds of the Convertible Preferred Share Financing are expected to be used to pay the Agents' Commission in connection with the Convertible Debenture Financing, other costs related to the completion of the Convertible Debenture Financing and the Transaction and to fund the working capital needs of Trenchant, including payment for due diligence expenses incurred in connection with the evaluation of other potential investment opportunities.

The Convertible Preferred Shares will be subject to special rights and restrictions, which include the right to receive annual preferential, non-cumulative dividends at a fixed rate of 8% per annum. The holders of Convertible Preferred Shares may, at any time commencing on the date that is one year after the date of closing of the Convertible Preferred Share Financing, convert their Convertible Preferred Shares, without the payment of any additional consideration, into Common Shares on a one for one basis (subject to adjustment), subject to a maximum conversion limit in any 180 day period of 25% of the number of Convertible Preferred Shares that the holder initially held on the applicable Closing. The Preferred Shares will automatically convert into Common Shares on a one for one basis (subject to adjustment) on the third anniversary of the closing of the Convertible Preferred Share Financing.

Holders of Convertible Preferred Shares will not be entitled to receive notice of, attend or vote at any general meeting of the shareholders of the Company. The Convertible Preferred Shares cannot be retracted or redeemed, and in the event of any liquidation, dissolution or winding up of the Company, holders of Convertible Preferred Shares will be treated rateably with the holders of Common Shares. (on an as-converted to Common Shares basis)

The Convertible Preferred Shares will not be listed for trading on the TSXV or on any other stock exchange or quotation system. All of the securities the Company issued under the Convertible Preferred Share Financing will be subject to a hold period that expires four months and a day after issuance of the Convertible Preferred Shares.

The initial closing of the Convertible Preferred Share Financing is subject to the concurrent initial closing of the Convertible Debenture Financing, the satisfaction or waiver of all conditions precedent to the making of the Initial Investment (other than the completion of the minimum Concurrent Financings), and the receipt of the conditional approval of the TSXV for the Transaction.

The Company may pay a commission or finder’s fee on the sale of the Convertible Preferred Shares to eligible parties, subject to the approval of the TSXV and compliance with applicable securities laws.

The Convertible Preferred Shares are not transferable without the prior written consent of the Board.

TSXV Approval

The Transaction and the Concurrent Financings are subject to the approval of the TSXV, which in turn requires that the Company meet the TSXV’s Initial Listing Requirements for an Investment Issuer on completion of the Transaction. The TSXV has conditionally approved the Change of Business, subject to the satisfaction of certain conditions, including the filing of all required documents.

Selected Consolidated Financial Information and Management’s Discussion and Analysis

The Company’s audited annual consolidated financial statements for the years ended March 31, 2016, 2015 and 2014, and interim consolidated financial statements for the three and nine month period ended December 31, 2016 are included as Schedule “A” to this Filing Statement. The following table sets out total expenses for such periods:

Date	Total Expenses	Amounts Deferred in Connection with the Transaction
March 31, 2014	$473,628	$Nil
March 31, 2015	$127,809	$Nil

Date	Total Expenses	Amounts Deferred in Connection with the Transaction
March 31, 2016	$58,232	$Nil
December 31, 2016	$101,165	$Nil

The Company's MD&A for the fiscal years ended March 31, 2016, 2015 and 2014, and for the three and nine month period ended December 31, 2016, are included as Schedule "B" to this Filing Statement. The MD&A should be read in conjunction with the Company's annual audited financial statements for the years ended March 31, 2016, 2015 and 2014, and unaudited interim consolidated financial statements for the three and nine month period ended December 31, 2016, which are included as Schedule "A" to this Filing Statement.

The financial statements of the Company are prepared in accordance with International Financial Reporting Standards.

Description of the Securities

Common Shares

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the date of this Filing Statement, there are 11,535,885 Common Shares outstanding.

The holders of Common Shares are entitled to dividends, if, as and when declared by the Board, entitled to one vote per Common Share at meetings of the Shareholders and, upon dissolution, entitled to share equally in such assets of the Company as are distributable to the holders of Common Shares, subject to the rights of the holders of Convertible Preferred Shares, if any.

All of the Common Shares rank equally within their class as to voting rights, participation in assets and in all other respects. None of the Common Shares are subject to any call or assessment nor pre-emptive or conversion rights. There are no provisions attached to the Common Shares for redemption, purchase for cancellation, surrender or sinking or purchase funds.

Convertible Debentures

The terms of the Convertible Debentures are discussed above under the heading "*The Concurrent Financings – The Convertible Debenture Financing*".

Convertible Preferred Shares

The Company is authorized to issue an unlimited number of Convertible Preferred Shares without par value. The Convertible Preferred Shares may be issued in one or more series. As of the date of this Filing Statement, there are no Convertible Preferred Shares outstanding.

The terms of the Convertible Preferred Shares are discussed above under the heading "*The Concurrent Financings – The Convertible Preferred Share Financing*".

Capitalization

Undiluted Common Shares

Following completion of the Transaction, there are expected to be 11,535,885 Common Shares outstanding.

Fully Diluted Share Capital

The following table sets out the fully diluted Common Share capital of the Company after giving effect to the Transaction:

	Minimum Offerings[1]	**%**	**Maximum Offerings**[1][2]	**%**
Currently outstanding	11,535,885	49.3	11,535,885	28.6
Issuable on conversion of Convertible Debentures[3]	5,000,000	21.4	20,000,000	49.6
Issuable on conversion of Convertible Preferred Shares	6,875,000	29.4	8,750,000	21.7
Total	**23,410,885**	**100.0**	**40,285,885**	**100.0**

(1) In addition to the amounts set out in this table, the Company may grant Options to acquire up to 10% of the issued and outstanding Common Shares outstanding as at the applicable date of grant pursuant to the terms of the Stock Option Plan.

(2) Assuming no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, an additional 3,000,000 Common Shares will be issuable on conversion of the Convertible Debentures issued in connection with the Over-Allotment Option and 43,285,885 Common Shares would be outstanding on a fully diluted basis.

(3) Assuming a minimum Convertible Debenture Conversion Price of $1.00.

Stock Option Plan

The Company has adopted the Stock Option Plan, pursuant to which the Board may from time to time, in its discretion, and in accordance with Exchange requirements, grant to directors, officers, employees and consultants to the Company non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. Options may be exercisable for a period of up to 10 years from the date of grant. The number of Common Shares reserved for issuance to any individual director or officer may not exceed five percent (5%) of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to all consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Unless otherwise agreed to by the Company, Options may be exercised for 90 days following cessation of the optionee's position with the Company, unless an optionee was engaged in investor relations activities on behalf of the Company, in which case the options may only be exercised for 30 days following the optionee's ceasing such position. If the cessation was by reason of death, the options may be exercised within a maximum period of one year after such death, subject to the expiry date of such options. Option prices are determined based on the market price of the Common Shares on the date of grant in accordance with the policies of the TSXV.

Options to Purchase Securities

As at the date of this Filing Statement, no options are outstanding under the Stock Option Plan. The Company may grant stock options within 30 days of the Initial Closing at the prices and in the amounts permitted by the policies of the TSXV and the Stock Option Plan.

Dividend Policy

All Common Shares are entitled to an equal share of any dividends declared and paid. The management and directors of the Company have no plans to pay dividends to the holders of Common Shares in the near future. The Company is unlikely to pay any dividends in the near future. See "*Risk Factors*".

Prior Sales

The following table sets forth details of all Common Shares issued within the 12 months prior to the date of this Filing Statement:

Date	Number of Common Shares	Issue Price per Common Share	Aggregate Issue Price	Consideration Received
April 14, 2016	10,000,000[(1)]	$0.06	$600,000	Cash
April 14, 2016	1,000,000[(2)]	$0.06 (deemed)	$60,000 (deemed)	Forgiveness of Debt

(1) 9,000,000 of these Common Shares were issued to Non-Arm's Length Parties.

(2) All of these Common Shares were issued to Non-Arm's Length Parties.

Stock Exchange Price

The Common Shares are listed on the TSXV. The following table sets out, for the periods indicated, the high and low sales price and the volume of trading of the Common Shares during the periods indicated:

Period	High	Low	Volume
April 1 to 19, 2017	$0.50	$0.45	86,530
March 1 to March 31, 2017	$0.52	$0.45	87,376
February 1 to February 28, 2017	$0.405	$0.335	4,121
January 1 to January 31, 2017	$0.55	$0.33	67,625
December 1 to 31, 2016	$0.69	$0.33	71,693
November 1 to 30, 2016[(1)]	$0.98	$0.55	69,008
October 1 to 31, 2016[(1)]	No trades		
July 1 to September 30, 2016[(1)]	No trades		
April 1 to June 30, 2016	$0.26	$0.08	8,875
January 1 to March 31, 2016[(2)]	No trades		
October 1 to December 31, 2015[(2)]	No trades		
July 1 to September 30, 2015[(2)]	$0.15	$0.08	7,044
April 1 to June 30, 2015	$0.35	$0.12	47,587

Period	High	Low	Volume
January 1 to March 31, 2015	$0.45	$0.02	171,490

(1) The closing price of the Common Shares on the TSXV on June 6, 2016, being the last day of trading prior to the halting of trading of the Common Shares on June 7, 2016 in connection with the announcement of the Change of Business, was $0.26. Trading in the Common Shares resumed on November 9, 2016.

(2) Trading in the Common Shares on the TSXV was halted from August 7, 2015 to May 3, 2016 due to a failure of the Company to file required financial statements and MD&A. Trading on the TSXV resumed on May 3, 2016.

Non-Arm's Length Party Transactions

The Transaction is a Related Party Transaction as HCG5, an Affiliate of the Borrower, is an insider of the Company by virtue of holding 2,000,000 Common Shares, representing approximately 17.3% of the issued and outstanding Common Shares as at the date hereof. As a result, Policy 5.2 of the Manual requires that the Transaction be approved by a majority of the Shareholders, excluding those votes attaching to Common Shares beneficially owned by HCG5. As a result, all Common Shares held by HCG5 will be excluded from consenting to the Transaction Resolution.

In addition, because HCG5 is the beneficial owner of 17.3% of the Common Shares (being over 10% of the Common Shares), the Transaction is considered a "related party transaction" as defined in MI 61-101, which requires that Trenchant obtain a formal valuation for, and minority shareholder approval of, the Transaction, unless applicable exemptions thereto are available. Trenchant is relying on the exemptions from the formal valuation and minority shareholder approval requirements set out in Sections 5.5(e) and 5.7(c) of MI 61-101. The Initial Investment and related transactions are supported, and Trenchant anticipates will be approved, by Eric Boehnke, a director and officer of Trenchant, who owns 4,958,293 Common Shares, representing 43.0% of the issued and outstanding Common Shares, as at the date hereof, and is not an interested party in connection with the Transaction.

