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## **NOTICE TO SHAREHOLDERS**

### **TCL Group Debt Restructuring - Status Update**

Shareholders were informed in the Directors' Statement accompanying the publication of TCL's consolidated interim and final financial reports, beginning with the report for the nine months ended September 30, 2010, that a debt restructuring exercise was being initiated by the Company.

The Board has sought to keep Shareholders and other Stakeholders informed about the progress of the debt restructuring. In this regard, notices dated January 14, 2011 and April 18, 2011 have been published in the regional print media. These notices are available for viewing on the Group's website ([www.tclgroup.com](http://www.tclgroup.com)). With respect to the debt restructuring exercise, Lenders are being advised by **FTI Consulting Canada ULC**, and the TCL Group is being advised by **BroadSpan Capital LLC**.

#### **Current Status**

After careful review of the business plans and projected cash flows, the TCL Group submitted proposals for the re-profiling of its debt portfolio to Lenders. There have been several rounds of discussions between advisors on these proposals, with formal meetings held on May 12, June 2, 16, and 17, 2011, which have resulted in a number of counter-proposals between Lenders and the TCL Group. Generally, dialogue with Lenders has been productive and the parties are drawing closer to agreement on the material terms of the re-profiling.

In summary, the current proposal considers an eight year transaction with interest rates consistent with the risk profile, along with the payment of a consent fee to Lenders. Outstanding interest due to Lenders will be capitalized at closing and quarterly thereafter through June 2012. The new facility is proposed to have quarterly principal amortizations and covenant testing, as well as an excess cash flow repayment sweep. TCL Group's existing financing facilities will remain in place and be modified by a master override agreement that will amend and harmonize each underlying facility in relation to key terms of the proposal.

#### **Next Step**

On reaching agreement on the detailed terms and conditions of the debt restructuring, a term sheet will be generated for approval by the Company and by Lenders. Thereafter the requisite legal documentation will be executed. It is expected that this process will be completed during the third quarter of 2011.

The Board remains confident that the successful completion of the debt restructuring exercise will improve the TCL Group's long term prospects, resulting in a stronger Group to the benefit of all stakeholders.

**BOARD OF DIRECTORS**

June 17, 2011