



NO. S197744  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, C.C-36**

BETWEEN:

MINISO INTERNATIONAL HONG KONG LIMITED, MINISO INTERNATIONAL (GUANGZHOU) CO. LIMITED, MINISO LIFESTYLE CANADA INC., MIHK MANAGEMENT INC., MINISO TRADING CANADA INC., MINISO CORPORATION and GUANGDONG SAIMAN INVESTMENT CO. LIMITED

PETITIONERS

AND:

MIGU INVESTMENTS INC., MINISO CANADA INVESTMENTS INC., MINISO (CANADA) STORE INC., MINISO (CANADA) STORE ONE INC., MINISO (CANADA) STORE TWO INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE SIX INC., MINISO (CANADA) STORE SEVEN INC., MINISO (CANADA) STORE EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC., MINISO (CANADA) STORE FIFTEEN INC., MINISO (CANADA) STORE SIXTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., MINISO (CANADA) STORE EIGHTEEN INC., MINISO (CANADA) STORE NINETEEN INC., MINISO (CANADA) STORE TWENTY INC., MINISO (CANADA) STORE TWENTY-ONE INC., MINISO (CANADA) STORE TWENTY-TWO INC. and 1120701 B.C. LTD.

RESPONDENTS

**NOTICE OF APPLICATION**

**Name of applicant:** Alvarez & Marsal Canada Inc., in its capacity as the Monitor of the Respondents (the "**Monitor**"), pursuant to the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**")

To: The Service List attached hereto as **Schedule "A"**

TAKE NOTICE that an application will be made by the Monitor to the Honourable Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC on Tuesday, October 15, 2019 at 9:00 am for the Orders set out in Part 1 below.

**Part 1: ORDERS SOUGHT**

1. An Order (the “**Meeting Order**”) in substantially the form of draft order attached hereto as **Schedule “B”**, which, among other things,
  - (a) authorizes and directs the following Respondents (collectively, the “**Migu Plan Companies**”):
    - (i) Miniso (Canada) Store One Inc.,
    - (ii) Miniso (Canada) Store Three Inc.,
    - (iii) Miniso (Canada) Store Four Inc.,
    - (iv) Miniso (Canada) Store Five Inc.,
    - (v) Miniso (Canada) Store Eight Inc.,
    - (vi) Miniso (Canada) Store Nine Inc.,
    - (vii) Miniso (Canada) Store Ten Inc.,
    - (viii) Miniso (Canada) Store Eleven Inc.,
    - (ix) Miniso (Canada) Store Twelve Inc.,
    - (x) Miniso (Canada) Store Thirteen Inc.,
    - (xi) Miniso (Canada) Store Fourteen Inc. and
    - (xii) Miniso (Canada) Store Twenty-One Inc.,to convene a meeting (the “**Meeting**”) of their creditors (the “**Affected Creditors**”) to vote on the plan of compromise, arrangement and reorganization of the Migu Plan Companies (the “**Plan**”);
  - (b) authorizes the filing of the Plan in these proceedings (the “**CCAA Proceedings**”);
  - (c) confirms the conditions for any amendments to be made to the Plan, both before and after the Meeting;
  - (d) approves the single class for voting on the Plan, being the “**Affected Creditors Class**”, comprising all creditors of the Migu Plan Companies having claims which are not “Unaffected Claims” (such creditors in the Affected Creditors Class being the “**Affected Creditors**”);
  - (e) provides for publication and delivery requirements for the meeting materials (the “**Meeting Materials**”);