There have been no transactions between the Company and HCG5, or any other Associate or Affiliate of the Hillcore Group, other than the entering into of the Strategic Alliance Agreement and in connection with the proposed Transaction.

Available Funds and Principal Purposes

The following table sets out information respecting the Company's expected sources of cash following the completion of the Transaction. The amounts shown in the table are estimates only and are based upon the information available to Trenchant as at the date hereof:

Source of Funds	Minimum Offerings ($)	Maximum Offerings ($)	Maximum Offerings plus Over-Allotment Option ($)
Estimated working capital of Trenchant as at December 31, 2016	222,415	222,415	222,415
Gross proceeds of Convertible Debenture Financing	5,000,000	20,000,000	23,000,000
Gross proceeds of Convertible Preferred Share Financing	2,750,000	3,500,000	3,500,000
Finance Fee	350,000	1,400,000	1,610,000

Source of Funds	Minimum Offerings ($)	Maximum Offerings ($)	Maximum Offerings plus Over-Allotment Option ($)
Estimated funds available to the Resulting Issuer	**8,322,415**	**25,122,415**	**28,332,415**

The following table sets out information respecting the Company's intended principal uses of funds for the 12 months following the completion of the Transaction. The intended uses of funds may vary based upon a number of factors and variances may be material. The amounts shown in the table are estimates only and are based upon the information available to Trenchant as at the date hereof:

Use of Funds	Minimum Offerings ($)	Maximum Offerings ($)	Maximum Offerings plus Over-Allotment Option ($)
Agents' Commission	325,000	1,300,000	1,495,000
Estimated remaining costs in connection with COB (i.e. legal, accounting, TSXV fees, Agents' Expenses)	275,000	350,000	365,000
Initial Investment	5,000,000	20,000,000	23,000,000
General and administrative expenses(1)	469,400	469,400	469,400
Unallocated funds	2,253,015	3,003,015	3,003,015
Total	**8,322,415**	**25,122,415**	**28,332,415**

(1) The estimate of general and administrative expenses is comprised of management and consulting expenses of $250,000; rent and utilities of $30,000; legal and audit fees of $40,000; travel expenses of $120,000; investor relations fees of $15,000; and TSXV and transfer agent fees of $14,400.

The Company intends to use the unallocated funds to fund the operating expenses of the Company following the Initial Closing and for general working capital purposes, including for due diligence on potential investment opportunities, as more particularly described herein. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

Principal Security Holders

To the knowledge of the Company, no Person is anticipated to own of record or beneficially, directly or indirectly, or exercise control or direction over, more than 10% of any class of voting securities of the Company upon completion of the Change of Business other than:

Name and Municipality of Residence	Number of Common Shares Owned	Percentage of Common Shares Owned after giving effect to the Transactions	Percentage of Common Shares Owned, Fully Diluted(1)
Eric Boehnke West Vancouver, BC	4,958,293	43.0%	12.3%
Thomas English	2,000,000	12.9%	5.0%

Name and Municipality of Residence	Number of Common Shares Owned	Percentage of Common Shares Owned after giving effect to the Transactions	Percentage of Common Shares Owned, Fully Diluted(1)
Toronto, ON			
HCG5 Investment Limited Partnership Vancouver, BC(4)	2,000,000	12.9%	5.0%

(1) Assuming that the Concurrent Financings close in the maximum amounts, no exercise of the Over-Allotment Option, and all of the Convertible Debentures and Convertible Preferred Shares are converted into an aggregate of 28,750,000 Common Shares, such that there are an aggregate of 40,285,885 Common Shares outstanding.

(2) HCG5 is controlled by Jean-Marc Bougie, CEO, and Greg Tedesco, CFO.

(3) Assuming no exercise of Over-Allotment Option.

Directors, Officers and Promoters

Name, Address, Occupation and Security Holdings

The following table sets forth the names of all individuals who are directors, officers and promoters of the Company, their municipalities of residence, their current positions with the Company, their principal occupations during the past five years and the number and percentage of Common Shares expected to be beneficially owned, directly or indirectly by them, or over which they are expected to exercise control or direction, following completion of the Transaction:

Name Province/State Country of Residence and Position with the Company(1)	Principal Occupation Business or Employment for Last Five Years(1)	Number of Common Shares Currently Owned(1)	Following Completion of the Transaction	
			Number of Common Shares Expected to be Owned	Percentage %(2)
Eric Boehnke (4) West Vancouver, BC *Chief Executive Officer and Director*	CEO and director of the Company since May 26, 2014; President of Big Sky Management Ltd., a private company providing corporate finance and administrative management services, since 1996; Executive Vice-Chairman of Terrace Energy Corp., an oil and gas exploration company, since October 2013; and CEO of Terrace Energy Corp. from June 2011 to October 2013.	4,958,293	4,958,293	43.0%
John Legg (4) Whistler, BC *Director*	Director of the Company since May 26, 2014; Self-employed lawyer and management consultant since 1996.	1,000,000(5)	1,000,000	8.7%
Thomas English (4) Toronto, ON *Director*	Director of the Company since May 25, 2016; President and CEO of AC Group since February 2015; and co-head of institutional equity sales at Salman Partners from 2001 to February 2015.	2,000,000	2,000,000	17.3%
Jennie Choboter Mission, BC *CFO and Secretary*	CFO of the Company since May 2014; and CFO of the British Columbia Innovation Council since December 2012.	Nil	Nil	N/A
Total		**7,958,293**	**7,958,293**	**69.0%**

(1) Information has been furnished by the respective directors and officers individually.

(2) Based on 11,535,885 Common Shares expected to be outstanding following the final Closing on a non-diluted basis.

(3) Denotes a member of the Audit Committee of the Company.

(4) Held by spouse.

Each of the Company's directors is elected by the Shareholder at the annual general meeting of Shareholder, to serve until the next annual general meeting of Shareholders or until a successor is elected or appointed.

The directors and officers of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 7,958,293 Common Shares, representing approximately 69.0% of the Company's issued and outstanding Common Shares.

Management

The Company does not expect that it will request any director or officer to enter a non-disclosure or non-competition agreement with the Company upon conclusion of the Change of Business. The Company does not plan to have any employees, as it intends to retains the services of its officer as independent contractors.

The following is a brief description of members of the Company's management:

Eric Boehnke – CEO and Director

Mr. Boehnke, age 51, has been the principal of Big Sky Management Ltd., a private company providing corporate finance services to private and public companies, since 1996. Mr. Boehnke is a founder of Terrace Energy Corp., an oil and gas issuer listed on the TSXV, of which he served as CEO from June 2011 to October 2013 and currently serves as the Executive Vice-Chairman. Mr. Boehnke was involved in raising more than $100 million of capital for Terrace through both debt and equity financings and was instrumental in developing its portfolio of oil and gas assets. Over a 15-year career, Mr. Boehnke has been an officer and director of a number public companies, including Mitra Energy Inc., Woodbridge Energy Ltd. and Dynasty Metals and Mining Inc. Mr. Boehnke holds a Bachelor of Science degree from the University of Toronto.

Mr. Boehnke expects to devote 80% of his time to perform the work required in connection with acting as CEO of the Company.

John Legg - Director

Mr. Legg, age 50, has been a lawyer in private practice since 1996, providing counsel in corporate and securities law matters to numerous public and private companies. Mr. Legg served as President and director of Golden Predator Corp. from May 2009 through December 2012. During his tenure, Golden Predator secured over $60,000,000 in equity and $35,000,000 in debt capital, grew to a staff of nearly 100 persons, acquired and disposed of numerous resource assets in multiple jurisdictions, and was listed on the TSX. Mr. Legg also oversaw the spin out from Golden Predator of Silver Predator Corp. and the listing of that company on the TSX. In addition, he served as Executive Vice-President and Corporate Secretary of Zacoro Metals Corp, a private mining company operating in Mexico, from April 2007 to April 2009. Mr. Legg is a member if the Law Society of British Columbia and holds a Bachelor of Arts from the University of British Columbia, as well as a Juris Doctor degree from the Schulich School of Law at Dalhousie University.

Thomas English - Director

Mr. English, age 43, has over 20 years of experience in the financial industry and has held numerous senior roles at investment banks including CIBC and Salman Partners. Mr. English has provided financial solutions for both small and large cap companies across all business sectors. During his career, he has been involved in various capital transactions, including financings (debt, equity, IPO) and mergers and acquisition advisory assignments in Canada, South America and the United States. Mr. English holds a Bachelor of Arts from the University of Western Ontario.

Jennie Choboter – CFO and Secretary

Ms. Choboter, age 71, holds CPA-CA designations in the Provinces of British Columbia and Alberta. She has been the CFO of the British Columbia Innovation Council since December 2012. Previously, she served as CFO of Sunward Resources Inc. from March 2010 to February 2012 and has served as a director and/or officer of numerous other public companies. Ms. Choboter holds a Bachelor of Commerce degree from the University of Calgary.

Ms. Choboter expects to devote 20% of her time to perform the work required in connection with acting as CFO and Secretary of the Company.

Other Reporting Issuer Experience

The following table sets out the directors, officers and promoters of the Company that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange or Market	Position	Term
Eric Boehnke	Terrace Energy Corp.	TSXV	CEO/Vice Chair	June 2011 – Present
	Petra Petroleum Inc.	TSXV	Director	May 2007 – April 2015
John Legg	Golden Predator Corp.	TSX	President & Director	August 2009 - December 2012
	Silver Predator Corp.	TSX	President & Director	March 2009 - November 2012
	Redtail Metals Corp.	TSXV	Director	September 2009 - November 2012
	Tigris Uranium Corp.	TSXV	Director	October 2009 – July 2014
Thomas English	Vogogo Inc.	TSXV	Director	April 2016 - Present
Jennie Choboter	Karsten Energy Corp.	TSXV	CFO	December 2012 - Present
	Rapier Gold Inc.	TSXV	CFO	August 2012 - March 2014

Name of Director, Officer or Promoter	Name of Reporting Issuer	Exchange or Market	Position	Term
	Terrace Energy Corp.	TSXV	CFO	June 2011 – November 2011
	Sunward Resources Ltd.	TSXV	CFO	March 2010 - March 2012
	Prima Diamond Corp.	TSXV	Director	January 2010 – February 2013
	Petra Petroleum Inc.	TSXV	CFO	January 2009 – January 2010
	Cantronics Systems Inc.	TSXV	Director	May 2006 – September 2008

Promoter Consideration

Eric Boehnke and John Legg are promoters of the Company due to their roles in taking the initiative in substantially reorganizing the business of the Company. As disclosed above, Messrs. Legg and Boehnke beneficially own an aggregate of 5,958,293 Common Shares, representing approximately 51.7% of the issued and outstanding Common Shares.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the Company, other than as set forth below, none of the directors, officers, or promoters of the Company is or has been, within the past ten years, a director, officer or promoter of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions under applicable securities law, for a period of more than 30 consecutive days; or

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

In August 2015, when Eric Boehnke, John Legg and Jennie Choboter were directors and/or officers of the Company, the BCSC issued a cease trade order against the Company for failure to file its annual audited financial statements and MD&A for the year ended March 31, 2015, and trading in the Common Shares was halted by the TSXV. In January 2016, the BCSC issued a partial revocation order in respect of the cease trade order, pursuant to which the Company was permitted to undertake a $600,000 private placement, in order to enable the Company to complete its delinquent filings. The BCSC revoked the cease trade order on April 25, 2016, when the outstanding filings were completed, and the TSXV reinstated trading in the Common Shares on the NEX on May 3, 2016.

