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CALGARY

PLAINTIFF

ENZIO HOLDINGS LTD.

DEFENDANTS

CANDRE CANNABIS INC.,  
FRONDIS HOLDINGS LTD.,  
CALYPTRA CULTIVATION INC. and  
JASMINE VENTURES LTD.

DOCUMENT

**THIRD REPORT OF THE RECEIVER**

**June 12, 2023**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**RECEIVER**

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## INTRODUCTION

1. On March 6, 2023 (the “**Receivership Date**”), by order of the Honourable Justice J. Fagnan of the Court of King’s Bench of Alberta (the “**Court**”), Alvarez & Marsal Canada Inc. was appointed receiver and manager (the “**Receiver**” or “**A&M**”), without security, of certain of Candre Cannabis Inc.’s (“**Candre**” or the “**Company**”) current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”), pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3 (the “**BIA**”), section 13(2) of the *Judicature Act*, RSA 2000, c J-2, section 99(a) of the *Business Corporations Act*, RSA 2000, c B-9, and section 65(7) of the *Personal Property Security Act*, RSA 2000, c P-7 (the “**Receivership Order**”).
2. In the Receivership Order, the Court directed that the Property specifically excludes any of the Company’s assets for which any permit or license is issued or may be issued in accordance or connection with the Controlled Substances Legislations (as defined in the Receivership Order) and pursuant to the Receivership Order the Receiver is not to take possession and is deemed to not be in possession of any such assets within the meaning of the Controlled Substances Legislation (the “**Excluded Assets**”).
3. On March 24, 2023, the Receiver was granted approval by the Honourable Justice J.B. Nixon of the Court to conduct a sales and investment solicitation process (“**SISP**”).
4. On April 19, 2023, the Receiver was granted approval by the Honourable Justice B. Johnston to proceed with the destruction of certain cannabis product that was found at the Candre facility, by way of a third party, (the “**Cannabis Destruction Order**”).
5. The Receiver is now applying to this Honourable Court for orders, among other things:

- a) approving the sale transaction (the "**Transaction**") contemplated by an Asset Purchase Agreement dated June 6, 2023 (the "**Sale Agreement**"), between the Receiver as vendor and Enzo Holdings Ltd. ("**Enzo**" or the "**Purchaser**") as purchaser;
- b) sealing the Confidential Appendix "**1**" to the Receiver's Third Report;
- c) ordering and declaring that, upon the Receiver filing a certificate with this Honourable Court (the "**Receiver's Certificate**"), the Receiver is discharged from these Receivership Proceedings;
- d) authorizing the Receiver to assign Candre into bankruptcy at its discretion without further order of the Court;
- e) approving the actions, activities and conduct of the Receiver; and
- f) approving the professional fees and disbursements of A&M and its legal counsel, Bennett Jones LLP ("**Receiver's Counsel**").

## **PURPOSE**

- 6. The purpose of this third report of the Receiver (the "**Third Report**" or this "**Report**") is to provide this Honourable Court with information in respect of the following:
  - a) a brief overview and background of Candre;
  - b) the activities of the Receiver since the Receiver's Amended Second Report dated April 10, 2023 (the "**Second Report**");
  - c) results of the SISP;
  - d) the Receiver's application for an Order approving the Sale Agreement;

- e) the Interim Statement of Receipts and Disbursements (as defined below) for the period from April 8, 2023 to June 9, 2023 (the “**Reporting Period**”);
  - f) the Receiver’s request for an Order to have its fees, its counsel’s fees and its activities approved by this Honourable Court;
  - g) the Receiver’s request for an Order approving the Receiver’s discharge; and
  - h) the Receiver’s conclusions and recommendations.
7. Capitalized words or terms not otherwise defined in this Report are as defined in the Receiver’s First Report, the Second Report, the Receivership Order and/or the SISP.
8. All references to dollars are in Canadian currency unless otherwise noted.

## **TERMS OF REFERENCE**

9. In preparing this Third Report, the Receiver has relied upon: (i) the representations of certain management and other key stakeholders of Candre; and (ii) financial and other information contained in the Company’s books and records, which were produced and maintained principally by the Company. The Receiver has not performed an audit, review or other verification of such information.
10. The Receiver has not performed an audit, review or otherwise attempted to verify the accuracy or completeness of the Company’s financial information that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook*, and accordingly, the Receiver expresses no opinion or other form of assurance contemplated under CASs in respect of the financial information. Any future oriented financial information relied upon in this Report is based on the Receiver’s assumptions regarding future events and actual results achieved will vary from this information and the variations may be materials.

## BACKGROUND AND OVERVIEW

### Background

11. Candre is an Alberta-based company that engaged in the business of cultivation and production of cannabis with property and a manufacturing facility and operations near Sundre, Alberta. Candre produced high-quality bulk flower and pre-rolled cannabis products. Candre currently holds licenses from Health Canada under the *Cannabis Act* and *Cannabis Regulations* and holds certain supply agreements with, among regulators and customers, the Alberta Gaming, Liquor and Cannabis Commission and the Ontario Cannabis Retail Corporation.
12. As at the Receivership Date, Candre's main assets were its real property including the land and building located at 819, 5<sup>th</sup> Avenue SW, Sundre Alberta (the "**Facility**").
13. Enzo and Censeo Capital Ltd. ("**Censeo**") are the most significant secured creditors of Candre and as of the Receivership Date the Company was indebted to Enzo and Censeo in the approximate aggregate amount of \$29,789,216.
14. Further background regarding Candre's operations and the issues leading to the Receiver's appointment are contained in the materials filed in support of the Receivership Order, including the Affidavit of Sveinung Svarte sworn February 27, 2023. These documents and other publicly filed Court materials in these proceedings have been posted on the Receiver's website at: <https://www.alvarezandmarsal.com/candre>.

## ACTIVITIES OF THE RECEIVER SINCE THE SECOND REPORT

15. Since the date of the Second Report, the Receiver's activities have included, but are not limited to, the following:
  - a) conducting the SISP pursuant to the SISP Order;

- b) updating the secured lenders of Candre, through their legal counsel, regarding the outcome of the SISP;
- c) engaging in discussions with the Purchaser, through its legal counsel, with respect to the Sale Agreement;
- d) ongoing meetings with Company employees, the secured creditors and other key stakeholders of Candre with respect to the receivership proceedings;
- e) coordinating pick up of certain assets belonging to vendors who provided goods and/or services to Candre;
- f) discussions with the Candre's benefits provider, Fairfield Watson, regarding the change in banking arrangements following the appointment of the Receiver;
- g) receiving communication from Health Canada regarding its approval of the proposed destruction of the Excluded Cannabis Product at the Candre Facility, as laid out in the Receiver's Second Report, and coordinating with Novem to destroy the Excluded Cannabis Product, which was completed on May 18, 2023;
- h) communicating with the CRA regarding a GST audit and payroll audit;
- i) communication with the Bank of Montreal to have the monies deposited in the Candre operating account transferred to the Receiver's trust account;
- j) communication with certain vendors who contacted the Receiver to discuss the receivership proceedings and the status of their claims against the Candre estate;
- k) communication with former employees with respect to the Wage Earner Protection Program ("**WEPP**");

- l) ongoing communication with customers regarding outstanding balances at the Receivership Date;
- m) negotiating an indemnity agreement with the secured lender in relation to the Candre building as the Company did not have adequate property insurance in place at the Receivership Date; and
- n) providing instructions to Bennett Jones, the Receiver's independent legal counsel, on a variety of matters with respect to these receivership proceedings.

## **SUMMARY OF THE SISP AND THE SALE AGREEMENT**

### **SISP OVERVIEW**

- 16. The Receiver undertook a significant marketing process between March 27, 2023 and April 28, 2023. The Receiver delivered a teaser package and non-disclosure agreement (the “**NDA**”) to a list of potential bidders, including strategic parties and capital providers (the “**Prospective Bidders**”). The teaser package included a background of the Company, an overview of the Facility and assets, sample photos of the Facility, and key information and dates of the SISP.
- 17. The Receiver prepared and disseminated notices of the SISP Process in various news media and outlets. The marketing process included multiple communications with various Prospective Bidders regarding their interest in the opportunity at hand and the Receiver fielded questions from Prospective Bidders who had executed an NDA and were provided access to a data room containing additional confidential due diligence information.
- 18. Throughout the course of the SISP:
  - a) 90 Prospective Bidders were contacted;
  - b) six (6) Prospective Bidders were deemed Phase 1 Qualified Bidders and were provided with access to the data room; and



- c) two (2) Phase 1 Qualified Bidders conducted tours of the Facility.
19. Ultimately, at the Phase 1 Bid Deadline, one non-binding letter of intent (“**LOI**”) was submitted to the Receiver. This LOI expressed interest in leasing the Candre Facility rather than purchasing the Facility, therefore, the LOI did not constitute a Qualified LOI pursuant to the SISP Order and the interested party was notified as such.
20. Prior to the Phase I Bid Deadline, Enzo notified the Receiver that it was reserving its rights to credit bid up to the amount of its entire secured debt within the SISP.
21. With no Qualified LOIs received by the Phase 1 Bid Deadline, the Receiver extended the Phase II Bid Deadline, ultimately to June 6, 2023, to allow additional time for Enzo and the Receiver to negotiate and execute a binding asset purchase agreement with respect to Enzo's credit bid.

### **Sale Agreement**

22. As a result of there being no other qualified bidders arising from the SISP, Enzo and the Receiver negotiated the Sale Agreement. A redacted copy of the Sale Agreement is attached as Appendix “A”, and the unredacted copy attached to this Report, along with a summary of the Sale Agreement's terms, is attached as Confidential Appendix “1”.
23. The consideration contemplated in the Sale Agreement is the credit bid of a portion of Enzo’s secured debt.
24. Due to the confidential nature of the redacted information provided in the Sale Agreement, the Receiver is concerned that if the redacted information is disclosed to third parties prior to the closing of the transaction, the disclosure could materially jeopardize the sale, or if the sale does not close, could materially jeopardize subsequent efforts to market the property. As such, the Receiver is respectfully of the view that it is appropriate for this Honourable Court to seal the Confidential Appendix “1” to the Receiver’s Third Report, until three months following the close

of the transaction, as it contains the unredacted contents of the Sale Agreement, including the purchase price.

25. The Receiver considered the following factors when assessing the offer from Enzo with respect to the property, and believes that the approval of the Sale Agreement is in the best interest of all stakeholders for the following reasons:

- a) the Receiver is of the view that a comprehensive marketing of Candre's property was undertaken, and that the market of potential purchasers was sufficiently canvassed, resulting in no offers;
- b) the Receiver can confirm that the Sale Agreement was negotiated between the Receiver and Enzo in good faith and with due diligence and appears commercially reasonable under the circumstances;
- c) the Receiver's counsel has reviewed the security of Enzo and concluded that it constitutes a valid and enforceable first-ranking security interest in the property of the Candre; and
- d) Censeo and Enzo, as fulcrum creditors, are also supportive.