- (f) provides for deemed voting in favour of the Plan by convenience creditors having allowed claims of \$1,500 or less, or who otherwise elect to be treated as convenience creditors under the Plan (the “**Convenience Creditors**”);
  - (g) sets out procedural rules for conduct at the Meeting, any adjournment of the Meeting, voting and tallying procedure and the required majority to approve the Plan; and
  - (h) provides for timeline and notice requirements for the application for (and any opposition to) the sanction order (the “**Sanction Order**”) in the event that the required majority of Affected Creditors vote in favour of the Plan at the Meeting.
2. An Order that paragraphs 16 and 19 of the Claims Process Order, made July 22, 2019 (the “**Claims Process Order**”), do not apply to the proofs of claim filed in respect of the Migu Plan Companies on or before October 9, 2019, by the following creditors:
- (a) First Capital (Bayview) Corporation;
  - (b) First Capital (Chartwell) Corporation;
  - (c) First Capital (St. Catherines) Corporation;
  - (d) First Capital (Meadowvale) Corporation;
  - (e) First Capital (Morningside) Corporation;
  - (f) FCHT Holdings (Ontario) Corporation;
  - (g) SREIT (Oakville) Ltd.;
  - (h) The Body Shop Canada Limited;
  - (i) 9376-6319 Quebec Inc.; and
  - (j) A&J Ontario Corp.
- (collectively, the “**Late Filing Creditors**”).
3. Such further and other relief as counsel for the Monitor may advise and this Honourable Court deems appropriate.

## Part 2: **FACTUAL BASIS**

1. The Respondents (collectively, “**Miniso Canada**”) are privately held companies, headquartered in Richmond, BC, engaged in the operation and franchising of retail stores in Canada which sell lifestyle goods to the public under the “Miniso” brand.
2. These CCAA Proceedings were commenced by the Petitioners (the “**Miniso Group**” or the “**Petitioners**”), which comprise a number of companies which, together, manufacture lifestyle goods under the “Miniso” brand and operate and franchise an international group of retail outlets

selling “Miniso” branded inventory. The Miniso Group supplies inventory to Miniso Canada (via Miniso Canada Investments Inc.). The Miniso Group is a secured creditor of Migu Investments Inc., Miniso Canada Investments Inc. and Miniso (Canada) Store Inc. (the “**Migu Parent Companies**”), and is Miniso Canada’s largest creditor.

3. On July 12, 2019, the Miniso Group successfully obtained the Initial Order with respect to the Respondents. Since then, the relief under the Initial Order has been extended to November 18, 2019. On August 22, 2019, the Monitor obtained an order adding 1120701 B.C. Ltd. as a respondent to these proceedings.

4. Miniso Canada has worked with the Monitor to downsize its business, including by way of a reduction of its workforce and closure of approximately one third of its retail stores.

#### *Meeting Order*

5. After considerable consultation with its stakeholders, Miniso Canada is now ready to present the Plan proposed to restructure 12 of its entities, being the Migu Plan Companies.

6. By way of summary, the Plan contemplates a restructuring transaction whereby entities within or related to the Miniso Group, specifically Miniso Franchise Canada Inc. and Miniso Lifestyle Canada Inc. (together the “**Miniso Purchasers**”), will acquire substantially all of the assets of Miniso Canada by way of a credit bid (in respect of the assets of the Migu Parent Companies), and a cash payment (the “**Cash Payment**”) in respect of the assets of the Migu Plan Companies.

7. In turn, the Cash Payment will be used to create a “pot” of funds in the amount of \$550,000 (the “**Affected Creditor Pot**”), to fund distributions to Affected Creditors in consideration for the compromise and settlement of all Affected Claims against the Migu Plan Companies.

8. The Plan also contemplates a release, in favour of the following parties, for any matter arising out of or in connection with any Claim (as defined in the Plan):

- (a) the Migu Plan Companies;
- (b) the legal and financial advisors to the Respondents;
- (c) the directors and officers of the Migu Plan Companies;
- (d) the Monitor and its legal advisors; and
- (e) the Petitioners and their legal and financial advisors.

9. In the context of directors and officers, “Claims” is defined in the Plan as claims which directors and officers are liable for by statute or otherwise by law to pay in their capacity as a director or officer of the Migu Plan Companies.

10. The Migu Plan Companies hold the leases, fixtures and similar assets in relation to the continuing stores which the Miniso Purchasers will acquire and continue to operate following completion of the restructuring transaction (the “**Continuing Business**”). The remaining Respondents are either the Migu Parent Companies, whose assets will be acquired under the

credit bid, or do not own any assets that will be part of the Continuing Business. As a result, it is not anticipated that a plan will be presented to the creditors of the remaining Respondents.