Penalties or Sanctions

To the knowledge of the Company, no director, officer or promoter of the Company has:

(a) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about the Change of Business.

Personal Bankruptcies

No director, officer or promoter of the Company, or a personal holding company of any of them, has, within the ten years prior to the date of this Filing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

Conflicts of Interest

Directors and officers of the Company may also serve as directors and/or officers of other companies and may be presented from time to time with situations or opportunities which give rise to apparent conflicts of interest which cannot be resolved by arm's length negotiations but only through exercise by the officers and directors of such judgment as is consistent with their fiduciary duties to the Company which arise under applicable corporate law, especially insofar as taking advantage, directly or indirectly, of information or opportunities acquired in their capacities as directors or officers of the Company. It is expected that all conflicts of interest will be resolved in accordance with the BCBCA. It is expected that any transactions with officers and directors will be on terms consistent with industry standards and sound business practice in accordance with the fiduciary duties of those persons to the Company, and, depending upon the magnitude of the transactions and the absence of any disinterested Board members may be submitted to the Shareholders for their approval.

Executive Compensation

The following table discloses the anticipated compensation for each of the Company's three most highly compensated executive officers (in addition to the Chief Executive Officer) for the 12 month period after completion of the Change of Business:

					Non-equity Incentive Plan Compensation				
Name and Principal Position	**Salary**	**Share-based Awards**	**Option-based Awards**	**Option-based Awards**	**Annual Incentive Plans**	**Long-term Incentive Plans**	**Pension Value**	**All Other Compen-sation**	**Total Compen-sation**
Eric Boehnke *CEO*	$180,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	$180,000
Jennie Choboter *CFO and Secretary*	Nil	Nil	Nil	Nil	Nil	Nil	Nil	$30.000	$30,000

Director Compensation

Directors of the Company are expected to be compensated by way of annual fees and meeting fees, which will be paid in cash or as otherwise determined by the Board. Directors of the Company will be entitled to participate in the Stock Option Plan. The directors of the Company have been serving without compensation to date. The Company has not determined what compensation will be paid to directors following the closing of the Transaction but does not expect to pay the current directors significant compensation in their roles as directors.

Oversight and Description of Director and NEO Compensation

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussions relating to compensation, but disclose their interest in, and abstain from voting on, decisions related to their own respective compensation.

The overall objective of the Company's compensation strategy is to offer short, medium and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has a short term compensation component in place, which includes the payment of salaries and management fees to certain NEOs, and a long-term compensation component in place, which includes the grant of stock options. The Company intends to further develop these compensation components. Although it has not to date, the Board may in the future consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is expected to be discretionary, depending on, among other factors, the financial performance of the Company and the performance of the executive. The Board considers that the payment of such discretionary annual cash bonuses may satisfy the medium term compensation component.

The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the shareholders of the Company. Therefore, a significant portion of total compensation granted by the Company, being the grant of stock options, is based upon overall corporate performance. The Company relies on Board discussion, without formal objectives, criteria and analysis, when determining executive compensation. There are currently no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

Pension Plan Benefits

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans in place.

Indebtedness of Directors and Officers

No director, executive officer or other senior officer of the Company has been indebted to the Company in the most recently completed financial year, and no director, executive officer or senior officer of the Company, nor any Associate of any such director or officer, will be indebted to the Company upon completion of the Change of Business.

Investor Relations Arrangements

The Company expects to conduct investor relations internally, and does not currently intend to enter into any investor relations arrangements.

Escrowed Securities

The following table sets out, as at the date of this Filing Statement, the number and percentage of Escrow Shares to be deposited into escrow with Computershare Investor Services, as escrow agent, pursuant to the terms of the Escrow Agreement, in connection with the completion of the Transaction:

Name and Municipality of Residence of Shareholder	Designation of class	Prior to Giving Effect to the Transaction		After Giving Effect to the Transaction	
		Number of Escrow Shares	Percentage (%)	Number of Escrow Shares	Percentage (%)[1]
Eric Boehnke *West Vancouver, BC*	Common Shares	Nil	N/A	4,958,293	43.0
Sarah Strother[2] *Whistler, BC*	Common Shares	Nil	N/A	1,000,000	8.7
Thomas English *Toronto, ON*	Common Shares	Nil	N/A	2,000,000	17.3
HCG5 Investment Limited Partnership *Vancouver, BC*[3]	Common Shares	Nil	N/A	2,000,000	17.3
Total				**9,958,293**	**86.3**

(1) Based on 11,535,885 Common Shares expected to be outstanding following the final Closing.

(2) Spouse of John Legg, a director of the Company.

(3) HCG5 is controlled by Jean-Marc Bougie, CEO, and Greg Tedesco, CFO.

The holders of Escrow Shares have agreed to enter into the Escrow Agreement with the Company in respect of 9,958,293 Common Shares held by them. Computershare Investor Services will be the escrow agent for the purposes of the Escrow Agreement. At the time of the Initial Closing, it is expected that each of the persons listed in the table above will hold Common Shares subject to escrow in the amount listed beside such person’s name.

The Escrow Shares will be subject to the release schedule set out in Schedule B(2) to the Escrow Agreement.

Pursuant to Schedule B(2) of the Escrow Agreement, 10% of the Escrow Shares are to be released upon the date of issuance of the Final Exchange Bulletin respecting the Transaction and an additional 15% of the Escrow Shares are to be released every 6 months thereafter until all Escrow Shares have been released (36 months following the date of issuance of the Final Exchange Bulletin).

Should the Company be accepted by the TSXV as a Tier 1 Issuer, the Escrow Shares will be released on an accelerated schedule, as set out in Schedule B(1) of the Escrow Agreement. Pursuant to Schedule B(1) of the Escrow Agreement, 25% of the Escrow Shares would be released upon the date of issuance of the Final Exchange Bulletin and an additional 25% of the Escrow Securities would be released every 6 months thereafter, until all Escrow Shares have been released (18 months following the date of issuance of the Final Exchange Bulletin).

The Escrow Agreement provides that the Escrow Shares are to be held in escrow pursuant to its terms and the beneficial ownership thereof may not be sold, assigned, hypothecated, transferred within escrow or otherwise dealt with in any manner without the prior written consent of the TSXV. In the event of the bankruptcy of an escrow shareholder, provided the TSXV does not object, the Escrow Shares held by such escrow shareholder may be transferred to the trustees in the bankruptcy or such person legally entitled to the Escrow Shares which shares will remain in escrow subject to the escrow agreement. In the event of the death of an escrow shareholder, provided the TSXV does not object, the Escrow Shares held by the escrow shareholder will be released from escrow.

Legal Proceedings

In the normal course of business, the Company may be subject to lawsuits, claims, regulatory proceedings, and litigation for amounts not covered by liability insurance. These proceedings could result in significant costs. As of the date of this Filing Statement, to the Company's knowledge, no material claims or litigation have been brought against the Company.

Auditor, Transfer Agents and Registrars

The Company's auditor is Dale Matheson Carr-Hilton Labonte LLP of 1500 - 1140 West Pender St. Vancouver BC Canada V6E 4G1.

Computershare Investor Services, at its office located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, Canada, V6C 3B9, is the transfer agent and registrar for the Common Shares.

Sponsorship

Pursuant to Policy 2.2 of the Manual, sponsorship is generally required in conjunction with a COB. Trenchant expects to receive an exemption from the sponsorship requirement in connection with the Transaction from the TSXV on the basis of Section 3.4(ii) of Policy 2.2 as the Company is conducting the Convertible Debenture Financing as a public offering, by way of prospectus, through the Agents.

Material Contracts

Trenchant has not entered into any contracts material to investors in the Common Shares since incorporation other than contracts in the ordinary course of business, except:

1. Transfer Agent, Registrar and Dividend Disbursing Agent Agreement dated January 26, 2010 between the Company and Computershare Investor Services;

2. the Stock Option Plan;

3. the Loan Agreement; and

4. the Agency Agreement.

In addition to the foregoing, the Company expects to enter into the Debenture Indenture, the Pledge Agreement and the Escrow Agreement, as well as additional agreements with the Associates and Affiliates of the Hillcore Group with respect to the security for the Initial Investment, on or prior to the Initial Closing.

Copies of these agreements may be inspected without charge during regular business hours at the offices of the Company until 30 days after the Initial Closing. Copies of these agreements may also be found on SEDAR at www.sedar.com.

GENERAL MATTERS

Experts

The audited annual financial statements and notes thereto of the Company included in this Filing Statement have been audited by Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants.

Dale Matheson Carr-Hilton Labonte LLP are the auditors of the Company and have confirmed that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

To the knowledge of management of the Company, as of the date hereof, no expert, nor any Associate or Affiliate of such person, has any beneficial interest, direct or indirect, in the securities or property of the Company.

Other Material Facts

There are no other material facts relating to the Company or the Change of Business that are not disclosed elsewhere in this Filing Statement and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Company, assuming completion of the Change of Business.

Board Approval

The Board has approved this Filing Statement.

CERTIFICATE OF TRENCHANT CAPITAL CORP.

The foregoing constitutes full, true, and plain disclosure of all material facts relating to the securities of Trenchant Capital Corp., assuming completion of the Transaction.

DATED: April 20, 2017

"Eric Boehnke"

Eric Boehnke
Chief Executive Officer

"Jennie Choboter"

Jennie Choboter
Chief Financial Officer

On behalf of the Board of Trenchant Capital Corp.

"John Legg"

John Legg
Director

"Thomas English"

Thomas English
Director

ACKNOWLEDGMENT – PERSONAL INFORMATION

"Personal Information" means any information about an identifiable individual, and includes information contained in any items in the attached filing statement that are analogous to Items 4.2, 11, 12.1, 15, 17.2, 18.2, 23, 24, 26, 31.3, 32, 33, 34, 35, 36, 37, 38, 40 and 41 of Exchange Form 3B1/3B2, as applicable.

The undersigned hereby acknowledges and agrees that it has obtained the express written consent of each individual to:

(a) the disclosure of Personal Information by the undersigned to the Exchange (as defined in Appendix 6B) pursuant to Exchange Form 3B1/3B2; and

(b) the collection, use and disclosure of Personal Information by the Exchange for the purposes described in Appendix 6B or as otherwise identified by the Exchange, from time to time.

Dated: April 20, 2017

TRENCHANT CAPITAL CORP.