24. After consideration of the above, the Receiver is seeking an order approving the Sale Agreement.

#### **BANKRUPTCY OF CANDRE**

25. The Receiver intends to assign the Company into bankruptcy. The Receiver believes it is appropriate, under the circumstances and it is permitted to do so for the following reasons:

- a) paragraph 4(3) of the Receivership Order specifically empowers and authorizes the Receiver to assign the Company into bankruptcy with the prior approval of the Court;

- b) paragraph 30 of the Receivership Order advises that nothing in the Receivership Order shall prevent the Receiver from acting as the trustee in bankruptcy of the Company;
- c) the Company is currently in receivership and is considered an insolvent person within the meaning of the BIA because it has failed to meet its obligations generally as they became due, in that the Company has failed to pay its debts to the secured lenders and other secured creditors, such obligations which exceed \$1,000;
- d) the Company is currently indebted to its creditors for an aggregate total of approximately \$32.6 million comprising both secured and unsecured creditors;
- e) assigning the Company into bankruptcy will allow for an efficient and orderly wind-down of the estate;
- f) the bankruptcy of the Company will allow for the aligning of priority claims and the crystalizing of various creditor claims; and
- g) the secured lenders support the Receiver's intention to assign the Company into bankruptcy.

26. A&M is the Court-appointed receiver and manager of the Company and in this role, A&M has been in consultation with various of the Company's creditors. A&M is knowledgeable with respect to the remaining assets, properties, undertakings and specific issues facing the Company, and is well positioned to effectively assume the role as the licensed insolvency trustee ("LIT") for this estate. A&M is not aware of any conflict preventing it from acting as LIT for the Company and is willing to act in such capacity.

## STATEMENT OF RECEIPTS AND DISBURSEMENTS

27. The following is a summary of an interim statement of the Receiver's receipts and disbursements (the "Interim Statement of Receipts and Disbursements") in respect of the Company in the Reporting Period.

<b>Candre Cannabis Inc.</b> <b>Interim Statement of Receipts and Disbursements</b> <b>April 8, 2023 to June 9, 2023</b> <i>in CAD \$000's</i>			
	<b>Second Report</b> <b>Mar 6/23 to Apr</b> <b>7/23</b>	<b>Period</b> <b>Apr 8/23 to</b> <b>June 9/23</b>	<b>Total</b> <b>Mar 6/23 to</b> <b>June 9/23</b>
<b>Opening cash balance</b>	\$ 180	\$ 207	\$ 180
<b>Receiver's borrowings</b>	\$ -	\$ 350	\$ 350
<b>Receipts</b>			
Collection of Accounts Receivable	115	241	356
Interest Income	-	1	1
Miscellaneous	0	22	22
<b>Total receipts</b>	<b>\$ 115</b>	<b>\$ 264</b>	<b>\$ 379</b>
<b>Disbursements</b>			
Employee Salaries and Benefits	12	49	61
Insurance	-	-	-
IT	3	4	7
Other Operating Costs	0	4	4
Utilities	-	69	69
BIA s.81.4 Priority Payments	-	-	-
Net GST Paid	4	23	26
Professional fees and costs	69	377	447
<b>Total disbursements</b>	<b>\$ 87</b>	<b>\$ 527</b>	<b>\$ 614</b>
<b>Ending cash balance</b>	<b>\$ 207</b>	<b>\$ 294</b>	<b>\$ 294</b>

28. There was approximately \$207,000 of opening cash at the start of the Reporting Period.
29. The Receiver collected approximately \$264,000 during the Reporting Period, which is primarily comprised of accounts receivable collections of approximately \$140,000 from Weed Me Inc., \$55,000 from VayaMed GmbH, \$46,000 from the Ontario Cannabis Store and proceeds from the redemption of a guaranteed investment certificate of approximately \$20,000.

30. The Receiver made disbursements of approximately \$527,000 during the Reporting Period, relating to:
- a) professional fees of the Receiver and the Receiver's Counsel of approximately \$377,000;
  - b) utility payments of approximately \$69,000 relating to electricity, natural gas and water services for the Facility;
  - c) payments of approximately \$49,000 relating to wages and benefits for the remaining employees of the Company; and
  - d) IT costs of approximately \$4,000 and other operating costs of approximately \$4,000 relating to Facility cleaning and cannabis disposal services.
31. The total ending cash available as at June 9, 2023 was approximately \$294,000.
32. Pursuant to paragraph 22 of the Receivership Order, the Receiver has been empowered to borrow from Censeo by way of revolving credit or otherwise, up to \$500,000 (or such greater amount as the Court may further order). On May 3, 2023, the Receiver borrowed \$100,000 by issuing a Receiver's Certificate. On June 7, 2023, the Receiver borrowed an additional \$250,000 by issuing a Receiver's Certificate.

#### **FORECAST FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS**

33. The table below provides a summary of the remaining estimated forecast receipts and disbursements to be collected and paid by the Receiver (the "**Forecast Receipts and Disbursements**"):

<b>Candre Cannabis Inc.</b> <b>Forecast Statement of Receipts and Disbursements</b> <b>June 9, 2023 to discharge</b> <i>in CAD \$000's</i>		
<b>Opening cash balance</b>	<b>\$</b>	<b>294</b>
<b>Forecast Receiver's borrowings</b>	<b>\$</b>	<b>-</b>
<b>Forecast receipts</b>		
Collection of Accounts Receivable		66
<b>Total forecast receipts</b>	<b>\$</b>	<b>66</b>
<b>Forecast disbursements</b>		
Employee Salaries and Benefits		29
Insurance		-
IT		10
Other Operating Costs		4
Utilities		51
BIA s.81.4 Priority Payments		43
Professional fees and costs		60
Pre-Receiver's WCB Payable (reversed in bankruptcy)		28
Pre-Receiver's GST Payable (reversed in bankruptcy)		31
Contingency		20
<b>Total forecast disbursements</b>	<b>\$</b>	<b>276</b>
<b>Forecast ending cash balance</b>	<b>\$</b>	<b>84</b>

34. Forecast receipts of approximately \$66,000, which relate to accounts receivable collections from Weed Me Inc. and Canna Cabana Inc.
35. Forecast disbursements of approximately \$276,000 include the following:
- a) payment of employee salaries and benefits of approximately \$29,000;
  - b) utility payments of approximately \$51,000;
  - c) employee statutory priority payments relating to section 81.4 of the BIA of approximately \$43,000;
  - d) professional fees and costs of the Receiver and the Receiver's counsel of approximately \$60,000;
  - e) IT costs of approximately \$10,000 and other operating costs relating of approximately \$4,000, which include cleaning, cannabis destruction, and maintenance costs;

- f) payments of approximately \$31,000 of GST owing and approximately \$28,000 of amounts owing to the Alberta Workers' Compensation Board, both which were incurred prior to the commencement of the Receivership proceedings. In the event of a bankruptcy these claims would lose their priority status and would not be paid; and
  - g) a contingency for any unknown and unanticipated costs of \$20,000.
- 36. The remaining estimated funds of approximately \$84,000 will be distributed upon completion of the receivership to Censeo as a repayment towards the Receiver's Certificates outstanding (the "**RC Repayment**"). The RC Repayment is subject to the collection of the anticipated forecast receipts and the estimated forecast disbursements. The Receiver notes that the quantum of the RC Repayment may change should the forecast receipts and disbursements change from what has been estimated by the Receiver above.
- 37. The Receiver proposes to provide Censeo with a final statement of receipts and disbursements once all of the forecast receipts have been collected and the forecast disbursements have been paid.

#### **APPROVAL OF THE RECEIVER'S AND ITS COUNSEL'S FEES AND COSTS**

- 38. Pursuant to paragraphs 19 to 21 of the Receivership Order, the Receiver seeks approval from this Honourable Court of the respective professional fees and disbursements of the Receiver and its legal counsel for the period from April 1, 2023 to May 30, 2023 (the "**Interim Taxation Period**").
- 39. Professional fees and expenses rendered by the Receiver during the Interim Taxation Period total \$105,270.37 (excluding GST) (the "**Receiver's Fees and Costs**"). Professional fees and expenses of the Receiver's Counsel, during the Interim Taxation Period total \$54,270.01 (excluding GST) (the "**Receiver's Counsel's Fees and Costs**").

40. A summary of the Receiver's Fees and Costs, the Receiver's Counsel's Fees and Costs are attached as Appendix "B". The accounts of the Receiver and the Receiver's Counsel outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work. Copies of the invoices will be made available to the Court at its direction, if requested.
41. The Receiver and the Receiver's Counsel's estimated fees and costs to complete this engagement (June 1 to filing of the Receiver's Discharge Certificate) are estimated at approximately \$60,000 (the "**Forecast Fees and Costs**"), which include fees and costs incurred but not paid.
42. The Receiver respectfully submits that its professional fees and disbursements and those of the Receiver's Counsel are fair and reasonable in the circumstances and respectfully requests that this Honourable Court approve the Receiver's Fees and Costs, the Receiver's Counsel's Fees and Costs, and the Forecast Fees and Costs.

#### **DISCHARGE OF THE RECEIVER**

43. The Receiver respectfully requests that this Honourable Court grant an Order which, among other things, and subject to filing a certificate which confirms the Receiver has satisfied its obligations under the Receivership Order, discharges A&M as Receiver, absolutely, forever and unconditionally releases the Receiver from any claims arising from, relating to, or in connection with, the performance of the Receiver's duties and obligations as Receiver, save and except for claims based on gross negligence.
44. The Receiver's administration of the estate is substantially complete, subject to:
  - a) closing of the Sale Agreement;
  - b) the assignment of the Company into bankruptcy;
  - c) the collection of forecast receipts and payment of the forecast disbursements;



- d) filing all outstanding and required corporate tax returns;
  - e) payment of the RC Repayment, if applicable; and
  - f) completing administrative tasks in accordance with the Receivership discharge requirements under the BIA.
45. In addition, the Receiver may have certain miscellaneous administrative items to attend to post discharge. The Receiver is of the view that these items are administrative in nature and should not prevent this Court from granting a discharge.
46. Upon completion of the above, the Receiver will file discharge certificate with the Court confirming same. The Receiver is requesting an order that provides that upon filing the discharge certificate, the Receiver will be automatically discharged without further order of the Court.