11. In terms of distribution, Affected Creditors who are, or who elect to be, Convenience Creditors will receive the lesser of payment of their Allowed Claim in full or \$1,500 from the Affected Creditor Pot in respect of their Allowed Claims. All other Affected Creditors will receive a *pro rata* share of the remainder of the Affected Creditor Pot in respect of their Allowed Claims. At this juncture, the Monitor anticipates that the distribution to Affected Creditors (who are not Convenience Creditors) would be approximately 7.5 cents on the dollar, although this may vary based upon on the number of Affected Creditors who elect to be Convenience Creditors and the resolution of any Notices of Dispute.

12. The Creditors with Affected Claims against the Migu Plan Companies are, generally speaking:

- (a) landlords with pre-filing and restructuring claims against the Migu Plan Companies, of approximately \$4.9 million; and
- (b) general trade creditors, of approximately \$1.0 million.

13. Based on its discussions with the creditors to date, the Monitor anticipates the Plan as outlined above will be supported by the required majority of creditors. In particular, the majority of the affected landlord creditors have indicated their support for the Plan.

14. Assuming that the relief sought herein is granted, the requisite majority of Affected Creditors vote to approve the Plan and this Honourable Court goes on to grant the Sanction Order, the Monitor notes that the Plan and the proposed Meeting Order contemplate the following timeline (unless otherwise revised in the manner permitted by Meeting Order or the Plan):

- (a) Granting of Meeting Order – October 15, 2019;
- (b) Publication of Meeting Materials on Monitor's website; publication in the National Post, and sending Meeting Materials – by October 16, 2019
- (c) Deadline for Affected Creditors to return any "Proxies" or "Convenience Creditor Elections" – by October 30, 2019
- (d) Convening of the Meeting – November 1, 2019;
- (e) Deadline for service of any materials in opposition to the Sanction Order – November 5, 2019;
- (f) Application for Sanction Order – November 6, 2019;
- (g) "**Effective Date**" (being the date that the Monitor confirms that the conditions precedent to the implementation of the Plan have been satisfied or waived) – by November 16, 2019;
- (h) Distribution to Affected Creditors – 15 days following "Effective Date"; and

- (i) Payment of Crown priority claims outstanding as of Filing Date – within 6 months after the granting of the Sanction Order.
15. With respect to the Effective Date, the implementation of the Plan is subject to:
- (a) Execution of the “**Acquisition Agreement**” by the Miniso Purchasers, as buyers, and the Migu Plan Companies, as vendors, of all of the assets and operations of the Migu Plan Companies and the other Respondents who are parties to the Acquisition Agreement (the “**Migu Vendors**”);
  - (b) Approval of the Plan by the majority of Affected Creditors as required under the CCAA;
  - (c) Granting of the Sanction Order and Vesting Order with respect to the Acquisition Agreement, with both orders being in full force and effect, applicable appeal periods having expired and any appeals being disposed of;
  - (d) Satisfaction or waiver of all conditions precedent to the Acquisition Agreement;
  - (e) Finalization and execution of all definitive legal documentation contemplated by the Plan and the Sanction Order and necessary to complete the transactions under the Plan, held in escrow for release on the Effective Date;
  - (f) Assignments of the relevant store leases obtained by the Migu Plan Companies, either by agreement or by order of the Court; and
  - (g) Delivery of funds by the Miniso Purchasers to the Monitor to fund all distributions to be made to Affected Creditors under the Plan and payment of Crown priority claims.
16. The Monitor recommends the Plan to Affected Creditors for several reasons, including the following:
- (a) The acquisition of assets of the Migu Vendors by the Miniso Purchasers will provide an opportunity to consolidate and preserve the business of Miniso Canada, with the potential to reinvigorate and expand the business in the long term;
  - (b) With the consent of those Petitioners that are secured creditors of the Respondent, Miniso Canada Investments Inc. (“**MCI**”), MCI will forgo any distribution under the Plan on account of any claim it may have against the Migu Plan Companies, thereby enhancing the available distribution for other Affected Creditors;
  - (c) Without the Cash Payment being provided by the Miniso Purchasers as part of the purchase price for the acquisition of assets of the Migu Vendors, there would be limited funds to pay distributions to Affected Creditors. Accordingly, the Monitor is satisfied that affected stakeholders can expect to derive a significantly greater benefit by the completion of the restructuring transaction with the Miniso Purchasers and resulting distributions than would otherwise be available in a bankruptcy of the Migu Plan Companies and liquidation of their assets; and