"Eric Boehnke"

Eric Boehnke
Chief Executive Officer

SCHEDULE "A"

MANAGEMENT'S DISCUSSION AND ANALYSIS

TRENCHANT CAPITAL CORP.
(formerly Echelon Petroleum Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Nine and Three Months ended December 31, 2016 and 2015

Management's discussion and analysis ("MD&A) is prepared as of February 28, 2017, and provides a review of the performance of Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) ("Trenchant" or the "Company") and should be read in conjunction with the Company's unaudited condensed interim financial statements for the nine months ended December 31, 2016 and audited financial statements for the year ended March 31, 2016 and related notes included therein which are prepared in accordance with International Financial Reporting Standards. This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all figures are stated in Canadian dollars. Additional information on the Company is available on the SEDAR website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking information is expressly qualified in its entirety by this cautionary statement. The Company disclaims any obligation to update forward-looking information to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

RISKS AND UNCERTAINTIES

Risk factors include:

- The Company has no active business.
- The Company does not have a history of earnings, nor has it paid any dividends, and will not be in a position to generate earnings or pay dividends until at least after completion of the Change of Business described herein.
- It is possible the Company may never generate earnings or be in a position to pay dividends.
- The directors and officers of the Company will only devote part of their time and efforts to the affairs of the Company.
- The Company has only limited funds available to identify and evaluate potential transactions and thereby cannot provide assurance the Company will be able to identify or complete the Change of Business or any other transaction.
- Possible tightening of the credit markets, global economic uncertainty, and counterparty risk.
- All assumptions regarding business prospects and opportunities.

Date of Report: February 28, 2017

Overall Performance

Nature of Business and Overall Performance

Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) was incorporated under the British Columbia Business Corporations Act on December 17, 2009. The Company's shares are listed on the TSX Venture Exchange ("TSXV").

The Company's head office is located 33 Bay Street, Suite 630, Toronto, ON, M5H 2R2. The Company has one subsidiary, 0960128 B.C. Ltd.

In May 2011, the Company completed its qualifying transaction as a resource issuer and was engaged in the exploration and development of mineral and oil and gas natural resource properties. The Company subsequently became inactive and, in August 2015, was subject to a cease trade order issued by the British Columbia Securities Commission for failure to file financial statement, which was revoked on April 25, 2016.

On May 10, 2016, the Company changed its name to Trenchant Capital Corp. and commenced trading under the symbol "TCC.H".

The Company has announced that it is pursuing a change of business to become a Tier 2 Investment Issuer on the TSXV (the "Change of Business").

On October 28, 2016, the Company signed a loan agreement with Waiward Investments Limited Partnership to loan up to a maximum of $20,000,000 to Waiward Investments Limited Partnership on or before November 30, 2016. To fund this loan, the Company engaged Industrial Alliance Securities Inc. for a proposed best efforts unit offering to raise up to $20,000,000.

The engagement terminated on December 31, 2016, the proposed offering not having completed.

The Company is currently working to restructure the offering and the loan.

During the nine months ended December 31, 2016, the Company incurred $187,888 costs in relation to this offering.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from loans from related parties and or the private placement of common shares.

The financial data for the nine months ended December 31, 2016 and December 31, 2015 have been prepared in accordance with IFRS. All figures are stated in Canadian dollars.

Selected Financial Information

	For the nine months ended December 31, 2016	**For the nine months ended December 31, 2015**
Total revenues	$ -	$ -
Comprehensive income (loss)	(101,165)	(31,332)
Basic and diluted net loss per common share	(0.01)	(0.06)
Current assets	488,218	2,618
Total assets	488,218	2,618
Current liabilities	87,915	158,382
Share capital & contributed surplus	4,454,676	3,794,676
Deficit	(4,054,373)	(3,950,440)

Results of Operations

Expenses	**For the nine months ended December 31, 2016**	**For the nine months ended December 31, 2015**
Consulting and management fees	$ -	$ 7,954
General and administrative	15,512	7,885
Business development	53,011	-
Professional fees	8,756	2,439
Transfer agent and filing fees	23,886	1,663
Travel and promotion	-	11,391
	101,165	31,332
Net and comprehensive (loss)	$ (101,165)	$ (31,332)

Nine months ended December 31, 2016

The Company has not yet generated revenue to date and has reported net losses since inception. The net loss was $101,165 for the nine months ended December 31, 2016 (December 31, 2015 – $31,332). The loss in the nine months ended December 31, 2016, was primarily the result of professional fees of $8,756 (December 31, 2015 - $2,439) and business development costs of $53,011 (December 31, 2015 - $Nil). Management is spending considerable time pursuing a change in business, negotiating agreements and securing financing. Transfer agent and filing fees were $23,886 (December 31, 2015 - $1,663). General and administrative expenses were $15,512 (December 31, 2015 - $7,885). There were $Nil consulting fees in the nine months ended December 31, 2016 compared to $7,954 for the same period last year.

Expenses were higher in the nine months ended December 31, 2016 because the Company is pursuing a change in business while being largely inactive in the prior period.

Three months ended December 31, 2016

The net loss was $3,978 for the three months ended December 31, 2016, (December 31, 2015 - $9,700). The primary expenses in the current period was business development of $20,917 (December 31, 2015 - $Nil), and professional fees of $(35,033), (December 31, 2015 - $Nil) which were re-stated to deferred financing costs due to the activities associated with the Change of Business, the Loan Agreement and the Offerings,.

Dividend Report & Policy

The Company has not paid any dividends to date. The Company intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters. The financial data has, except as referred to in the footnotes to this summary, been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

For the Quarterly Periods ended:		**December 31, 2016**	**September 30, 2016**	**June 30 2016**	**March 31, 2016**
Total Revenues		-	-	-	-
Net and comprehensive income (loss) for the period		(3,978)	(21,083)	(76,103)	6,932[1]
Loss per share, basic and diluted		(0.00)	(0.00)	(0.01)	0.00

For the Quarterly Periods ended:		December 31 2015	September 30 2015 -	June 30, 2015	March 31, 2015
Total Revenues		-	-	-	-
Net and comprehensive income (loss) for the period		(9,700)	(4,530)	(17,102)	(52,947)[2]
Income (loss) per share, basic and diluted		(0.02)	(0.00)	(0.10)	(0.00)

1. The Company's loss for the period includes non-cash items of a gain from the settlement of a creditor debt of $21,332, settlement of debt with a director of $12,500 and foreign exchange gains of $11,000.
2. The Company's loss for the period includes transfer agent and filing fees of $16,012 and professional fees of $14,342. There were no non-cash items.

Financial Condition, Liquidity and Capital Resources

The Company has total assets of $488,218 (March 31, 2016 - $6,555). The primary assets of the Company are cash of $289,199 (March 31, 2016 - $2,053), GST receivables of 11,131 (March 31, 2016 – $4,502), and financing costs of $187,888 (March 31, 2016 - $Nil). The Company has working capital of $400,303 (March 31, 2016 – ($154,032)).

At December 31, 2016, the Company had not yet achieved profitable operations, and had accumulated a deficit of $4,054,373 (March 31, 2016 - $3,953,208).

On April 15, 2016, the Company issued 1,000,000 common shares at $0.06 per share to settle a debt of $60,000 and 10,000,000 common shares at $0.06 per share for proceeds of $600,000. No fees were incurred for this financing.

The Company has executed an agreement with Hillcore Group Ltd. pursuant to which the Company will loan a minimum of $5,000,000 and a maximum of $20,000,000 to the Hillcore Group, or to one of its portfolio companies. The Company plans to fund the loan through an offering of convertible debentures, and also plans to issue $3,500,000 in convertible preferred shares to provide working capital for due diligence on additional potential investments and to satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer

The Company's ability to continue as a going concern is dependent upon its ability to complete the Change of Business, Loan Agreement and related Offerings, generate future profitable operations and raise further capital, the success of which cannot be assured.

As at December 31, 2016, the Company did not have any contractual obligations.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

As at December 31, 2016 the Company had amounts payable to the CEO and a company controlled by him in the amount of $Nil (March 31, 2016 - $91,726) for re-imbursement of various corporate expenses, ($60,000 of which was settled in a shares for debt settlement); a director, $115 (March 31, 2016 - $4,769) for re-imbursement of expenses, and CFO, in the amount of $1,846 (March 31, 2016 - $14,175) for professional fees. These amounts are due to related parties and included in accounts payable and accrued liabilities.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

Key management personnel compensation

	Nine months ended	
	December 31, 2016	**December 31, 2015**
CFO	4,500	4,500

Critical Accounting Estimates

As disclosed in the Company's annual audited financial statements for the years ended March 31, 2016 and 2015 (as are filed and reviewable on SEDAR (www.sedar.com)) the Company has no other critical accounting estimates.

Changes in Accounting Policies

There are no accounting policies that the Company has adopted, other than what was disclosed in the annual audited financial statements for the year ended March 31, 2016.

Critical Risk Factors

Risk of failure to complete the Change of Business, Loan Agreement and related Offerings.

The Company is limited in financial resources and has no assurance that additional funding will be available to it to complete and fund the Change of Business, Loan Agreement and related Offerings.

Risk of Exchange Listing

The Company has no assurance that it can satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer and resume trading.

Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has not advanced its assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from existing working capital and or the private placement of common share.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

The Company's non-derivative financial liabilities at December 31, 2016, which include accounts payable, are due within one year.

	Within one year	Between one and five years	More than five years
Accounts payable	$ 87,915	$ -	$ -

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. At December 31, 2016, there is no foreign currency exposure because there are no liabilities denominated in foreign currencies. This risk is considered minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash on hand is subject to minimal interest rate risk.

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Dependence on key personnel

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	December 31, 2016	March 31, 2016
Cash	$ 289,199	$ 2,053

Financial liabilities included in the statement of financial position are as follows:

	December 31, 2016	March 31, 2016
Non-derivative financial liabilities:		
Accounts payable	$ 87,915	$ 160,587

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash.

Disclosure of Outstanding Share Data

Authorized: Unlimited common shares without par value

On April 15, 2016, the Company issued 1,000,000 common shares at $0.06 per share to settle a debt of $60,000 and 10,000,000 common shares at $0.06 per share for proceeds of $600,000. No fees were incurred for this financing.

Refer to the Company's news release dated April 15, 2016 for further details on the debt settlement and private placement.

Issued - As of the date of this MD&A the following Shares, incentive stock options and warrants were outstanding:

Common Shares – 11,535,884
Incentive Stock Options – Nil
Warrants – Nil

Other Information and Board Approval

Additional information about the Company is available on SEDAR at www.sedar.com. This MD&A has been reviewed and approved by the Board of Directors of the Company.