#### **RECEIVER'S CONCLUSIONS AND RECOMMENDATIONS**

47. The Receiver is of the view that it has made commercially reasonable efforts to obtain the highest and most efficient realizations for the Company's assets. The Receiver is satisfied that the interests of the financial stakeholders of the Company have been appropriately considered during the course of the realization process in these Receivership Proceedings.
48. The Receiver respectfully recommends that this Honourable Court:
- a) approve the Sale Agreement;
  - b) approve the sealing of the Confidential Appendix 1 to this Report;
  - c) approve the Receiver's Fees and Costs, the Receiver's Counsel's Fees and Costs, and the Forecast Fees and Costs;
  - d) approve the actions, activities and conduct of the Receiver to date; and

- e) approve the Receiver's request for discharge, upon filing the discharge certificate.

All of which is respectfully submitted this 12<sup>th</sup> day of June, 2023.

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as the Court-appointed Receiver of  
Candre Cannabis Inc. and not its personal or corporate capacity**

A handwritten signature in black ink, appearing to be 'CR' followed by a stylized flourish.

Cassie Riglin, CPA, CA, CIRP, LIT  
Senior Vice President

**APPENDIX A**  
**Asset Purchase Agreement**

## ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of the 6th day of June, 2023.

**BETWEEN:** **ALVAREZ & MARSAL CANADA INC. LIT**, solely in its capacity as Court-appointed receiver and manager of **CANDRE CANNABIS INC.**, and not in its personal or corporate capacity (the "**Vendor**");

**AND:** **ENZIO HOLDINGS LTD.** existing under the laws of the province of Alberta in its own capacity as secured lender to Candre Cannabis Inc., and also in its capacity as nominee of Censeo Capital Corp. as secured lender to Candre Cannabis Inc. (the "**Purchaser**");

### WHEREAS:

- A. Pursuant to an order (the "**Receivership Order**") granted on March 6, 2023 in the Receivership Proceedings, Alvarez & Marsal Canada Inc. was appointed receiver and manager (in such capacity, the "**Receiver**") of certain of the current and future assets, undertakings, and properties of Candre Cannabis Inc. ("**Candre**").
- B. The Receiver has conducted a sale and investment solicitation process ("**SISP**") with the approval of the Court pursuant to a court order dated March 24, 2023 (the "**SISP Order**"), intended to solicit interest in an acquisition, investment in, restructuring or refinancing of Candre or sale of the assets and/or the business of Candre.
- C. Pursuant to the SISP, the Receiver has reviewed and revaluated all qualified bids received, and has identified the Purchaser's bid as the successful bid for the Purchased Assets.
- D. The Vendor wishes to sell, and the Purchaser wishes to purchase, all of Vendor's Interest in and to the Purchased Assets subject to the terms and conditions of this Agreement.

**IN CONSIDERATION** of the premises and covenants, agreements, representations, warranties, and payments contained in this Agreement, the Vendor and the Purchaser agree as follows:

### 1. Definitions

In this Agreement and the Recitals, the following terms have the following meanings:

- (a) "**Agreement**" means this Asset Purchase Agreement made as of the date first written above;
- (b) "**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, (i) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (ii) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law

(collectively, in the foregoing clauses (i) and (ii), "**Law**") in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

- (c) "**Assumed Contracts**" means those contracts of Candre which the Purchaser has, prior to the Closing Date, designated in writing to the Vendor that it wishes to be assigned to the Purchaser;
- (d) "**Assumed Environmental Liabilities**" means all Environmental Liabilities arising or accruing before, on or after the Closing Date and related to or in connection with the Facility;
- (e) "**Assumed Liabilities**" means the Assumed Environmental Liabilities and the Assumed Obligations;
- (f) "**Assumed Obligations**" has the meaning ascribed thereto in Section 6.2;
- (g) "**Books and Records**" means all books, records, files and papers used or intended for use in connection with the ownership of the Purchased Assets, including title documentation, manuals, sales and advertising materials, and all other documents and data (technical or otherwise) relating to the Purchased Assets, and all copies and recordings of the foregoing;
- (h) "**Business Day**" means any day other than a Saturday, Sunday, or any other statutory holiday in Alberta;
- (i) "**Candre**" has the meaning ascribed thereto in the Recitals;
- (j) "**Cash Portion of the Purchase Price**" has the meaning ascribed thereto in Section 8.1(c);
- (k) "**Claim**" means any right or claim of any person that may be asserted or made in whole or in part against the Vendor, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever, and any interest accrued thereon or costs payable in respect thereof, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future, known or unknown, by guarantee, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature including any right or ability of any person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future, together with any other rights or claims of any kind that, if unsecured, would be a provable claim in bankruptcy within the

meaning of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, had Candre become bankrupt;

- (l) **"Closing"** means the completion of the Transaction in accordance with this Agreement;
- (m) **"Closing Date"** means three days after the granting of the Vesting Order or the date on which the conditions precedent set forth in Sections 14, 15, and 16 are fulfilled or waived, or as otherwise agreed upon in writing by the Vendor and the Purchaser;
- (n) **"Closing Time"** means 12:00 noon on the Closing Date;
- (o) **"Consequential Damages"** has the meaning ascribed thereto in Section 28.1;
- (p) **"Court"** means the Alberta Court of King's Bench;
- (q) **"Cure Costs"** " means, in respect of any Assumed Contract, all amounts, costs and expenses required to be paid to remedy Candre's monetary defaults in relation to the Assumed Contracts or otherwise required to secure a counterparty's or any other necessary Person's consent to the assignment of an Assumed Contract pursuant to its terms or as may be required pursuant to the Vesting Order, and includes any other fees and expenses required to be paid to a counterparty or any other Person in connection with the assignment of an Assumed Contract pursuant to its terms or Applicable Law;
- (r) **"ETA"** means the *Excise Tax Act*, RSC, 1985, c E-15 and the regulations thereto;
- (s) **"Encumbrance"** means any encumbrance against or interest in the Purchased Assets of any kind whatsoever and includes, without limitation, a security interest, mortgage, lien, pledge, assignment, charge, title retention agreement, option, trust or deemed trust (whether contractual, statutory, or otherwise arising), licence, and any covenant or other agreement, restriction, or limitation relating to the Purchased Assets or the transfer of the Purchased Assets to the Purchaser pursuant to this Agreement;
- (t) **"Environmental Laws"** means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances, including, without limitation, the *Environmental Protection and Enhancement Act* (Alberta), as amended, replaced, or restated from time to time;
- (u) **"Environmental Liabilities"** means all claims, Losses, Liabilities, damages or expenses (whether accrued, actual, contingent, latent or otherwise), whenever arising, which relate to the Facility, or arise from or in connection with past, present or future operations in respect thereof or which relate to or are associated with the environment, including, without limitation, Losses and Liabilities related to or arising from:

- (i) the non-compliance with, the breach of or any liability under the applicable Environmental Laws;
- (ii) presence, transportation, storage, use or disposal of toxic or hazardous substances;
- (iii) release, spill, escape, emission, leak, discharge, migration or dispersal of toxic or hazardous substances;
- (iv) removal, assessment, monitoring, sampling, response, abatement, clean-up, investigation, reporting of pollution or contamination of, or damage or other adverse effects to the environment; and
- (v) Remediation and Reclamation Obligations;

including, without limitation, liabilities to compensate third parties for damages, Losses and Liabilities resulting from the items described in items (i) through (v) above and, for purposes of this Agreement, "the environment" includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes, aquifers, groundwater) and plant and animal life (including humans);

- (v) **"Excluded Assets"** means those assets described in Part 2 of **Schedule "A"**;
- (w) **"Enzio"** means Enzio Holdings Ltd., a secured creditor of Candre;
- (x) **"Facility"** means the land and buildings located at 819, 5<sup>th</sup> Avenue SW, Sundre, Alberta and having the following legal description:

PLAN 1810863  
BLOCK 3  
LOT 8  
EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.936 HECTARES (2.31 ACRES) MORE OR LESS;

- (y) **"Final Order"** means an order issued by the Court in the Receivership Proceedings which: (i) is not subject to a stay of execution or an application or request for a stay of execution, and, if the deadline for filing any such application or request is designated by statute or regulation, such deadline, including any extensions thereof, has passed; and (ii) is not then under appeal or other form of judicial review, is not subject to an application for leave to appeal or other form of judicial review, and the deadline for filing any notice of appeal or application for appeal or other form of judicial review, including any extensions thereof, has passed;
- (z) **"Governmental Authority"** means any Canadian, foreign, domestic, federal, territorial, provincial, state, municipal, or local governmental authority, quasi-governmental authority, instrumentality, court, government, or self-regulatory organization, bureau, commission, tribunal, or organization or any regulatory, administrative, or other agency, or any political or other subdivision, department,

or branch of any of the foregoing having jurisdiction with respect to Candre, the Purchased Assets, or any other matter that is the subject of this Agreement;

- (aa) **"GST/HST"** means any goods and services tax/harmonized sales tax imposed under Part IX of the ETA;
- (bb) **"Interim Period"** means the period from the date of this Agreement to the Closing Date;
- (cc) **"ITA"** means the *Income Tax Act* (Canada) RSC, 1985, c 1 (5th Supp.);
- (dd) **"Legal Proceeding"** means any litigation, action, application, demand, suit, investigation, hearing, Claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review;
- (ee) **"Liability"** means any debt, liability, commitment, or other obligation (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or not yet due) and including all costs, fees and expenses relating thereto;
- (ff) **"Loans"** means the loans which are outstanding from Candre to Enzo, all as more particularly described in **Schedule "C"**;
- (gg) **"Losses"** means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full-indemnity basis;
- (hh) **"Obligations"** means any indebtedness, liabilities and obligations, whether present, future, direct, indirect, liquidated or contingent, whether due or to become due, owed by Candre to any person;
- (ii) **"Party"** or **"Parties"** mean either the Vendor or the Purchaser, as appropriate in the context, or both;
- (jj) **"Permitted Encumbrances"** means:
  - (i) unregistered liens for municipal Taxes, assessments or similar charges incurred by Candre or the Vendor in the ordinary course of business which rank in priority to the Security;
  - (ii) unregistered Encumbrances claimed or held by His Majesty The King in Right of Canada, His Majesty The King in right of any province of Canada, or by any Governmental Authority under any Applicable Law, except for unregistered liens for unpaid realty Taxes, assessments and public utilities;