- (d) The Plan appears to have the support of all, or a significant majority of, the affected landlord creditors, who are the Migu Plan Companies' largest creditor group.

17. The Monitor has continued to monitor the activities of the Respondents, including the Migu Plan Companies, and is satisfied that they have been acting and continue to act in good faith and with due diligence to enhance value to their stakeholders through these proceedings.

#### *Late Claims*

18. The Monitor has received a number of claims against the Respondents filed after the Claims Bar Date and Restructuring Claims Bar Date (as defined in the Claims Process Order).

19. The Late Filing Creditors are the only creditors who filed late claims against Migu Plan Companies. The late claims by these creditors total \$4,350,791.71. The claims were all anticipated by the Monitor, and specifically relate to the following matters:

- (a) Restructuring Claims arising from the disclaimer of certain leases;
- (b) claims for pre-filing rent arrears; and
- (c) claims by two JV Investors.

20. If the Late Filing Creditors are permitted to file their claims late, the Monitor anticipates issuing Notices of Revision or Disallowance in respect of many of the claims, consistent with other claims of a similar nature. The Monitor anticipates allowing total late claims against the Migu Plan Companies of approximately \$800,000, of which approximately \$725,000 would be "Affected Claims" under the Plan.

21. It appears to the Monitor that the foregoing claims were filed late due to inadvertence.

22. Existing Affected Claims against the Migu Plan Companies (subject to any disputed claims) total approximately \$5.9 million.

23. Under the Claims Process Order, claims may be filed late with the consent of the Monitor, the Respondents and (in the case of Pre-Filing Claims) the Petitioners. The Monitor and the Petitioners are prepared to consent to the claims of the Late Filing Creditors, however the Respondents have not consented.

24. The Monitor notes that it has received claims filed by other creditors against the other Respondents after the Claims Bar Date and the Restructuring Claims Bar Date, but is not seeking any relief in respect of those claims at this time.

### **Part 3: LEGAL BASIS**

#### *Meeting Order*

1. The Company relies on the provisions of the CCAA, the Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court.

2. The granting of the Meeting Order is contemplated pursuant to s. 4 of the CCAA:

Where a compromise or an arrangement is proposed between a debtor company and its unsecured creditors or any class of them, the court may, on the application in a summary way of the company, of any such creditor or of the trustee in bankruptcy or liquidator of the company, order a meeting of the creditors or class of creditors, and, if the court so determines, of the shareholders of the company, to be summoned in such manner as the court directs.

3. Pursuant to s. 4, the Monitor is making the application, in a summary way, on behalf of the Migu Plan Companies under its expanded powers as set forth in paragraph 30(f) of the Initial Order.

4. The Monitor submits that the threshold for granting the Meeting Order is not high and that the CCAA Court should only decline to give preliminary approval and refuse to order a meeting of creditors if it concludes that there is no hope the Proposed Plan would receive creditor approval or, if approved by the creditors, it would not be approved by the Court.

*ScoZing Ltd., Re*, 2009 NSSC 163, para. 7

5. In this case, the Monitor is supportive of the Plan and has concluded that it provides for a better return to the Affected Creditors than would be achieved in a bankruptcy or liquidation. As discussed above, the Monitor has also noted that the Plan also requires payment of Crown priority claims, as stipulated by s. 6(3) of the CCAA.