TRENCHANT CAPITAL CORP.
(formerly Echelon Petroleum Corp.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

for the Years ended March 31, 2016 and 2015

Management's discussion and analysis ("MD&A) is prepared as of July 28, 2016, and provides a review of the performance of Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) ("Trenchant" or the "Company") and should be read in conjunction with the Company's audited financial statements for the year ended March 31, 2016 and related notes included therein which are prepared in accordance with International Financial Reporting Standards. This report contains discussion and analysis, which includes forward-looking statements that may differ materially from actual results achieved. All of the financial data herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all figures are stated in Canadian dollars. Additional information on the Company is available on the SEDAR website at www.sedar.com.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute "forward-looking statements". When used in this document, the words "may", "would", "could", "will", "intend", "plan", "propose", "anticipate", "believe", "forecast", "estimate", "expect" and similar expressions, as they relate to the Company or its management, are intended to identify forward-looking statements. Such statements reflect the Company's current views with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operating performance and the Company's plans and objectives in making an investment decision and may not be appropriate for other purposes. All forward-looking information is expressly qualified in its entirety by this cautionary statement. The Company disclaims any obligation to update forward-looking information to reflect events or circumstances after the date of such statements, or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

RISKS AND UNCERTAINTIES

Risk factors include:

- The Company has no active business.
- The Company does not have a history of earnings, nor has it paid any dividends, and will not be in a position to generate earnings or pay dividends until at least after completion of the change of business described herein.
- It is possible the Company may never generate earnings or be in a position to pay dividends.
- The directors and officers of the Company will only devote part of their time and efforts to the affairs of the Company.
- The Company has only limited funds available to identify and evaluate potential transactions and thereby cannot provide assurance the Company will be able to identify or complete the change of business or any other transaction.
- Possible tightening of the credit markets, global economic uncertainty, and counterparty risk.
- All assumptions regarding business prospects and opportunities.

Date of Report: July 28, 2016

Overall Performance

Nature of Business and Overall Performance

Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) was incorporated under the British Columbia Business Corporations Act on December 17, 2009. The Company's shares are listed on the TSX Venture Exchange ("TSXV").

The head office and registered and records address is located at 583 Beach Crescent, Suite 702, Vancouver, British Columbia, Canada, V6E 2Y3. The Company has one subsidiary, 0960128 B.C. Ltd.

In May 2011, the Company completed its qualifying transaction as a resource issuer and was engaged in the exploration and development of mineral and oil and gas natural resource properties. The Company subsequently became inactive and, in August 2015, was subject to a cease trade order issued by the British Columbia Securities Commission for failure to file financial statement, which was revoked on April 25, 2016.

On May 10, 2016, the Company changed its name to Trenchant Capital Corp. and commenced trading under the symbol "TCC.H".

The Company has announced that it is pursuing a change of business to become a Tier 2 Investment Issuer on the TSXV. The Company has executed a non-binding term sheet with Hillcore Group Ltd. ("Hillcore Group") pursuant to which the Company will loan a minimum of $15,000,000 and a maximum of $20,000,000 (the "Loan") to the Hillcore Group, or to one of its portfolio companies. The Company plans to fund the loan through an offering of convertible debentures, and also plans to issue $3,000,000 in convertible preferred shares to provide working capital for due diligence on additional potential investments, and to satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer.

Refer to the Company's news release dated June 7, 2016 for further details on the proposed change of business.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from loans from related parties and or the private placement of common shares.

Selected Financial Information

	For the Year ended March 31, 2016	For the Year ended March 31, 2015	For the Year ended March 31, 2014
Total revenues	$ -	$ -	$ 1,371
Loss before other items	(58,232)	(127,809)	(473,628)
Comprehensive income (loss)	(24,400)	124,628	(2,093,059)
Basic and diluted net loss per common share	(0.05)	(0.23)	(0.71)
Current assets	6,555	1,868	29,161
Total assets	6,555	1,868	29,161
Current liabilities	160,587	136,000	287,921
Share capital & share based payment reserve	3,799,176	3,794,676	3,794,676
Deficit	(3,953,208)	(3,928,808)	(4,053,436)
Dividends	n/a	n/a	n/a

The increase in total assets to $6,555 in 2016 from $1,868 in 2015 was primarily due to the increase to GST receivables and cash received from financing activities.

The financial data for the years ended March 31, 2016 and March 31, 2015 have been prepared in accordance with IFRS. All figures are stated in Canadian dollars.

Results of Operations

Expenses

	For the year ended March 31, 2016	For the year ended March 31, 2015
Consulting and management fees	$ 7,954	$ 58,812
Foreign exchange (gain) loss	(7,687)	3,880
General and administrative	1,145	1,604
Business development	12,300	-
Professional fees	12,590	16,357
Rent	-	10,150
Transfer agent and filing fees	10,534	28,052
Travel and promotion	21,396	8,954
Loss before other items	58,232	127,809
Other items	(33,832)	(252,437)
Comprehensive income (loss)	$ (24,400)	$ 124,628

The Company has not yet generated revenue to date and has reported net losses since inception. Comprehensive income (loss) during the year ended March 31, 2016 was ($24,400) (March 31, 2015: $124,628). The loss in 2016 was primarily the result of consulting and management fees, travel and promotion and business development costs. Management spend considerable time pursuing a change in business, negotiating agreements and securing financing. The Company had a gain of $33,832 by settlement of an outstanding payable with a director and a creditor in the current year. The net income in the year ended March 31, 2016 primarily was the result of settlements with certain former and current directors, officers and consultants of the Company and their affiliates, whereby they agreed to forgive a total of $246,250 of accrued management and consulting fees.

Three months ended March 31, 2016

The net income (loss) was $6,932 for the three months ended March 31, 2016, (March 31, 2015 – ($52,947). Income in the three months ended March 31, 2016, were primarily the result of settlement gains of $12,5,000 with a director and $21,332 with a creditor (March 31, 2015 - $Nil). Consulting and management fees were $Nil (March 31, 2015 – $12,500) and foreign exchange gains were $7,687 (March 31, 2015 – ($Nil)). Business development costs were $12,300 (March 31, 2015 - $Nil)) and transfer agent and filing fees were $8,871 (March 31, 2015 - $16,012). Professional fees were $10,151 (March 31, 2015 - $14,737) and general and administrative expense recovery of $3,265 (March 31, 2015 - $9,698).

Consulting and management fees and business development costs were incurred in the current year in connection with a planned change of business of the Company and related financing.

Dividend Report & Policy

The Company has not paid any dividends to date. The Company intends to retain its future earnings, if any, for use in its business and does not expect to pay dividends on its shares in the foreseeable future.

Summary of Quarterly Results

The following is a summary of the Company's financial results for the eight most recently completed quarters. The financial data has, except as referred to in the footnotes to this summary, been prepared in accordance with IFRS and all figures are stated in Canadian dollars.

For the Quarterly Periods ended:		**March 31, 2016**	**December 31, 2015**	**September 30, 2015**	**June 30, 2015**
Total Revenues	$	-	-	-	
Net and comprehensive income (loss) for the period	$	6,932[1]	(9,700)	(4,530)	(17,102)
Loss per share, basic and diluted	$	0.00	(0.02)	(0.00)	(0.03)

For the Quarterly Periods ended:		**March 31, 2015**	**December 31, 2014**	**September 30, 2014**	**June 30, 2014**
Total Revenues	$	-	-	-	-
Net and comprehensive income (loss) for the period	$	(52,947)[2]	(8,150)	413	185,312[3]
Income (loss) per share, basic and diluted	$	(0.10)	(0.00)	0.00	0.06

1. The Company's loss for the period includes non-cash items of a gain from the settlement of a creditor debt of $21,332, settlement of debt with a director of $12,500 and foreign exchange gains of $11,000
2. The Company's loss for the period includes transfer agent and filing fees of $16,012 and professional fees of $14,342. There were no non-cash items.
3. The Company's income for the period included non-cash items of gains from settlements of payables to directors in the amount of $254,250, and creditors in the amount of $7,770.

Financial Condition, Liquidity and Capital Resources

The Company has total assets of $6,555 (March 31, 2015 - $1,868). The primary assets of the Company are cash of $2,053 (March 31, 2015 - $1,061) and GST receivables of 4,502 (March 31, 2015 – $807). The Company has negative working capital of ($154,032) (March 31, 2015 - $134,132).

At March 31, 2016, the Company had not yet achieved profitable operations, and had accumulated a deficit of $3,953,208 (March 31, 2015 - $3,928,808).

On April 15, 2016, the Company issued 1,000,000 common shares at $0.06 per share to settle a debt of $60,000 and 10,000,000 common shares at $0.06 per share for proceeds of $600,000. No fees were incurred for this financing.

The Company has executed a non-binding term sheet with Hillcore Group Ltd. pursuant to which the Company will loan a minimum of $15,000,000 and a maximum of $20,000,000 to the Hillcore Group, or to one of its portfolio companies. The Company plans to fund the Loan through an offering of convertible debentures, and also plans to issue $3,000,000 in convertible preferred shares to provide working capital for due diligence on additional potential investments and to satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer

The Company's ability to continue as a going concern is dependent upon its ability to complete the change of business and related financings, generate future profitable operations and raise further capital, the success of which cannot be assured.

As at March 31, 2016, the Company did not have any contractual obligations.

Off Balance Sheet Arrangements

There are no off-balance sheet arrangements to which the Company is committed.

Transactions with Related Parties

As at March 31, 2016 the Company had amounts payable to Eric Boehnke, CEO, in the amount of $86,666 (March 31, 2015 - $24,462) and Big Sky Management, a Company controlled by the CEO, in the amount of $5,060 for re-imbursement of various corporate expenses, ($60,000 of which was settled in a shares for debt settlement subsequent to the period end), John Legg, director, for re-imbursement of expenses in the amount of $4,769, and Jennie Choboter, CFO, in the amount of $14,175 (March 31, 2015 - $7,875) for professional fees. These amounts are due to related parties and included in accounts payable and accrued liabilities.

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company entered into the following transactions with the directors and officers of the Company and companies that are controlled by directors of the Company.

	Years ended			
		March 31, 2016		March 31, 2015
Consulting and management fees:				
John Legg-director	$	-	$	12,500
Roger Flowerdew, CFO		-		12,656
John Veltheer, director		-		12,656
Investment Consulting Ltd,		-		8,438
Rent:				
Network Exploration Ltd., CEO.		-		10,150
Professional fees				
Jennie Choboter, CFO		6,000		7,500
	$	6,000	$	63,900
Settlements-directors and officers	$	12,500	$	246,250

Critical Accounting Estimates

As disclosed in the Company's annual audited financial statements for the years ended March 31, 2016 and 2015 (as are filed and reviewable on SEDAR (www.sedar.com)) the Company has no other critical accounting estimates.

Changes in Accounting Policies

There are no accounting policies that the Company has adopted, other than what was disclosed in the annual audited financial statements for the year ended March 31, 2016.

Critical Risk Factors

Risk of failure to complete the change of business and related financing

The Company is limited in financial resources and has no assurance that additional funding will be available to it to complete and fund the change of business.