- (iii) title defects which are of a minor nature and in the aggregate do not materially impair the value or use of the Purchased Assets;
  - (iv) any right of expropriation conferred upon, reserved to or vested in His Majesty The King in Right of Canada, His Majesty The King in right of any province of Canada in which the Facility is located, or by any Governmental Authority under any Applicable Law;
  - (v) zoning restrictions, easements and rights of way or other similar Encumbrances or privileges in respect of real property which in the aggregate do not materially impair the value or use of the Purchased Assets;
  - (vi) any Encumbrance which the Purchaser has expressly agreed to assume or accept pursuant to this Agreement including, without limitation, those encumbrances set out in **Schedule "B"**; and
  - (vii) the reservations, limitations, provisos, conditions, restrictions and exceptions in the letters patent or grant, as the case may be, from the Crown and statutory exceptions to title;
- (kk) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ll) **"Priority Payables"** means any Obligations of Candre secured by any Encumbrance that ranks in priority to the Security;
- (mm) **"Property"** has the meaning ascribed thereto in the Recitals;
- (nn) **"Purchase Price"** has the meaning ascribed thereto in Section 8.1 hereof;
- (oo) **"Purchased Assets"** means those assets described in Part 1 of **Schedule "A"**;
- (pp) **"Purchaser"** has the meaning ascribed thereto in the Recitals;
- (qq) **"Purchaser's Solicitors"** means Burnet, Duckworth & Palmer LLP;
- (rr) **"Receiver"** has the meaning ascribed thereto in the Recitals;
- (ss) **"Receiver's Borrowings"** means the amount advanced to the Receiver by Censeo, plus all accrued and accruing interest thereon, pursuant to the Receivership Order;
- (tt) **"Receivership Order"** has the meaning ascribed thereto in the Recitals;
- (uu) **"Receivership Proceedings"** means the receivership proceedings in which Alvarez & Marsal Canada Inc. was appointed the Receiver of all of the current and future assets, undertakings, and properties of Candre, being Court of King's Bench of Alberta Court File Number 2301-02578;

- (vv) **"Recitals"** means the preamble and recitals to this Agreement;
- (ww) **"Remediation and Reclamation Obligations"** means all obligations to dismantle, decommission, abandon, remediate, restore and reclaim the surface or subsurface of lands associated with the Facility, all as may be required in accordance with all applicable Environmental Laws;
- (xx) **"Representative"** means, with, respect to any Party, its Affiliates, and its and their respective directors, officers, agents, advisors, employees and consultants and includes Candre, its Affiliates and their respective directors, officers, agents, advisors, employees and consultants;
- (yy) **"Sales Procedure"** means the sale and investment solicitation process attached as Schedule "A" to the order of the Court dated March 24, 2023, issued in the Receivership Proceedings;
- (zz) **"Security"** means the security over the real and personal property of Candre held by Enzo, as more particularly described in **Schedule "C"**;
- (aaa) **"Senior Secured Obligations"** means the Obligations owed by Candre to Enzo under the Loans, as secured by the Security;
- (bbb) **"SISP"** has the meaning ascribed thereto in the Recitals;
- (ccc) **"SISP Order"** has the meaning ascribed thereto in the Recitals;
- (ddd) **"Statement of Adjustments"** has the meaning ascribed thereto in Section 9.1;
- (eee) **"Taxes"** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties;
- (fff) **"Transfer Taxes"** means all applicable Taxes, including where applicable all GST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement;
- (ggg) **"Transaction"** means the purchase and sale of the Purchased Assets and all other transactions contemplated by this Agreement;
- (hhh) **"Vendor's Interest"** means, when used in relation to any asset, undertaking or property, the entire right, title, estate and interest, if any, of Candre and/or the Vendor, as applicable, in, to and/or under such asset, undertaking or property;

- (iii) **"Vendor"** has the meaning ascribed thereto in the Recitals;
- (jjj) **"Vendor's Solicitors"** means Bennett Jones LLP; and
- (kkk) **"Vesting Order"** means an Order of the Court made in the Receivership Proceedings approving the Transaction contemplated hereby, and vesting in the Purchaser or its nominee(s) the Vendor's Interest in and to the Purchased Assets free, and clear of all Encumbrances upon payment and delivery of the Purchase Price, such order to be substantially in the form attached hereto as **Schedule "C"** together with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, each acting reasonably.

## 1.1 Schedules

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

### **SCHEDULES**

Schedule "A"	Purchased Assets and Excluded Assets
Schedule "B"	Permitted Encumbrances
Schedule "C"	Description of Loans and Security
Schedule "D"	Form of Vesting Order

## 2. Construction

- 2.1 This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

## 3. Certain Rules of Interpretation

### 3.1 In this Agreement:

- (a) headings are inserted for convenience of reference only and will not affect the interpretation of this Agreement;
- (b) the division into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (c) the expressions **"hereof"**, **"herein"**, **"hereto"**, **"hereunder"**, **"hereby"** and similar expressions refer to this Agreement and not to any particular portion of this Agreement;
- (d) **"including"** or **"includes"** means **"including (or includes) but is not limited to"** and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;

- (e) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and
- (f) words in the singular include the plural and vice-versa and words in one gender include all genders.

#### **4. Performance on Business Days**

- 4.1** If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

#### **5. Currency and Payment**

- 5.1** In this Agreement, unless specified otherwise, references to dollar amounts or "\$" are to Canadian dollars, and any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

#### **6. Purchase and Sale of the Purchased Assets**

- 6.1** Subject to the timely fulfillment or waiver of the conditions precedent set forth in Sections 14, 15, and 16, including the granting of the Vesting Order, and the terms and conditions of this Agreement, on the Closing Date, the Vendor agrees to sell, assign, and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, all of the Vendor's Interest in and to the Purchased Assets free and clear of all Encumbrances, except for Permitted Encumbrances, at the Closing Time.
- 6.2** At the Closing Time, the Purchaser will assume and thereafter perform, discharge and pay when due all obligations and liabilities arising from and in connection with the Purchased Assets that accrue from and after the Closing Time (the "**Assumed Obligations**"). For greater certainty, the Purchaser acknowledges and agrees that the Assumed Obligations and the Assumed Environmental Liabilities are inextricably linked to the Purchased Assets.

#### **7. Purchase Price**

- 7.1** The purchase price payable by the Purchaser to the Vendor for the Purchased Assets shall be the aggregate of:
  - (a) the accrued and unpaid Receiver's Borrowings as of the Closing Date;
  - (b) the accrued and unpaid Senior Secured Obligations as of the Closing Date in the amount of [REDACTED];
  - (c) the accrued and unpaid Priority Payables as of the Closing Date; and
  - (d) the amount of any Cure Costs payable in connection with any Assumed Contracts;

(collectively, the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 8 and shall be subject to adjustment only as set forth in Section 9.

- 7.2** The Purchaser and the Vendor acknowledge and agree that the Purchase Price reflects the fair market value of the Purchased Assets as of the Closing Date, having due regard to the Assumed Liabilities connected and embedded in the Purchased Assets that depress the value of the Purchased Assets.

## **8. Payment of the Purchase Price**

- 8.1** The Purchase Price shall be satisfied by the Purchaser at Closing as follows:

- (a) the Purchaser shall have delivered evidence to the Vendor that the Receiver's Borrowings have been indefeasibly paid in full;
- (b) the Purchaser shall deliver evidence to the Vendor that the Senior Secured Obligations have been indefeasibly paid in the amount of [REDACTED];
- (c) by the Purchaser paying to the Vendor by certified cheque or bank draft, or by effecting a wire transfer in immediately available funds, an amount equal to the amounts of the Priority Payables and Cure Costs that are due and payable at Closing (the "**Cash Portion of the Purchase Price**"); and
- (d) by the Purchaser agreeing to pay, as and when they become due, but not to assume, all Priority Payables that are not due and payable at Closing.

- 8.2** Purchase Price Allocation. The Purchase Price Allocation shall be as follows:

- (a) to the land which comprises a portion of the Facility - [REDACTED]
- (b) to the chattels - [REDACTED]; and
- (c) to the building which comprises a portion of the Facility – the Purchase Price, less the amounts allocated in paragraphs 8.2(a) and 8.2(b).

- 8.3** The Vendor and the Purchaser shall file their respective Tax returns based upon and in accordance with such allocation and will not make any inconsistent statements or take any inconsistent positions on any Tax returns, in any refund claims or during the course of any audits by any taxing authorities.

## **9. Purchase Price Adjustments**

- 9.1** The Vendor shall prepare and deliver to the Purchaser at least five (5) Business Days prior to the Closing Date a statement setting forth the Vendor's good faith calculation of the adjustments to the Purchase Price contemplated by this Section 9 (the "**Statement of Adjustments**"). The Statement of Adjustments shall be used to calculate the Purchase Price payable at Closing in accordance with Section 8.1, and shall be deemed final and binding for all purposes in connection with the adjustments contemplated by this Section 9.

- 9.2** Items of revenue and expense, including, but not limited to, utilities, interest and rents with respect to the Facility, as would customarily be adjusted for in a similar transaction in Alberta, shall be adjusted between the Purchaser and the Vendor as of 12:01 a.m. on the Closing Date; *provided, however*, that no adjustment shall be made for municipal Taxes payable in relation to the Facility.

**10. Payment of the Purchase Price**

- 10.1** The Purchase Price shall be paid to the Vendor by the Purchaser on the Closing Date.

**11. NOT USED**

**12. Transfer Taxes**

- 12.1** The Purchase Price is exclusive of any applicable Transfer Taxes. Subject to Section 13.1, the Purchaser shall pay to the Vendor upon Closing or, where permitted by Applicable Law, directly to the appropriate Governmental Authorities, all Transfer Taxes, registration charges and transfer fees payable by it in respect of the purchase and sale of the Purchased Assets under this Agreement.

- 12.2 GST/HST Certificate and Indemnity.** In respect of any GST/HST to be self-assessed by the Purchaser, the Purchaser shall deliver to the Vendor a GST/HST certificate and indemnity in form agreeable to the Vendor.

- 12.3 GST/HST Gross-Up.** If any payment made by the Vendor or the Purchaser as the result of a breach, modification or termination of this Agreement is deemed by the ETA to include GST/HST, or is deemed by any applicable provincial or territorial legislation to include a similar value-added or multi-staged tax, the amount of such payment shall be increased accordingly.

- 12.4** The Purchaser shall indemnify and save harmless the Vendor from any amounts, including interest and penalties, that may be assessed against the Vendor arising out of the failure of the Purchaser to pay, when due: (a) any taxes described in this Section 12; and (b) any capital gains taxes which may become payable by Candre in relation to the sale of the Purchased Assets to the Purchaser hereunder.

**13. Tax Election**

- 13.1 Section 167 Tax Election.** If available, at the Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the ETA, to have the sale of the Purchased Assets take place on a GST/HST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall indemnify and hold harmless the Vendor in respect of any GST/HST, penalties, interest and other amounts which may be assessed against the Vendor as a result of the transactions under this Agreement not being eligible for such election or as a result of the Purchaser's failure to file the election within the prescribed time.