6. Furthermore, the Petitioners, being the largest secured creditor of Miniso Canada, are sponsoring and supporting the Plan.

7. Finally, the Plan represents a better outcome for the stakeholders of the Migu Plan Companies and the Affected Creditors who would otherwise have limited funding for a distribution.

8. The Monitor submits that these factors all indicate a strong likelihood of the Plan being approved by the Affected Creditors and weigh in favour of this Court exercising its discretion to grant the Meeting Order.

#### *Late Claims*

9. The Court will consider the following factors in deciding whether to allow a claim filed after a claims bar date:

- (a) was the delay caused by inadvertence, and if so, did the claimant act in good faith;
- (b) what is the effect of permitting the claim in terms of the existence and impact of any relevant prejudice caused by the delay;
- (c) if relevant prejudice is found, can it be alleviated by altering appropriate conditions; and



- (d) if relevant prejudice is found that cannot be alleviated, are there any other considerations which warrant an order to permit the late filing.

*West Bay Sonship Yachts Ltd., Re*, 2007 BCSC 1553 at para 32; *Blue Range Resources Corp., Re*, 2000 ABCA 285

10. It appears to the Monitor that the delay by the Late Filing Creditors in filing their claims was due to inadvertence, and there is minimal prejudice in allowing the claims as the claims were all anticipated and will likely not significantly impact the recovery of other creditors.

**Part 4: MATERIAL TO BE RELIED ON**

1. the pleadings and materials taken and filed herein;
2. the Initial Order, made July 12, 2019;
3. the Fifth Report of the Monitor, to be filed; and
4. such further material as counsel may advise and the Court permits.


The applicant estimates that the application will take 30 minutes.

- ☐ This matter is within the jurisdiction of a master.
- ☒ This matter is not within the jurisdiction of a master – The Honourable Madam Justice Fitzpatrick is seized of this matter.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
  - (i) you intend to refer to at the hearing of this application, and
  - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
  - (i) a copy of the filed application response;
  - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
  - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7 (9).

Date: October 10, 2019

  
\_\_\_\_\_  
Signature of lawyer for the Applicant,  
John Sandrelli

To be completed by the court only:

Order made

- ☐ in the terms requested in paragraphs \_\_\_\_\_ of Part 1 of this Notice of Application
- ☐ with the following variations and additional terms:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date:

\_\_\_\_\_  
Signature of ☐ Judge ☐ Master

\_\_\_\_\_  
**APPENDIX**

**THIS APPLICATION INVOLVES THE FOLLOWING:**

- ☐ discovery: comply with demand for documents
- ☐ discovery: production of additional documents
- ☐ other matters concerning document discovery
- ☐ extend oral discovery
- ☐ other matter concerning oral discovery
- ☐ amend pleadings
- ☐ add/change parties
- ☐ summary judgment

- ☐ summary trial
- ☐ service
- ☐ mediation
- ☐ adjournments
- ☐ proceedings at trial
- ☐ case plan orders: amend
- ☐ case plan orders: other
- ☐ experts

## **SCHEDULE "A"**

No.: S197744  
Vancouver Registry

### **IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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TWENTY-ONE INC., MINISO (CANADA) STORE TWENTY-TWO INC. and  
1120701 B.C. LTD.

RESPONDENTS

### **SERVICE LIST**

[Updated: October 2, 2019]