Risk of Exchange Listing

The Company has no assurance that it can satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer and resume trading

Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has not advanced its assets to commercial production and is not able to finance day to day activities through operations. The Company's continuation as a going concern is dependent upon the successful results from its exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from existing working capital and or the private placement of common share.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

The Company's non-derivative financial liabilities at March 31, 2016, which include accounts payable, are due within one year.

	Within one year	**Between one and five years**	**More than five years**
Accounts payable	$ 153,994	$ -	$ -

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. At March 31, 2016, there is no foreign currency exposure because there are no liabilities denominated in foreign currencies. This risk is considered minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash on hand is subject to minimal interest rate risk.

Market risk

The Company is subject to normal market risks including fluctuations in foreign exchange rates and interest rates. While the Company manages its operations in order to minimize exposure to these risks, the Company has not entered into any derivatives or contracts to hedge or otherwise mitigate this exposure.

Dependence on key personnel

The Company has a small management team and the loss of a key individual or the inability to attract suitably qualified personnel in the future could materially and adversely affect the Company's business.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2016	**March 31, 2015**
Cash	$ 2,053	$ 1,061

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2016	**March 31, 2015**
Non-derivative financial liabilities:		
Accounts payable	$ 153,994	$ 136,000

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash.

Disclosure of Outstanding Share Data

Authorized: Unlimited common shares without par value

Issued - As of the date of this MD&A the following Shares, incentive stock options and warrants were outstanding;

Common Shares – 11,535,885
Incentive Stock Options – Nil
Warrants – Nil

Other Information and Board Approval

Additional information about the Company is available on SEDAR at www.sedar.com. This MD&A has been reviewed and approved by the Board of Directors of the Company.

SCHEDULE "B"

FINANCIAL STATEMENTS

TRENCHANT CAPITAL CORP.

(formerly Echelon Petroleum Corp.)

Condensed Consolidated Interim Financial Statements

Three and Nine Months Ended December 31, 2016 and 2015

Expressed in Canadian Dollars

(Unaudited-Prepared by Management)

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Financial Position
(Expressed in Canadian Dollars)

	Note	December 31, 2016	March 31, 2016
ASSETS			
Current assets			
Cash		$ 289,199	$ 2,053
GST receivable		11,131	4,502
Prepaid financing costs	1	187,888	
TOTAL ASSETS		**$ 488,218**	**$ 6,555**
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	3	$ 87,915	$ 160,587
TOTAL LIABILIITES		**87,915**	**160,587**
SHAREHOLDERS' EQUITY			
Share capital	4	4,111,518	3,451,518
Obligation to issue shares	4	-	4,500
Share- based payment reserve		343,158	343,158
Deficit		(4,054,373)	(3,953,208)
TOTAL EQUITY		**400,303**	**(154,032)**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**$ 488,218**	**$ 6,555**

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

		Three month periods ended		Nine month periods ended	
	Note	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Expenses					
Consulting and management fees	3	$ -	$ -	$ -	$ 7,954
General and administrative		5,526	4,888	15,512	7,885
Business development		20,917	-	53,011	-
Transfer agent and filing fees		12,568	-	23,886	1,663
Travel and promotion		-	4,812	-	11,391
Professional fees	3	(35,033)	-	8,756	2,439
		(3,978)	(9,700)	(101,165)	(31,332)
Net and comprehensive loss for the period		$ (3,978)	$ (9,700)	$ (101,165)	$ (31,332)
Loss per share – basic and diluted		**$ (0.00)**	**$ (0.02)**	**$ (0.01)**	**$ (0.06)**

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share capital					
	Number of shares	Amount	Obligation to issue shares	Share-based payment reserve	Deficit	Total
Balance at March 31, 2015	**535,884**	**$ 3,451,518**	**$ -**	**$ 343,158**	**$ (3,928,808)**	**$ (134,132)**
Net and comprehensive loss	-	-	-	-	(31,332)	(31,332)
Balance at December 31, 2015	**535,884**	**$ 3,451,518**	**$ -**	**$ 343,158**	**$ (3,960,140)**	**$ (165,464)**
Balance at March 31, 2016	**535,884**	**$ 3,451,518**	**$ 4,500**	**$ 343,158**	**$ (3,953,208)**	**$ (154,032)**
Issue of shares for debt (Note 4)	1,000,000	60,000	-	-	-	60,000
Issue of shares for cash (Note 4)	9,925,000	595,500	-	-	-	595,500
Issue of shares for obligation to issue shares (Note 4)	75,000	4,500	(4,500)	-	-	-
Net and comprehensive loss	-	-	-	-	(101,165)	(101,165)
Balance at December 31, 2016	**11,535,884**	**$ 4,111,518**	**$ -**	**$ 343,158**	**$ (4,054,373)**	**$ 400,303**

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Condensed Consolidated Interim Statements of Cash Flows
(Expressed in Canadian Dollars)

	Nine month periods ended	
	December 31, 2016	**December 31, 2015**
Operating activities		
Net loss	$ (101,165)	$ (31,332)
GST Receivables	(6,629)	(1,601)
Accounts payables and accrued liabilities	(12,672)	32,933
Net cash flows used in operating activities	(120,466)	-
Financing activities		
Issues of shares for cash	595,500	-
Prepaid financing costs	(187,888)	-
Cash flows from financing activities	407,612	-
Increase in cash	287,146	-
Cash, beginning	2,053	1,061
Cash, ending	**$ 289,199**	**$ 1,061**

1. Nature and continuance of operations

Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) (the "Company") was incorporated under the British Columbia Business Corporations Act on December 17, 2009. The Company's shares are listed on the TSX Venture Exchange ("TSXV").

On May 10, 2016, the Company changed its name to Trenchant Capital Corp. and commenced trading under the symbol "TCC.H".

On April 26, 2016, the Company announced that it is pursuing a change of business to become a Tier 2 Investment Issuer on the TSXV.

On October 28, 2016, the Company signed a loan agreement with Waiward Investments Limited Partnership to loan up to a maximum of $20,000,000 to Waiward Investments Limited Partnership on or before November 30, 2016. To fund this loan, the Company engaged Industrial Alliance Securities Inc. for a proposed best efforts unit offering to raise up to $20,000,000.

The engagement terminated on December 31, 2016, the proposed offering not having completed.

The Company is currently working to restructure the offering and the loan.

During the nine months ended December 31, 2016, the Company incurred $187,888 costs in relation to this offering.

These condensed consolidated interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months with cash on hand, loans from related parties and or the private placement of common shares.

2. Significant accounting policies and basis of preparation

These unaudited condensed consolidated interim financial statements were authorized for issue on February 28, 2017 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The condensed consolidated interim financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). These condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard ("IAS") 34 – Interim Financial Reporting. Reporting, which do not include all the disclosures in the annual financial statements in accordance with IFRS. They should be read in conjunction with the Company's consolidated financial statements for the year ended March 31, 2016. The accounting policies were consistently applied to all periods presented.

2. Significant accounting policies and basis of preparation (continued)

Basis of preparation

The condensed consolidated interim financial statements have been prepared on an accrual basis and are based on historical costs, modified where applicable. The interim consolidated financial statements are presented in Canadian dollars unless otherwise noted.

3. Related party transactions

Related party balances:

The following amounts are due to related parties and included in accounts payable:

	December 31, 2016	March 31, 2016
Directors and officers of the Company	$ 1,962	$ 110,670

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

During the nine months ended December 31, 2016, the Company settled a debt obligation of $60,000 with the CEO by issuing 1,000,000 common shares at $0.06 per share.

Key management personnel compensation

	Nine month periods ended	
	December 31, 2016	**December 31, 2015**
Consulting	$ -	$ 7,954
Professional	4,500	-
	$ 4,500	$ 7,954

4. Share capital

Authorized share capital

Unlimited number of common shares without par value.

Issued share capital

At December 31, 2016 and 2015 there were 11,535,884 and 535,884 issued and fully paid common shares respectively.

During the nine months ended December 31, 2016, the Company issued:

1. 75,000 common shares at $.06 for an obligation to issue shares of $4,500
2. 1,000,000 common shares at $.06 for a debt obligation of $60,000
3. 9,925,000 common shares at $.06 for cash of $595,500

TRENCHANT CAPITAL CORP.

(formerly Echelon Petroleum Corp.)

Consolidated Financial Statements

Year Ended March 31, 2016

Expressed in Canadian Dollars

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Trenchant Capital Corp. (formerly Echelon Petroleum Corp.):

We have audited the accompanying consolidated financial statements of Trenchant Capital Corp., which comprise the consolidated statements of financial position as at March 31, 2016 and 2015, and the consolidated statements of comprehensive loss, changes in shareholders' deficit and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence that we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Trenchant Capital Corp. as at March 31, 2016 and 2015, and its financial performance and its cash flows for the years then ended, in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which describes certain conditions that indicate the existence of a material uncertainty that may cast significant doubt about Trenchant Capital Corp.'s ability to continue as a going concern.

DMCL

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

Vancouver, B.C.
July 28, 2016

Trenchant Capital Corp.
(formerly Echelon Petroleum Corp.)
Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	Notes	March 31, 2016	March 31, 2015
ASSETS			
Current assets			
Cash		$ 2,053	$ 1,061
GST receivable		4,502	807
TOTAL ASSETS		**$ 6,555**	**$ 1,868**
LIABILITIES			
Current liabilities			
Accounts payables and accrued liabilities	4,5	$ 160,587	$ 136,000
TOTAL LIABILITIES		**160,587**	**136,000**
SHAREHOLDERS' DEFICIT			
Share capital	6	3,451,518	3,451,518
Obligation to issue shares	6,9	4,500	-
Share- based payment reserve	6	343,158	343,158
Deficit		(3,953,208)	(3,928,808)
TOTAL DEFICIT		**(154,032)**	**(134,132)**
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT		**$ 6,555**	**$ 1,868**

Going concern (Note 1)
Subsequent events (Note 9)

On behalf of the board:

"Eric Boehnke"
Eric Boehnke, Director

"John Legg"
John Legg, Director

Trenchant Capital Corp.
(Formerly Echelon Petroleum Corp.)
Consolidated Statements of Comprehensive Loss
(Expressed in Canadian Dollars)

	Note	Years ended March 31, 2016	Years ended March 31, 2015
Expenses			
Consulting and management fees	5	$ 7,954	$ 58,812
Foreign exchange (gain)/loss		(7,687)	3,880
General and administrative		1,145	1,604
Business development		12,300	-
Professional fees	5	12,590	16,357
Rent	5	-	10,150
Transfer agent and filing fees		10,534	28,052
Travel and promotion		21,396	8,954
		58,232	(127,809)
Other item			
Gain on settlement of accounts payable		33,832	252,437
		33,832	252,437
Net and comprehensive (loss) income		**$ (24,400)**	**$ 124,628**
Earnings (loss) per share – basic and diluted	6	**$ (0.05)**	**$ 0.23**