**14. Conditions in Favour of the Purchaser**

**14.1** The obligations of the Purchaser under this Agreement are subject to the fulfillment of the following conditions precedent:

- (a) each of the representations and warranties of the Vendor set forth in Section 17 shall be true and correct as if restated on and as of the Closing Date;
- (b) the covenants and obligations contained in this Agreement to be complied with by the Vendor on or before the Closing Time shall have been complied with and not been breached in any material respect; and
- (c) the Vendor shall cause to be delivered to the Purchaser, all as reasonably requested by the Purchaser, all deeds, conveyances, bills of sale, assurances, transfers, assignments and any other documentation or action which in the opinion of the Purchaser are necessary or reasonably required to transfer the Purchased Assets to the Purchaser and to consummate the Transaction, in each case duly executed by the Vendor and in form and substance satisfactory to the Purchaser, acting reasonably.

**14.2** The Purchaser may, in its sole discretion, waive any of the foregoing conditions. Any waiver by the Purchaser must be in writing and delivered to the Vendor's Solicitors.

## **15. Conditions in Favour of the Vendor**

**15.1** The obligations of the Vendor under this Agreement are subject to the fulfillment of the following conditions precedent:

- (a) each of the representations and warranties of the Purchaser set forth in Section 18 shall be true and correct as if restated on and as of the Closing Date;
- (b) the covenants and obligations contained in this Agreement to be complied with by the Purchaser on or before the Closing Time shall have been complied with and not been breached in any material respect; and
- (c) the Purchaser has, as at the Closing Time: (i) delivered and paid the Purchase Price and any Cure Costs to the Vendor, and (ii) paid and delivered all Taxes payable by the Purchaser as provided for in this Agreement.
- (d) the Purchaser shall cause to be delivered to the Vendor, all as reasonably requested by the Vendor, all documentation or action which in the opinion of the Vendor are necessary or reasonably required to transfer the Purchased Assets to the Purchaser and to consummate the Transaction, in each case duly executed by the Purchaser and in form and substance satisfactory to the Vendor, acting reasonably.

**15.2** The Vendor may, in its sole discretion, waive either of the foregoing conditions. Any waiver by the Vendor must be in writing and delivered to the Purchaser's Solicitors.

## **16. Mutual Conditions**

**16.1** The obligations of the Parties under this Agreement are subject to the following mutual conditions precedent:

- (a) the Vesting Order shall have been obtained and shall be a Final Order, unless the Purchaser has provided written consent that Closing occur despite the Vesting Order not being a Final Order; and
- (b) there shall be in effect no order, injunction, judgment, decree, ruling, writ, assessment, or arbitration award of the Court or other court of competent jurisdiction or of a relevant Governmental Authority prohibiting the consummation of the transactions contemplated hereby and which has not been withdrawn or terminated.

**16.2** The Parties may mutually agree to amend or waive any the foregoing conditions. Any amendment or waiver by the Parties must be in writing and delivered to the Purchaser's Solicitors and the Vendor's Solicitors.

## **17. Representations and Warranties of the Vendor**

**17.1** The Vendor represents and warrants to the Purchaser as follows, with the intent that the Purchaser will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

- (a) subject to obtaining and pursuant to the Vesting Order, the Vendor has the power, authority and capacity to enter into this Agreement, subject to its terms, and the authority to execute all instruments required by this Agreement to be delivered by it, and to perform its obligations hereunder and thereunder;
- (b) Candre is registered for GST/HST purposes under Part IX of the ETA and its registration number is # 71210 5691 RT0001; and
- (c) the Vendor is not a non-resident of Canada within the meaning of section 116 of the *Income Tax Act*.

## **18. Representations and Warranties of the Purchaser**

**18.1** The Purchaser represents and warrants to the Vendor as follows, with the intent that the Vendor will rely on these representations and warranties in entering into this Agreement, and in concluding the purchase and sale contemplated by this Agreement:

- (a) the Purchaser has the power and capacity to enter into this Agreement and carry out its terms;
- (b) the Purchaser is a corporation duly incorporated, validly existing, and in good standing under the *Business Corporations Act* (Alberta), and has the power and capacity to enter into this Agreement and carry out its terms;
- (c) the execution and delivery of this Agreement and the completion of the transaction contemplated by this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Purchaser, and this Agreement constitutes a legal, valid, and binding obligation of the Purchaser;
- (d) there is no Legal Proceeding in progress, pending against or threatened against or affecting either Purchaser, and there are no grounds on which any such Legal



Proceeding might be commenced and there is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder;

- (e) the Purchaser is not a "non-Canadian" within the meaning of the *Investment Canada Act*, RSC 1985, c 28 (1<sup>st</sup> Supp);
- (f) the Purchaser shall, or upon Closing shall be, registered for GST/HST purposes under Part IX of the ETA, and shall provide its registration number to the Vendor at or prior to Closing; and
- (g) the Vendor will not be liable for any brokerage commission, finder's fee or other similar payment in connection with the Transaction because of any action taken by, or agreement or understanding reached by, the Purchaser or either of them.

## **19. Covenants of the Vendor**

**19.1** Without in any way limiting any other obligations of the Vendor hereunder, during the Interim Period, but subject to any order or direction made by the Court:

- (a) the Vendor shall not, without the prior written consent of the Purchaser, enter into any transaction or refrain from doing any action that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of the Vendor under this Agreement;
- (b) the Vendor shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated hereby and to consummate the Transaction;
- (c) the Vendor shall use commercially reasonable efforts to satisfy the conditions contained in Sections 14 and 16; and
- (d) the Vendor shall undertake to do general repairs and maintenance to the Facility in the normal course. The Vendor shall have no other obligation to do any further repairs or general maintenance to the Purchased Assets.

**19.2** The Vendor shall consult with the Purchaser at all reasonable times with respect to the status of the Purchased Assets and the Receivership Proceedings.

**19.3** Upon payment of the Purchase Price by the Purchaser at the Closing Time, and subject to the terms of this Agreement, the Vendor shall transfer and assign to the Purchaser the Vendor's Interest in and to the Purchased Assets in accordance with the terms of the Vesting Order.

**19.4** On the Closing Date, the Vendor shall deliver, and shall cause to be delivered, to the Purchaser the Books and Records and all documents (except, in the case of those required by applicable law to be retained by the Vendor, copies thereof) and other data, technical or otherwise, which are in the possession of the Vendor at the Closing Date, relating materially to the Purchased Assets. Following the Closing Date, the Purchaser

shall permit the Receiver, and its authorized representatives, reasonable access to those documents while they are in the Purchaser's possession or control solely to the extent that access is required by the Receiver to perform its obligations under this Agreement or under applicable law, but the Purchaser shall not be responsible or liable to the Vendor or the Receiver for, or as a result of, any loss or destruction of or damage to any such documents and other data unless that destruction, loss or damage is caused by the Purchaser's gross negligence or wilful misconduct. The Receiver shall be responsible for all reasonable out-of-pocket costs and expenses incurred, directly or indirectly, by the Purchaser in connection with any access contemplated by this Section 19.4.

- 19.5** Notwithstanding the immediately foregoing Section 19.4, the Receiver shall be entitled to retain copies of any documents or other data delivered to the Purchaser pursuant to this Agreement provided that those documents or data are reasonably required and only used or relied on by the Receiver to perform its obligations under this Agreement or under applicable law.
- 19.6** Subject to the terms of this Agreement, the Vendor will use all commercially reasonable efforts to take or cause to be taken all other actions, and do or cause to be done all other things, necessary or appropriate to obtain the Vesting Order and to consummate the transactions contemplated by this Agreement.
- 19.7** From the date of this Agreement until completion of the transaction contemplated herein, the Vendor covenants to maintain the Purchased Assets in a commercially reasonable manner, to ensure that the Purchased Assets are insured, and to ensure that such insurance coverage of the Purchased Assets is maintained in good standing up to and including the Closing Date, after that time the Vendor shall have no further obligation to insure the Purchased Assets.
- 19.8** From the date of this Agreement until completion of the transaction contemplated herein, and except as contemplated by this Agreement, the Vendor will not sell, transfer, or otherwise dispose of, or agree to sell, transfer, pledge, lease, encumber, or otherwise dispose of, any Purchased Assets, or enter into any agreement or transaction which would result in the creation of any Encumbrance on any of the Purchased Assets.

## **20. Covenants of the Purchaser**

- 20.1** Without in any way limiting any other obligations of the Purchaser hereunder, during the Interim Period, but subject to any order or direction made by the Court:
  - (a) the Purchaser shall not, without the prior written consent of the Vendor, enter into any transaction or refrain from doing any action that, if effected before the date of this Agreement, would constitute a breach of any representation, warranty, covenant or other obligation of the Purchaser under this Agreement;
  - (b) the Purchaser shall take all necessary corporate action, steps and proceedings to approve or authorize, validly and effectively, the execution and delivery of this Agreement and the other agreements and documents contemplated hereby and to consummate the Transaction; and

- (c) the Purchaser shall use commercially reasonable efforts to satisfy the conditions contained in Sections 15 and 16.

**20.2** At the Closing Time, the Purchaser will pay the Purchase Price to the Vendor. The Purchaser will be liable for and shall pay all applicable taxes in accordance with Section 12.

**21. As is, Where is.**

**21.1** Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Vendor set forth in Section 17 and the covenants of the Vendor set forth in Section 19, it is entering into this Agreement, and acquiring the Purchased Assets, on an "as is, where is" basis as they exist as of the Closing Time and will accept the Purchased Assets in their state, condition and location as of the Closing Time except as expressly set forth in this Agreement and the sale of the Purchased Assets is made without legal warranty and at the risk of the Purchaser;
- (b) it has conducted to its satisfaction such independent searches, investigations and inspections of the Purchased Assets as it deemed appropriate, and based solely thereon, has determined to proceed with the Transaction;
- (c) except as expressly stated in Section 17, neither the Vendor nor its Representatives have made or are making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendor's Interest in and to the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental condition, existence of any parts and/or components, latent defects, quality, quantity or any other thing affecting any of the Purchased Assets, or normal operation thereof, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (d) all written and oral information obtained from the Receiver or its Representatives, including in any teaser letter, asset listing, confidential information memorandum or other document made available to the Purchaser (including in certain "**data rooms**", management presentations, site visits and diligence meetings or telephone calls), with respect to the Purchased Assets has been obtained for the convenience of the Purchaser only, and neither the Receiver nor its Representatives have made any representation or warranty, express or implied, statutory or otherwise as to the accuracy or completeness of any such information; and
- (e) any information regarding or describing the Purchased Assets in this Agreement (including the Schedules hereto), or in any other agreement or instrument contemplated hereby, is for identification purposes only, is not relied upon by the

Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor, the Receiver or their Representatives, or any other Person concerning the completeness or accuracy of such information or descriptions.

- 21.2** Notwithstanding anything to the contrary herein, the Purchaser hereby expressly acknowledges that if any consents of: (i) any Governmental Entities are required to effect the transfer of any of the Purchased Assets; or (ii) any lessees are required to effect the transfer of any of the leases or licences to be acquired by the Purchaser pursuant to this Agreement, then it is the sole responsibility of the Purchaser to obtain any such consents, and the granting of any such consents shall not be a condition precedent to the Purchaser's obligations under this Agreement, including the payment of the Purchase Price. At the request and cost of the Purchaser, both before and after the Closing Date, the Vendor will assist the Purchaser in its efforts to obtain any consents required of any Government Entities or lessees in order to complete the sale and transfer of the Purchased Assets pursuant to this Agreement.

## **22. Investigation**

- 22.1** During the Interim Period, the Vendor shall permit the Purchaser and its authorized representatives to make such investigations, inspections, surveys or tests of the Purchased Assets, as the Purchaser deems reasonably necessary or desirable to familiarize itself with the Purchased Assets. Without limiting the generality of the foregoing, the Vendor shall, to the extent reasonably possible and at no cost to the Vendor provide the Purchaser with free and unrestricted access to (i) all documents relating to information scheduled or required to be disclosed under this Agreement, and (ii) the Books and Records in the possession of the Vendor.
- 22.2** At the Purchaser's request and at no cost to the Vendor, the Vendor shall execute, or cause to be executed, such consents, authorizations and directions as may be necessary to permit any inspection of any of the Purchased Assets and to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the Purchased Assets maintained by Governmental Authorities and self-regulating authorities.

## **23. Notification of Certain Matters**

- 23.1** Provided the Vendor has actual knowledge of any of the following during the Interim Period, the Vendor shall give prompt notice in writing to the Purchaser of the following events or occurrences:
- (a) the occurrence, or failure to occur, of any event, which occurrence or failure would be likely to cause any of the representations or warranties of the Vendor contained in this Agreement to be untrue or inaccurate during the Interim Period;
  - (b) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the Transaction;
  - (c) any notice or communication from any Governmental Authority in connection with the Transaction;

- (d) any Proceeding commenced or threatened against the Vendor or relating to or involving or otherwise affecting the Vendor which relates to the consummation of the Transaction; and
- (e) any failure by the Vendor to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied under this Agreement.

**23.2** The giving of any notice under Section 23.1 does not in any way change or modify the representations and warranties of the Vendor, or the conditions to the obligations of the Purchaser, contained in this Agreement or otherwise affect the remedies available to the Purchaser under this Agreement.

**23.3** Provided the Purchaser has actual knowledge of any of the following during the Interim Period, the Purchaser shall give prompt notice in writing to the Vendor of the following events or occurrences:

- (a) the occurrence, or failure to occur, of any event, which occurrence or failure would be likely to cause any of the representations or warranties of the Purchaser contained in this Agreement to be untrue or inaccurate during the Interim Period;
- (b) any notice or communication from any Person alleging that the consent of such Person is or may be required in connection with the Transaction;
- (c) any notice or communication from any Governmental Authority in connection with the Transaction;
- (d) any Proceeding commenced or threatened against the Purchaser or relating to or involving or otherwise affecting the Vendor which relates to the consummation of the Transaction; and
- (e) any failure by the Purchaser to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied under this Agreement.

**23.4** The giving of any notice under Section 23.3 does not in any way change or modify the representations and warranties of the Purchaser, or the conditions to the obligations of the Purchaser, contained in this Agreement or otherwise affect the remedies available to the Purchaser under this Agreement.

## **24. Termination**

**24.1** This Agreement may be terminated by notice given prior to or at the Closing Time as follows:

- (a) by mutual written agreement of the Parties;
- (b) by the Purchaser by notice in writing to the Vendor if the Vendor has failed to comply in any material respect with any of its obligations under this Agreement (other than those to be performed at the Closing Time) for a period of three Business Days (or a lesser period specified by the Purchaser if the Closing Date

is to occur within three Business Days after the giving of such notice) after the Purchaser shall have notified the Vendor of such failure to comply in writing;

- (c) by the Purchaser by notice in writing to the Vendor if any conditions specified in Sections 14 or 16 have not been satisfied by the Closing Time and the Purchaser has not, in the case of Section 14, and the Parties have not, in the case of Section 16, waived such conditions by such time;
- (d) by the Purchaser in accordance with Section 25.2(b);
- (e) by the Vendor by notice in writing to the Purchaser if the conditions specified in Sections 15 or 16 have not been satisfied by the Closing Time and the Vendor has not, in the case of Section 15, and the Parties have not, in the case of Section 16, waived such conditions by such time; or
- (f) by either of the Parties on written notice to the other, provided such Party is not in material breach of its obligations under this Agreement, if the Vesting Order has not been pronounced and entered by July 1, 2023.

**24.2** Notwithstanding any termination of this Agreement by the Vendor or the Purchaser as permitted under Section 24.1, the provisions of Sections 28 (Consequential Damages), 29 (Public Announcements), 32 (Expenses), 33 (No Third Party Beneficiary), 39 (Applicable Law and Court Jurisdiction) and 41 (Notices), shall remain in full force and effect following any such permitted termination.

## **25. Risk**

**25.1** The Purchased Assets will be at the Vendor's risk until the completion of the transaction contemplated herein on the Closing Date and thereafter at the Purchaser's risk.

**25.2** If, before the Closing, any of the Purchased Assets is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, then:

- (a) the Parties shall agree on an adjustment to the Purchase Price to account for such loss, damage, destruction, appropriation, expropriation or seizure; or
- (b) if such loss, damage, destruction, appropriation, expropriation or seizure is materially adverse to the Purchaser, as determined by the Purchaser, acting reasonably, then the Purchaser, at its sole discretion may terminate this Agreement.

## **26. Closing**

**26.1** Subject to the terms and conditions of this Agreement, and the satisfaction or the waiver of the conditions precedent in Sections 14, 15, and 16, the purchase and sale of the Purchased Assets will be completed at the Closing Time at the offices of the Vendor's Solicitors.

**26.2** At the Closing Time, the Purchaser will deliver, or cause to be delivered to the Vendor:

- (a) the Cash Amount;

- (b) duly executed election referred to in Section 13.1, if applicable; and
- (c) all such assignments, instruments of transfer, deeds, assurances, consents, registrations, and other documents executed by the Purchaser as may be reasonably requested by the Vendor in respect of transferring the Purchased Assets to the Purchaser and the consummation of the Transaction;

**26.3** At the Closing Time, the Vendor shall deliver, or cause to be delivered to the Purchaser:

- (a) a Court-certified copy of the Vesting Order;
- (b) all of the Vendor's Interest in and to the Purchased Assets, in accordance with the Vesting Order;
- (c) duly executed election referred to in Section 13.1, if applicable;
- (d) the Books and Records in the possession of the Vendor; and
- (e) all such assignments, instruments of transfer, deeds, assurances, consents, registrations, and other documents executed by the Vendor as may be reasonably requested by the Purchaser in respect of transferring the Purchased Assets to the Purchaser and the consummation of the Transaction;

and the Purchaser shall be entitled to possession of the Purchased Assets, in accordance with the Vesting Order, upon payment of the Purchase Price in accordance with this Agreement.

## **27. Receiver Liability and Indemnification**

**27.1** The Purchaser hereby expressly acknowledges and agrees that Alvarez & Marsal Canada Inc. is acting only in its representative capacity as Court-appointed receiver and manager of Candre and the Purchased Assets and shall have no personal or corporate liability under or as a result of entering into or carrying out the transaction which is the subject of this Agreement except in such capacity and without limitation to the generality of the foregoing Alvarez & Marsal Canada Inc. shall have no liability under or as a result of entering into or carrying out of such transaction in its personal or corporate capacity.

**27.2** Provided that Closing has occurred, the Purchaser shall:

- (a) be solely liable and responsible for any and all Losses which the Vendor or Candre may suffer, sustain, pay or incur; and
- (b) indemnify, release and save harmless the Vendor, Candre and their Representatives from any and all Losses, Claims, actions, proceedings and demands, whatsoever which may be brought against or suffered by the Vendor or Candre or which they may sustain, pay or incur;

(A) as a result of any matter or thing resulting from, attributable to or connected with the Purchased Assets and arising or accruing after the Closing, including: (i) all Losses and Liabilities attributable to the ownership, operation, use, construction or maintenance of the Purchased Assets during the period following the Closing; (ii) all Losses and

Liabilities arising or accruing on or after the Closing Date under any Assumed Contracts, including any and all Cure Costs; and (iii) any other Losses and Liabilities for which the Purchaser has otherwise agreed to indemnify the Vendor pursuant to this Agreement; and (B) any Losses and Liabilities or any obligations to pay or satisfy claims resulting from, attributable to or connected with any property Taxes with respect to the Purchased Assets which arise or accrue during the period commencing on the date of the Receivership Order until the Closing, including any fees, fines, penalties or assessments in connection thereto. The Purchaser's indemnity obligations set forth in this Section 27.2 shall survive the Closing indefinitely.

- 27.3** The Purchaser acknowledges that insofar as the environmental condition of the Facility is concerned, and without limiting the generality of Section 20, it will acquire the Facility on an "as is, where is" and "without recourse" basis. The Purchaser acknowledges that it has had the opportunity to inspect and assess the environmental condition of the Facility and that it is not relying upon any representation or warranty of the Vendor, Candre, their affiliates or their respective Representatives as to the environmental condition of the Facilities, Environmental Liabilities or Remediation and Reclamation Obligations. The Purchaser further agrees that it shall be solely liable and responsible for any and all Losses and Liabilities which the Vendor, Candre, their affiliates or their respective Representatives may suffer, sustain, pay or incur, as a result of any matter or thing arising out of, resulting from, attributable to or connected with any Assumed Environmental Liabilities. Once Closing has occurred and without limiting the foregoing, the Purchaser shall be solely responsible for all Assumed Environmental Liabilities, hereby releases the Vendor, Candre, their affiliates and their respective Representatives from any claims the Purchaser may have against the Vendor or Candre with respect to all such Assumed Environmental Liabilities, and acknowledges its indemnification obligations described in Section 27.2. The Purchaser and the Vendor acknowledge and agree that the Environmental Liabilities are future costs and obligations associated with ownership of the Facility that are tied and connected to the ownership of the Facility such that they are embedded with the Facility. The Purchaser acknowledges and agrees that these covenants shall survive Closing indefinitely.

## **28. Consequential Damages**

- 28.1** Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any punitive, exemplary, consequential, special, incidental or indirect damages (including for greater certainty, any loss of profits) (collectively, "**Consequential Damages**") that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the Transaction, other than Consequential Damages for which the Vendor and/or Candre are liable as a result of a third party claim (which liability of the Vendor and/or Candre shall be subject to and recoverable under Section 27).