Trenchant Capital Corp.
(Formerly Echelon Petroleum Corp.)
Consolidated Statement of Changes in Shareholders' Deficit
(Expressed in Canadian Dollars)

		Share capital					
	Notes	Number of shares	Amount	Obligation to issue shares	Share-based payment reserve	Deficit	Total
Balance at March 31, 2014		**535,884**	**$ 3,451,518**	**$ -**	**$ 343,158**	**$ (4,053,436)**	**$ (258,760)**
Net and comprehensive income		-	-		-	124,628	124,628
Balance at March 31, 2015		**535,884**	**3,451,518**	**-**	**343,158**	**(3,928,808)**	**(134,132)**
Shares issued for cash	6,9	-	-	4,500	-	-	4,500
Net and comprehensive loss		-	-	-	-	(24,400)	(24,400)
Balance at March 31, 2016		**535,884**	**$ 3,451,518**	**$ 4,500**	**$ 343,158**	**$ (3,953,208)**	**$ (154,032)**

Trenchant Capital Corp.
(Formerly Echelon Petroleum Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Year ended	
	March 31, 2016	**March 31, 2015**
Operating activities		
Net (loss) income	$ (24,400)	$ 124,628
Adjustments for non-cash items:		
Gain on settlement of accounts payable	(33,832)	(252,437)
Changes in non-cash working capital items:		
GST receivable	(3,695)	(807)
Prepaid expenses	-	252
Accounts payables and accrued liabilities	58,419	100,516
Net cash flows used in operating activities	(3,508)	(27,848)
Financing activities		
Subscription received	4,500	-
Net cash flows from financing activities	4,500	-
Increase (decrease) in cash	992	(27,848)
Cash, beginning	1,061	28,909
Cash, ending	**$ 2,053**	**$ 1,061**

1. Nature and continuance of operations

Trenchant Capital Corp. (formerly Echelon Petroleum Corp.) (the "Company") was incorporated under the British Columbia Business Corporations Act on December 17, 2009. The Company's shares are listed on the TSX Venture Exchange ("TSXV").

The head office and principal address is located at 583 Beach Crescent, Suite 702, Vancouver, British Columbia, Canada, V6E 2Y3. The records and registered office is located at 885 West Georgia Street Suite 800, Vancouver, British Columbia, Canada, V6C 3H1.

The Company was formed as a Capital Pool Company on the TSXV. In May 2011, the Company completed its qualifying transaction as a resource issuer and was engaged in the exploration and development of mineral and oil and gas natural resource properties. In August 2015 the Company was subject to a cease trade order issued by the British Columbia Securities Commission for failure to file financial statements.

Subsequent to March 31, 2016:

1) the cease trade order issued by the British Columbia Securities Commission was revoked;

2) the Company changed its name to Trenchant Capital Corp. and commenced trading under the symbol "TCC.H" on May 10, 2016;

3) the Company announced that it is pursuing a change of business to become a Tier 2 Investment Issuer on the TSXV. The Company also announced that it executed a non-binding term sheet with Hillcore Group Ltd. ("Hillcore Group") pursuant to which the Company will loan a minimum of $15,000,000 and a maximum of $20,000,000 (the "Loan") to the Hillcore Group, or to one of its portfolio companies (Note 9). The Company plans to fund the Loan through an offering of convertible debentures, and also plans to issue $3,000,000 in convertible preferred shares to provide working capital for due diligence on additional potential investments and to satisfy the minimum listing requirements of the TSXV for a Tier 2 Investment Issuer; and

4) in connection with the proposed change of business trading in the Company's shares was halted by the TSXV.

The Company is continuing to work on the proposed change of business and the related financings.

These consolidated financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. The Company's continuation as a going concern is dependent upon the successful results from its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These factors indicate the existence of a material uncertainty that may cast substantial doubt about the Company's ability to continue as a going concern. Management intends to finance operating costs over the next twelve months from loans from related parties and or the private placement of common shares.

2. Significant accounting policies and basis of preparation

The consolidated financial statements were authorized for issue on July 28, 2016 by the directors of the Company.

Statement of compliance with International Financial Reporting Standards

The consolidated financial statements of the Company comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

Basis of preparation

The consolidated financial statements of the Company have been prepared on an accrual basis and are based on historical costs, modified where applicable. The consolidated financial statements are presented in Canadian dollars unless otherwise noted.

Consolidation

The consolidated financial statements include the accounts of the Company and its controlled entity. Details of the controlled entity is as follows:

	Country of	Percentage owned*	
	incorporation	**March 31, 2016**	**March 31, 2015**
0960128 B.C. LTD.	Canada	100%	100%

*Percentage of voting power is in proportion to ownership.

During the years ended March 31, 2016 and 2015, the Company's subsidiary, 0960128 BC LTD, was inactive.

Significant estimates and assumptions

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the fair value measurements for financial instruments and the recoverability and measurement of deferred tax assets.

Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying accounting policies. The most significant judgment applied in preparing the Company's financial statements is the assessment of the Company's ability to continue as a going concern.

2. Significant accounting policies and basis of preparation (cont'd)

Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the share-based payment reserve. The fair value of options is determined using the Black–Scholes Option Pricing Model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest.

Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the earnings (loss) attributable to common shareholders by the weighted average number of common shares outstanding in the period. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the period.

Financial instruments

The Company classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale and financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Financial assets are classified at fair value through profit or loss when they are either held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Company with significant financial assets is managed by key management personnel on a fair value basis in accordance with a risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortized cost. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale or are not suitable to be classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments and are subsequently measured at fair value. These are included in current assets. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses.

2. Significant accounting policies and basis of preparation (cont'd)

3. Financial instruments *(cont'd)*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortized cost.

Regular purchases and sales of financial assets are recognized on the trade-date – the date on which the Company commits to purchase the asset.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen.

The Company does not have any derivative financial assets and liabilities.

Income taxes

Current income tax:

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax:

Deferred income tax is provided using the asset and liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2. Significant accounting policies and basis of preparation (cont'd)

Foreign currency translation

The functional currency of each entity is measured using the currency of the primary economic environment in which that entity operates. The financial statements are presented in Canadian dollars which is the Company's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the statement of comprehensive loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive loss in the statement of comprehensive loss to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive loss. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

3. Accounting standards issued but not yet effective

The IASB or IFRIC have issued pronouncements effective for accounting periods beginning on or after April 1, 2016. Only those that may significantly impact the Company are discussed below:

IFRS 9 Financial Instruments

IFRS 9 contains accounting requirements for financial instruments and replacing IAS 39 Financial Instruments: Recognition and Measurement. The standard contains requirements in the following areas:

- Classification and measurement: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. IFRS 9 introduces a "fair value through other comprehensive income" category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment: IFRS 9 introduces an "expected credit loss" model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.
- Derecognition: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

Applicable to annual periods beginning on or after January 1, 2018. The Company has not assessed the impact of this pronouncement.

Other pronouncements with future effective dates are not expected to have an impact on the consolidated financial statements of the Company.

(Expressed in Canadian Dollars)

4. Accounts payables and accrued liabilities

	March 31, 2016	March 31, 2015
Accounts payable (Note 5)	$ 153,993	$ 116,906
Accrued liabilities	6,594	19,094
	$ 160,587	$ 136,000

5. Related party transactions

Related party balances:

The following amounts are due to related parties and included in accounts payable and accrued liabilities (Note 4):

	March 31, 2016	March 31, 2015
Directors of the Company	$ 96,495	$ 44,837
CFO	14,175	7,500
	$ 110,670	$ 52,337

These amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

The Company incurred the following transactions with the directors of the Company and companies that are controlled by directors of the Company.

	Years ended	
	March 31, 2016	March 31, 2015
Consulting fees	$ -	$ 46,250
Rent	-	10,150
Professional fees	6,000	7,500
	$ 6,000	$ 63,900

Key management personnel compensation

	Years ended	
	March 31, 2016	March 31, 2015
CEO	$ -	$ 46,250
CFO	6,000	7,500
	$ 6,000	$ 53,750

6. Share capital

Authorized share capital

Unlimited number of common shares without par value.

(Expressed in Canadian Dollars)

6. **Share capital** (cont'd)

Issued share capital

At March 31, 2016 and 2015 there were 535,884 issued and fully paid common shares.

During the year ended March 31, 2016, the Company received $4,500 subscriptions for a private placement that was closed in April 2016 (Note 9). The subscription was recorded in obligation to issue shares.

Basic and diluted loss per share

The calculation of basic loss per share for the year ended March 31, 2016 was based on the loss attributable to common shareholders of $24,400 (2015: income $124,628) and the weighted average number of common shares outstanding of 535,884 (2015: 535,884).

Stock options

On March 3, 2010, the directors of the Company consented to adopt a Company Share Option Plan (the "Plan"). The shareholders of the Company approved the Plan on September 8, 2011. The Plan provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares, provided that the number of common shares reserved for issuance will not exceed 10% of the common shares outstanding at the time of the granting of options. Such options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of common shares reserved for issuance to any individual director or officer will not exceed five 5% of the issued and outstanding common shares and the number of common shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding common shares. Options may be exercised no later than 90 days following cessation of the optionee's position with the Company, provided that if the cessation of office, directorship, or consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

The changes in options during the years ended March 31, 2016 and 2015 are as follows:

	Year ended March 31, 2016		Year ended March 31, 2015	
	Number of options	**Weighted average exercise price**	**Number of options**	**Weighted average exercise price**
Options outstanding, beginning	-	-	18,938	$ 7.70
Options expired	-	-	-	
Options canceled	-	-	(18,938)	(7.70)
Options outstanding, ending	-	-	-	$ -

Share-based payment reserve

The share-based payment reserve records items recognized as stock-based compensation expense and other share-based payments until such time that the stock options or warrants are exercised, at which time the corresponding amount will be transferred to share capital.

7. Financial risk and capital management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its cash held in a bank account. The cash is deposited in a bank account held with a major bank in Canada. As the Company's cash is held by one bank there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies. Credit risk is assessed as low.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. The Company ensures that there are sufficient funds to meet its short-term business requirements, taking into account its anticipated cash flows from operations and its holdings of cash.

Historically, the Company's sole source of funding has been the issuance of equity securities for cash, primarily through private placements. The Company's access to financing is always uncertain. There can be no assurance of continued access to significant equity funding. Liquidity risk is assessed as high.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company had no exposure to foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash on hand is subject to minimal interest rate risk.

Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The capital structure of the Company consists of equity, comprising share capital and working capital. There were no changes in the Company's approach to capital management during the year. The Company is not subject to any externally imposed capital requirements.