## **29. Public Announcements**

- (a) Subject to Section 29(b), if a Party intends to issue a press release or other public disclosure of this Agreement, the terms hereof or the Transaction, the disclosing Party shall provide the other Parties with an advance copy of any such press release or public disclosure with sufficient time to enable the other Party to review such press release or other public disclosure and provide any comments. The disclosing Party shall not issue such press release or other public disclosure



without the prior written consent of the other Parties, such consent not to be unreasonably withheld.

- (b) Notwithstanding Section 29(a): (i) this Agreement may be filed by the Receiver with the Court; and (ii) the Transaction may be disclosed by the Receiver to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Law. The Parties further agree that:
  - (i) the Receiver may prepare and file reports and other documents with the Court containing references to the Transaction and the terms of such Transaction; and
  - (ii) the Receiver and its professional advisors may prepare and file such reports and other documents with the Court containing references to the Transaction contemplated by this Agreement and the terms of such Transaction as may reasonably be necessary to obtain the Court Approvals and to complete the Transaction contemplated by this Agreement or to comply with their obligations to the Court.

### **30. Further Assurances**

- 30.1** The Parties will execute such further and other documents and do such further and other things as may be necessary to carry out and give effect to the intent of this Agreement.

### **31. Legal Advice**

- 31.1** The Parties have each consulted with and been advised by their own solicitors before entering into this Agreement, have read same, and know the contents thereof.

### **32. Expenses**

- 32.1** Each Party shall pay all of its own expenses (including taxes imposed on those expenses) incurred in the authorization, negotiation, preparation, execution and performance of this Agreement and the Transaction, including all fees and expenses of its legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

### **33. No Third Party Beneficiary**

- 33.1** This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

### **34. Entire Agreement**

- 34.1** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof. There are no representations or warranties, express or implied, statutory or otherwise and no collateral agreements other than as expressly set forth or referred to in this Agreement.

### **35. Amendment**

**35.1** No amendment of this Agreement will be binding unless made in writing by both Parties.

### **36. Severability**

**36.1** If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited, or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition, or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances.

### **37. Assignment**

**37.1** This Agreement may not be assigned by any Party hereto without the prior written consent of the other Party hereto, which consent may be arbitrarily withheld, provided that the Purchaser may designate one or more nominees to take title in and to the Purchased Assets, or any part thereof, by giving the Vendor written notice of such assignment at least two clear Business Days prior to the date of the hearing of the application for the Vesting Order.

### **38. Time of the Essence**

**38.1** Time will be of the essence of this Agreement.

### **39. Applicable Law and Court Jurisdiction**

**39.1** This Agreement shall be governed by, and construed in accordance with, the laws of the Province of Alberta and the laws of Canada applicable therein, and the Parties hereby attorn to the jurisdiction of the Alberta Court of King's Bench, Judicial District of Calgary.

### **40. Successors and Assigns**

**40.1** This Agreement will enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

### **41. Notices**

**41.1** Any Communication must be in writing and either delivered personally or by courier, or transmitted by email or functionally equivalent electronic means of transmission, charges (if any) prepaid. Any Communication must be sent to the intended recipient at its address as follows:

(a) to the Vendor at:

Alvarez & Marsal Canada Inc.  
Bow Valley Square 4  
Suite 1110, 250 6th Avenue SW  
Calgary, AB, T2P 3H7

Attention: Orest Konowalchuk / Bryan Krol  
Email: okonowalchuk@alvarezandmarsal.com /  
bkrol@alvarezandmarsal.com

with a copy to:

Bennett Jones LLP  
4500 Bankers Hall East  
855 2nd Street SW  
Calgary, AB T2P 4K7 Canada

Attention: Chris Simard / Michael Selnes / Kristos Iatridis  
Email: simardc@bennettjones.com / selnesm@bennettjones.com /  
iatridisk@bennettjones.com

(b) to the Purchaser at:

Enzio Holdings Ltd.  
Suite 840, 517 – 10<sup>th</sup> Avenue SW  
Calgary, AB T2R 0A8

Attention: Muriel Bourra, President  
E mail: muriel.bourra@shaw.ca

with a copy to:

Burnet, Duckworth & Palmer LLP  
2400, 525 – 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1G1

Attention: David LeGeyt / Ryan Algar  
E mail: dlegeyt@bdplaw.com / ralgar@bdplaw.com

## **42. Counterparts**

- 42.1** This Agreement may be signed in counterparts and each such counterpart will constitute an original document, and such counterparts, taken together, will constitute one and the same instrument. A counterpart may be delivered by email or any other form of electronic transmission.

***[Remainder of page intentionally left blank]***

**AS EVIDENCE OF THEIR AGREEMENT** the Parties have executed this Agreement as of the day and year first written above.

**ALVAREZ & MARSAL CANADA INC.**,  
solely in its capacity as court-appointed  
receiver and manager of **CANDRE**  
**CANNABIS INC.**, and not in its personal  
or corporate capacity



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Name: Orest Konowalchuk, CPA, CA,  
CIRP, LIT  
Title: Senior Vice President

**ENZIO HOLDINGS LTD.**

---

Name:  
Title:

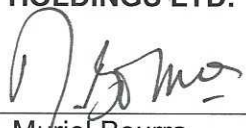
**AS EVIDENCE OF THEIR AGREEMENT** the Parties have executed this Agreement as of the day and year first written above.

**ALVAREZ & MARSAL CANADA INC.**,  
solely in its capacity as court-appointed  
receiver and manager of **CANDRE**  
**CANNABIS INC.**, and not in its personal  
or corporate capacity

---

Name: Orest Konowalchuk, CPA, CA,  
CIRP, LIT  
Title: Senior Vice President

**ENZIO HOLDINGS LTD.**



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Name: Muriel Bourra  
Title: President

## **Schedule "A"**

### **Purchased Assets and Excluded Assets**

#### **PART 1 – Purchased Assets**

All of the real and personal property of Candre, wherever situate, used in the conduct of its business, including the following, but in all cases excluding the Excluded Assets:

1. The Facility
2. All personal property of Candre Cannabis Inc. whether tangible or intangible including, without limitation:
  - chattels of every nature or kind whatsoever, such as furniture, equipment, tools, utensils, vehicles, linens and fabrics
  - inventory
  - accounts receivable
  - packaging not described as Excluded Assets below
  - any other personal property of Candre Cannabis Inc. used in the operation of the business of the Facility
3. Any Assumed Contracts.

#### **PART 2 – Excluded Assets**

Permits, Health Canada licenses, excise tax stamps, leased equipment, any controlled substances subject to the *Excise Tax Act*, 2001, SC 2002, c. 22, the *Cannabis Act*, SC 2018, c. 16, and the *Gaming, Liquor and Cannabis Act*, RSA 2000, c G-1, packaging (but only to the extent such packaging is controlled by the foregoing statutes), and contracts and agreements, other than contracts or agreements designated by the Purchaser as Assumed Contracts prior to the Closing Date.

**Schedule "B"**  
**Permitted Encumbrances**

<b>Registration Number</b>	<b>Date (D/M/Y)</b>	<b>Particulars</b>
901 063 085	08/03/1990	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF SUNDRE. AS TO PORTION OR PLAN:8910921
191 002 481	04/01/2019	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - MARK HAMEISTER.
231 109 321	13/04/2023	TAX NOTIFICATION BY - THE TOWN OF SUNDRE. BOX 420 SUNDRE, ALBERTA T0M1X0

**Schedule "C"**  
**Description of Loans and Security**

**Enzio Holdings Ltd.**

1. Amended and Restated Loan Agreement, dated November 12, 2019, evidencing a loan in the original principal amount of \$18,600,000, as amended by each of the following:
  - (a) First Letter Amending Agreement, dated June 30, 2020;
  - (b) Second Letter Amending Agreement, dated December 31, 2020; and
  - (c) Third Letter Amending Agreement, dated January 1, 2022,
2. Enzio Security:
  - (a) General Security Agreement dated May 11, 2018 (as confirmed from time to time);
  - (b) Share Pledge dated May 11, 2018 in respect of shares held by the Debtor in Calyptra Cultivation Inc.;
  - (c) Assignment of Material Contracts dated May 11, 2018, as amended by a First Amendment to Assignment of Material Contracts dated November 12, 2019;
  - (d) Mortgage in the original principal amount of \$25,000,000;
  - (e) Mortgage dated May 10, 2018 in the principal amount of \$580,332 as amended by a Mortgage Amending Agreement dated December 31, 2020 and a Mortgage Amending Agreement dated August 30, 2021, granted in favour of Strathmore Lakes Estates Ltd., as mortgagee, and assigned by Strathmore Lakes Estates Ltd. (as assignor) to Enzio (as assignee) pursuant to an Assignment of Indebtedness and Security Agreement dated as of February 3, 2022
3. Current Amount Outstanding as at June 6, 2023: \$24,757,185.84.

**Censeo Capital Corp.**

1. Loan and Security:
  - (a) Amended and Restated Promissory Note, dated January 1, 2022, in the principal amount of CAD. \$6,000,000
2. Current Amount Outstanding as at June 6, 2023: \$6,173,744.04.



**Schedule "D"**  
**Form of Vesting Order**

**(attached)**

COURT FILE NO.: 2301- 02578

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ENZIO HOLDINGS LTD.

DEFENDANTS CANDRE CANNABIS INC., FRONDIS HOLDINGS LTD.,  
CALYPTRA CULTIVATION INC. and JASMINE VENTURES LTD.

DOCUMENT **APPROVAL AND VESTING ORDER**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION  
OF PARTY  
FILING THIS  
DOCUMENT

**BENNETT JONES LLP**  
Barristers and Solicitors  
4500, 855 – 2nd Street S.W.  
Calgary, Alberta T2P 4K7  
  
Attention: Chris Simard and Michael W. Selnes  
Tel No.: 403-298-4485/3311  
Fax No.: 403-265-7219  
Client File No. 071752.4  
  
Email: [simardc@bennettjones.com](mailto:simardc@bennettjones.com) and  
[selnesm@bennettjones.com](mailto:selnesm@bennettjones.com)

**DATE ON WHICH ORDER WAS PRONOUNCED:** \_\_\_\_\_, 2023

**NAME OF JUSTICE WHO MADE THIS ORDER:**

**LOCATION OF HEARING:** Calgary, AB (via Webex)

**UPON THE APPLICATION** of Alvarez & Marsal Canada Inc. ("A&M") in its capacity as court-appointed receiver (in such capacity, the "**Receiver**") of certain of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, of Candre Cannabis Inc. (the "**Debtor**"), for an order approving the sale transaction (the "**Transaction**") contemplated by an agreement of purchase and sale (the "**Sale Agreement**") between the Receiver and ● (the "**Purchaser**") dated ●, 2023, a redacted copy of which is attached as Appendix "●" to the ● Report of the Receiver, dated ●, 2023 (the "**● Report**"), and vesting in the Purchaser (or its

nominee) all of the Debtor's right, title and interest in and to the Purchased Assets (as defined in the Sale Agreement);

**AND UPON HAVING READ** the Receivership Order dated March 6, 2023 (the "**Receivership Order**"), the • Report, the Confidential Supplement to the • Report and the Affidavit of Service of •, sworn on •, 2023;

**AND UPON HEARING** the submissions of counsel for the Receiver, counsel to the Purchaser, and any other interested parties appearing at the application;

**IT IS HEREBY ORDERED AND DECLARED THAT:**

**SERVICE AND DEFINITIONS**

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given. All capitalized words and phrases used in this Order, but not otherwise defined herein, shall have the meanings ascribed thereto in the Sale Agreement.

**APPROVAL OF TRANSACTION**

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser (or its nominee).

**VESTING OF PURCHASED ASSETS**

3. Upon the delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form and substance set out in **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory,

financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed on **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**" which term shall not include the permitted encumbrances, caveats, easements and restrictive covenants listed on **Schedule "C"** (collectively, the "**Permitted Encumbrances**"))

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles (the "**Land Titles Registrar**") for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
  - (i) cancel existing Certificates of Title No. 181 106 563 for those lands and premises municipally described as 819 5 Ave SW, Sundre, AB T0M 1X0, and legally described as:

PLAN 1810863

BLOCK 3

LOT 8

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 0.936 HECTARES (2.31 ACRES) MORE OR LESS

(the "**Lands**");

- (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee), namely, Enzo Holdings Ltd.;
  - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule "C", to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule "C"; and
  - (iv) discharge and expunge the Encumbrances listed in Schedule "B" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the existing Certificate of Title to the Lands; and
- (b) the Registrar of the Alberta Personal Property Registry (the "**PPR Registrar**") shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtor in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c. L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.
9. Except as expressly provided for in the Sale Agreement, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtor.
10. Upon completion of the Transaction, the Debtor and all persons who claim by, through or under the Debtor in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all

right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtor, or any person claiming by, through or against the Debtor.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser (or its nominee).

#### **MISCELLANEOUS MATTERS**

14. Notwithstanding:
  - (a) the pendency of these proceedings and the declaration of insolvency made herein;
  - (b) the pendency of any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c.B-3, as amended (the "**BIA**") in respect of the Debtor, and any bankruptcy order issued pursuant to any such applications;
  - (c) any assignment in bankruptcy made in respect of the Debtor; and
  - (d) the provisions of any federal or provincial statute;

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any

other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

15. The Receiver and the Purchaser (or its nominee) shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
17. Service of this Order shall be deemed good and sufficient by:
  - (a) serving the same on:
    - (i) the persons listed on the service list created in these proceedings;
    - (ii) any other person served with notice of the application for this Order;
    - (iii) any other parties attending or represented at the application for this Order;
    - (iv) the Purchaser or the Purchaser's solicitors; and
  - (b) posting a copy of this Order on the Receiver's website at <https://www.alvarezandmarsal.com/candre>.
18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

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J.C.K.B.A.





**SCHEDULE "A"**  
**FORM OF RECEIVER'S CERTIFICATE**

COURT FILE NUMBER	2301- 02578
COURT	COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ENZIO HOLDINGS LTD.
DEFENDANTS	CANDRE CANNABIS INC., FRONDIS HOLDINGS LTD., CALYPTRA CULTIVATION INC. and JASMINE VENTURES LTD.

DOCUMENT	<b><u>RECEIVER'S CERTIFICATE</u></b>
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ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	<b>BENNETT JONES LLP</b> Barristers and Solicitors 4500, 855 – 2nd Street S.W. Calgary, Alberta T2P 4K7  Attention: Chris Simard and Michael W. Selnes Tel No.: 403-298-4485/3311 Fax No.: 403-265-7219 Client File No. 071752.4 Email: <a href="mailto:simardc@bennettjones.com">simardc@bennettjones.com</a> and <a href="mailto:selnesm@bennettjones.com">selnesm@bennettjones.com</a>
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**RECITALS**

- A. Pursuant to an Order of the Honourable Justice Fagnan of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated March 6, 2023, Alvarez & Marsal Canada Inc. was appointed as receiver and manager (the "**Receiver**") of Candre Cannabis Inc. (the "**Debtor**").
- B. Pursuant to an Order of the Court dated ●, 2023, the Court approved the agreement of purchase and sale made as of ●, 2023 (the "**Sale Agreement**") between the Receiver and ● (the "**Purchaser**") and provided for the vesting in the Purchaser of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming: (i) the payment by the Purchaser (or its nominee) of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections ● of the Sale Agreement have been satisfied

or waived by the Vendor and the Purchaser, as applicable; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

- C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

**THE RECEIVER CERTIFIES** the following:

1. The Purchaser (or its nominee) has paid in full the Purchase Price to be paid for the Purchased Assets on the Closing Date pursuant to the Sale Agreement and the Receiver has received the cash portion of the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The Vendor and the Purchaser have each confirmed to the Receiver in writing, by delivering the Conditions Certificates, that the conditions to Closing referred to in sections ● of the Sale Agreement have been satisfied and/or waived, as applicable;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. This Certificate was delivered by the Receiver at [Time] on [Date], 2023.

**ALVAREZ & MARSAL CANADA  
INC., in its capacity as Court-  
appointed Receiver of the assets,  
undertakings and properties of  
CANDRE CANNABIS INC., and not  
in its personal or corporate capacity**

**Per:** \_\_\_\_\_

**SCHEDULE "B"**  
**Encumbrances**

<b>Registration Number</b>	<b>Date (D/M/Y)</b>	<b>Particulars</b>
181 106 564	25/05/2018	MORTGAGE MORTGAGEE - ENZIO HOLDINGS LTD. 840, 517 - 10 AVENUE SW CALGARY ALBERTA T2R0A8 ORIGINAL PRINCIPAL AMOUNT: \$580,332
181 257 074	27/11/2018	BUILDER'S LIEN LIENOR - PARAMOUNT STRUCTURES INC. SUITE 750,101 6TH AVE SW CALGARY ALBERTA T2P3P4 AGENT - LIEN PRO INC. AMOUNT: \$680,613
181 264 825	07/12/2018	BUILDER'S LIEN LIENOR - MOLI INDUSTRIES LTD. 1880 CENTRE AVE NE CALGARY ALBERTA T2E0A6 AMOUNT: \$695,561
191 000 650	02/01/2019	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181264825
191 095 749	22/05/2019	CERTIFICATE OF LIS PENDENS AFFECTS INSTRUMENT: 181257074
211 093 439	11/05/2021	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - ENZIO HOLDINGS LTD. 840, 517 - 10 AVENUE SW CALGARY ALBERTA T2R0A8 (DATA UPDATED BY:

		TRANSFER OF CAVEAT 221099594)
211 251 992	16/12/2021	CAVEAT RE : AMENDING AGREEMENT CAVEATOR - ENZIO HOLDINGS LTD. 840, 517 - 10 AVENUE SW CALGARY ALBERTA T2R0A8 (DATA UPDATED BY: TRANSFER OF CAVEAT 221099594)

**SCHEDULE "C"**  
**Permitted Encumbrances**

<b>Registration Number</b>	<b>Date (D/M/Y)</b>	<b>Particulars</b>
901 063 085	08/03/1990	UTILITY RIGHT OF WAY GRANTEE - THE TOWN OF SUNDRE. AS TO PORTION OR PLAN:8910921
191 002 481	04/01/2019	CAVEAT RE : UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - MARK HAMEISTER.
231 109 321	13/04/2023	TAX NOTIFICATION BY - THE TOWN OF SUNDRE. BOX 420 SUNDRE, ALBERTA T0M1X0

## APPENDIX B

### Professional Fee Summary

<b>Candre Cannabis Inc. - in Receivership</b> <b>Summary of Receiver's Fees and Disbursements</b> <b>September 27, 2022 to May 31, 2023</b>						
<b>Invoices previously approved by the Court</b>						
Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
FA Invoice #1	September 27, 2022 to March 5, 2023	41,900.50	-	41,900.50	2,095.03	43,995.53
Invoice #1	March 6, 2023 to March 31, 2023	146,266.00	2,558.85	148,824.85	7,441.24	156,266.09
	<b>Subtotal</b>	<b>188,166.50</b>	<b>2,558.85</b>	<b>190,725.35</b>	<b>9,536.27</b>	<b>200,261.62</b>
<b>Invoices subject to Court approval</b>						
Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
Invoice #2	April 1, 2023 to April 30, 2023	62,861.00	3,051.01	65,912.01	3,295.60	69,207.61
Invoice #3	May 1, 2023 to May 31, 2023	38,871.00	487.36	39,358.36	1,967.92	41,326.28
	<b>Subtotal</b>	<b>101,732.00</b>	<b>3,538.37</b>	<b>105,270.37</b>	<b>5,263.52</b>	<b>110,533.89</b>
	<b>Grand Total</b>	<b>289,898.50</b>	<b>6,097.22</b>	<b>295,995.72</b>	<b>14,799.79</b>	<b>310,795.51</b>

<b>Candre Cannabis Inc. - in Receivership</b> <b>Summary of Receiver's Counsel's Fees and Disbursements</b> <b>January 26, 2023 to May 31, 2023</b>						
<b>Invoices previously approved by the Court</b>						
Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1497811	January 26, 2023 to January 31, 2023	3,030.00	-	3,030.00	151.50	3,181.50
1502159	February 1, 2023 to February 28, 2023	24,210.50	65.00	24,275.50	1,213.78	25,489.28
1506653	March 1, 2023 to March 31, 2023	68,596.50	381.79	68,978.29	3,444.81	72,423.10
	<b>Subtotal</b>	<b>\$ 95,837.00</b>	<b>\$ 446.79</b>	<b>\$ 96,283.79</b>	<b>\$ 4,810.09</b>	<b>\$ 101,093.88</b>
<b>Invoices subject to Court Approval</b>						
Inv. No.	Period	Fees	Disbursements	Total Fees & Disbursements	GST	Total
1511845	April 1, 2023 to April 30, 2023	33,779.00	197.75	33,976.75	1,698.44	35,675.19
1516113	May 1, 2023 to May 31, 2023	20,099.50	193.76	20,293.26	1,010.16	21,303.42
	<b>Subtotal</b>	<b>\$ 53,878.50</b>	<b>\$ 391.51</b>	<b>\$ 54,270.01</b>	<b>\$ 2,708.60</b>	<b>\$ 56,978.61</b>
	<b>Grand Total</b>	<b>149,715.50</b>	<b>838.30</b>	<b>150,553.80</b>	<b>7,518.69</b>	<b>158,072.49</b>