(Expressed in Canadian Dollars)

7. Financial risk and capital management (cont'd)

Classification of financial instruments

Financial assets included in the statement of financial position are as follows:

	March 31, 2016	March 31, 2015
Held for trading:		
Cash	$ 2,053	$ 1,061

Financial liabilities included in the statement of financial position are as follows:

	March 31, 2016	March 31, 2016
Non-derivative financial liabilities:		
Accounts payable	$ 153,993	$ 116,906

Fair value

The fair value of the Company's financial assets and liabilities approximates the carrying amount.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

Financial instruments classified as level 1 – quoted prices in active markets include cash.

8. Income tax expense and deferred tax assets and liabilities

A reconciliation of the expected income tax recovery to the actual income tax recovery is as follows:

	Year ended March 31, 2016	Year ended March 31, 2015
Net income (loss)	$ (24,400)	$ 124,628
Statutory tax rate	26%	26%
Expected income tax expense (recovery) at the statutory tax rate	(6,344)	32,403
Non-deductible items and other	-	27,811
Change in valuation allowance	6,344	(60,214)
Income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

8. Income tax expense and deferred tax assets and liabilities

The Company has the following deductible temporary differences for which no deferred tax asset has been recognized:

	March 31, 2016	March 31, 2015
Non-capital loss carry-forwards	$ 1,854,194	$ 1,789,336
Exploration and evaluation assets	1,853,905	1,853,905
Share issuance costs	1,834	42,292
	$ 3,709,933	$ 3,685,533

The tax pools relating to these deductible temporary differences expire as follows:

	Canadian non-capital losses	Canadian resource pools	Share issue costs
2031	$ 144,643	$ -	$ -
2032	574,306	-	-
2033	524,874	-	-
2034	545,514	-	-
2035	-	-	-
2036	64,857	-	-
No expiry	-	1,853,905	1,834
	$ 1,854,194	$ 1,853,905	$ 1,834

9. Subsequent events

On April 15, 2015, the Company issued 1,000,000 common shares at $0.06 per share to settle a debt of $60,000 and 10,000,000 common shares at $0.06 per share for proceeds of $600,000.

On April 26, 2016 the Company announced that it entered into a strategic alliance with the Hillcore Group that grants the Company rights of first negotiation to provide special situation debt financing to Hillcore's pipeline of current and future private equity investments (Note 1).

SCHEDULE "C"

INVESTMENT POLICY

TRENCHANT
CAPITAL CORP.

INVESTMENT POLICY

Overview and Mission

The business objective of Trenchant Capital Corp. (the "**Company**") is to identify promising established companies with a solid track record of earnings and demonstrated potential for future growth across multiple sectors, using management's experience in deal sourcing, capital structuring and fundraising to maximize returns for the Company's shareholders. The Company will focus on providing special situation debt financing to portfolio companies, generating shareholder equity by taking and where prudent, exercising, equity purchase rights in portfolio companies, participating in potential going-public transactions or other liquidity events in portfolio companies, and seeking to preserve capital and limit downside risk through securely structuring its investments.

Investment Objectives and Strategy

The following shall be the guidelines for the Company's investment strategy:

1. The Company shall seek to provide special situation debt financing to established companies with a solid track record of earnings and demonstrated potential for future growth.

2. The Company shall seek to generate shareholder equity by taking and where prudent, exercising, equity purchase rights in portfolio companies.

3. The Company shall seek to participate in potential going-public transactions or other liquidity events in portfolio companies.

4. The Company shall seek to preserve capital and limit downside risk through securely structuring its investments.

5. Target investments shall have a demonstrated history of sustainable cash flow or, at a minimum, strong prospect for positive cash flow in the first year following investment, and be operating in a sector or industry that the Company believes has good growth potential.

6. Target investments shall have a capable and experienced management team.

7. Target investments will not have operations that include direct participation in resource extraction or resource exploration.

8. The Company shall seek to work closely with management of portfolio companies, either by securing board observation rights and/or board appointment rights, or management service arrangements. The Company may seek a more active role in situations where involvement of the Company is expected to make a significant difference to success and resulting appreciation of the target business. The Company may seek opportunities through which the Company can potentially add value by its involvement, not only financially but also by the contribution of guidance and additional management expertise.

9. The Company will be limited to investing not more than 30% of its equity capital in any one particular investment.

10. The Company will have broad discretion with respect to the form of investments made. The Company may employ a wide range of investment instruments, including: equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants, options, and other hybrid instruments. The Company may acquire limited partnership interests, joint venture or real property interests.

11. The Company may act as a third party advisor with respect to opportunities with target or other companies in exchange for a fee.

12. The Company may not invest in physical commodities, derivatives, "short" sales, substantial "passive" equity positions or other similar transactions.

13. The Company may not invest in the securities of any mutual fund, or purchase or sell mortgages.

14. Liquidity shall be a consideration but not a requirement.

15. All investments shall be made in full compliance with all applicable laws in relevant jurisdictions, and shall be made in accordance with and governed by the rules and policies in effect with respect to a particular industry or sectoral regulatory environment.

16. Uninvested funds, from time to time, shall be placed into high-quality money market investments, including government, municipal and corporate debt instruments, as appropriate.

From time to time, the board of directors of the Company (the "**Board**") may authorize such additional or alternative investments outside of the guidelines described herein as it sees fit for the benefit of the Company and its shareholders.

The Company's investment strategy and restrictions may be amended from time to time on the recommendation of senior management and approval by the Board.

Investment Committee

The Company will establish an investment committee (the "**Investment Committee**") to monitor its investment portfolio on an ongoing basis and to review the status of its investments at least once a month or on an as-needed basis. The Investment Committee will be subject to the direction of the Board, and will consist of at least three members, including two members of the Board. The members of the Investment Committee will be appointed by the Board, and may be removed or replaced by the Board. Each member of the Investment Committee shall be financially literate. Initially, it is expected that the members of the Investment Committee will include directors and/or officers of the Company; however, the Company may also utilize, or appoint to the Investment Committee, qualified independent financial or technical consultants approved by the Board to assist the Investment Committee in making its investment decisions.

Nominees to the Investment Committee shall be recommended by the Board. The members of the Investment Committee shall be appointed annually by the Board at the first Board meeting subsequent to the annual meeting of shareholders, or on such other date as the Board shall determine. Members of the Investment Committee may be removed or replaced by the Board.

Investment Portfolio

The nature and timing of the Company's investments will depend, in part, on available capital at any particular time and the acquisition and disposition opportunities identified and available to the Company. Until such time as the Company has developed its own capital pool, it may finance investments by distributing its securities, either by way of private placement or public offering.

Subject to the availability of capital, as noted above, the Company intends to develop investments in a portfolio of operating businesses with sectoral and geographic diversification. The composition of the assets and enterprises owned by the Company is intended to vary over time depending on the Company's assessment of a number of factors, including the performance of financial markets and credit risk.

The officers and directors of the Company will work to source and uncover appropriate acquisition or disposition opportunities, as well as to provide input and assistance in the management and operation of portfolio companies. Appropriate due diligence shall be performed prior to a decision to reject or move a proposed investment forward.

Negotiation of the terms of investment will be a key determinant of the ultimate value of any opportunity to the Company. Negotiations may be ongoing before and after the performance of due diligence. The representatives of the Company involved in such negotiations will be determined in each case by the circumstances.

Conflicts of Interest

If there is a conflict of interest involving an employee, officer or director of the Company in connection with any investment or disposition of an investment position by the Company, the Company may only proceed after receiving approval from disinterested directors of the Board. The Company is also subject to the "related party" transaction policies of the TSX Venture Exchange, which mandate disinterested shareholder approval in connection with certain transactions.

Management Participation

The Company plans to secure board observation rights and/or board appointment rights, or management service arrangements, with portfolio companies. The nominee of the Company in each such circumstance shall be determined by the Board.

Monitoring and Reporting

The Company's Chief Financial Officer shall be primarily responsible for the reporting process whereby the performance of each investment is monitored. Quarterly financial and other progress reports shall be gathered from each portfolio company, and these shall form the basis for a quarterly review of the

Company's portfolio by management and the Board. Any deviations from expectation are to be investigated by management, and if deemed to be significant, reported to the Board.

The Company is committed to providing investors with sufficient disclosure about its investments to enable investors to evaluate the performance, operations and risks thereof. In particular, if the Company has any Significantly Concentrated Debt Investment (as defined herein), the Company is required to:

- confirm the sufficiency of each borrower's cash flow to service its debts, and the adequacy of the security package provided by such borrower, and to disclose in the Company's Management's Discussion and Analysis (the "**MD&A**"), whether the Company considers such borrower's cash flow and pledged collateral are sufficient and adequate;
- disclose in the MD&A the following key ratios on a comparative basis, which the Company considers to be the essential information required by a prudent debt investor:
    - Debt Service Ratio (as defined herein),
    - Fixed Charge Coverage Ratio (as defined herein), and
    - Net Debt to EBITDA Ratio (as defined herein);
- disclose in the MD&A the approximate percentage increases and decreases, on a comparative basis, in a borrower's revenue and earnings; and
- disclose any material changes or facts in the business or affairs of a borrower that would have a material adverse impact on a borrower's cash flow or pledged collateral.

A full report of the status and performance of the businesses in which the Company has an interest is to be prepared and presented to the Board at the end of each fiscal year.

Dividends

The Company does not expect to declare dividends in the near future, except as required by the rights and restrictions of particular securities, as it intends to reinvest in new opportunities in accordance with this policy. This policy may be amended as the Company's business develops, or otherwise, from time to time, on approval of the Board.

Glossary of Terms

For the purposes of this policy, the following terms shall have the following meanings:

"**Debt Service Obligations**" for a particular period means a borrower's interest expense, non-discretionary principal repayments and lease payments for that period.

"**Debt Service Ratio**" for a particular period means the ratio of (i) a borrower's EBIT to (ii) that borrower's Debt Service Obligations for that period.

"**EBIT**" for a particular period means earnings before interest and taxes for that period. This is a non-IFRS measure that reflects net operating income.

"**EBITDA**" for a particular period means earnings before interest, taxes, depreciation and amortization for that period. This is a non-IFRS measure that reflects operational profitability.

"**Fixed Charge Coverage Ratio**" for a particular period means the ratio of (i) a borrower's EBITDA to (ii) that borrower's Debt Service Obligations, plus capital expenditures and income taxes, for that period.

"**IFRS**" means International Financial Reporting Standards as issued by the International Accounting Standards Board.

"**Net Debt**" means operating loans, long term debt (including current portions thereof) and accounts payable greater than 120 days, less cash.

"**Net Debt to EBITDA Ratio**" for a particular period means the ratio of (i) a borrower's Net Debt at the end of that period to (ii) the EBITDA for that period.

"**Significantly Concentrated Debt Investment**" means each loan by the Company which constitutes greater than 25% of the total of all loans made by the Company, on a consolidated basis.

"**Special Situation Debt**" means debt and debt-like securities, excluding all senior secured or vendor take-back debt, but including secondary, subordinated, mezzanine or non-traditional debt, asset backed securities and back-levered/holdco debt.