<p>Dentons Canada LLP Barristers &amp; Solicitors 20<sup>th</sup> Floor – 250 Howe Street Vancouver, BC V6C 3R8</p> <p>Attention: Jordan Schultz / John Sandrelli</p> <p>Tel: (604) 691-6452 Email: <a href="mailto:jordan.schultz@dentons.com">jordan.schultz@dentons.com</a> <a href="mailto:tevia.jeffries@dentons.com">tevia.jeffries@dentons.com</a> <a href="mailto:john.sandrelli@dentons.com">john.sandrelli@dentons.com</a> <a href="mailto:miriam.dominguez@dentons.com">miriam.dominguez@dentons.com</a> <a href="mailto:avic.arenas@dentons.com">avic.arenas@dentons.com</a></p> <p><i>Counsel for Court-appointed Monitor (Alvarez &amp; Marsal Canada Inc.)</i></p>	<p>Fasken Martineau DuMoulin LLP Barristers &amp; Solicitors 2900 – 550 Burrard Street Vancouver, BC V6C 1A3</p> <p>Attention: Kibben Jackson / Glen Nesbitt</p> <p>Tel: (604) 631-3131 Email: <a href="mailto:kjackson@fasken.com">kjackson@fasken.com</a>; <a href="mailto:gnesbitt@fasken.com">gnesbitt@fasken.com</a>; <a href="mailto:svolkow@fasken.com">svolkow@fasken.com</a></p> <p><i>Counsel for the Petitioners</i></p>
<p>Alvarez &amp; Marsal Canada Inc. Commerce Place Suite 1680, 400 Burrard Street Vancouver, B.C. V6C 3A6</p> <p>Attention: Todd Martin / Anthony Tillman</p> <p>Tel : (604) 639-0849 Email: <a href="mailto:tmartin@alvarezandmarsal.com">tmartin@alvarezandmarsal.com</a>; <a href="mailto:atillman@alvarezandmarsal.com">atillman@alvarezandmarsal.com</a>; <a href="mailto:pinky.law@alvarezandmarsal.com">pinky.law@alvarezandmarsal.com</a></p> <p><i>Court-appointed Monitor</i></p>	<p>McMillan LLP Barristers &amp; Solicitors Royal Centre, 1055 W. Georgia Street Suite 1500 Vancouver, BC V6E 4N7</p> <p>Attention: Vicki Tickle / Daniel Shouldice / Wael Rostom / Greg McIlwain</p> <p>Tel: (236) 826-3022 Email: <a href="mailto:vicki.tickle@mcmillan.ca">vicki.tickle@mcmillan.ca</a>; <a href="mailto:daniel.shouldice@mcmillan.ca">daniel.shouldice@mcmillan.ca</a>; <a href="mailto:wael.rostom@mcmillan.ca">wael.rostom@mcmillan.ca</a>; <a href="mailto:greg.mcilwain@mcmillan.ca">greg.mcilwain@mcmillan.ca</a>; <a href="mailto:julie.hutchinson@mcmillan.ca">julie.hutchinson@mcmillan.ca</a>;</p> <p><i>Counsel for Miniso Canada Investments Inc. and certain other entities referred as the Debtors and the JV Affiliates</i></p>
<p>Thornton Grout Finnigan LLP TD West Tower, Toronto-Dominion Centre 100 Wellington St. West, Suite 3200 Toronto, ON M5K 1K7</p> <p>Attention: D. J. Miller / Owen Gaffney</p> <p>Tel: (416) 304-0559 Email : <a href="mailto:djmiller@tgf.ca">djmiller@tgf.ca</a>; <a href="mailto:oGaffney@tgf.ca">oGaffney@tgf.ca</a></p> <p><i>Counsel for the Oxford Properties Landlords</i></p>	<p>Torys LLP 79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2</p> <p>Attention: David Bish</p> <p>Tel: (416) 865-7353 Email: <a href="mailto:dbish@torys.com">dbish@torys.com</a></p> <p><i>Counsel for The Cadillac Fairview Corporation Limited</i></p>

<p>TX Law Firm Barristers &amp; Solicitors # 1007 - 5911 Alderbridge Way Richmond, B.C. V6X 4C6</p> <p>Attention: Tim Xia (夏耀远律师)</p> <p>Tel: (604) 636-6071 Email: <a href="mailto:tim@txlawfirm.ca">tim@txlawfirm.ca</a></p> <p><i>Counsel for Mr. Sam Haifeng Wang</i></p>	<p>Camelino Galessiere LLP Barristers &amp; Solicitors 6 Adelaide Street, East Suite 220 Toronto, Ontario M5C 1H6</p> <p>Attention: Linda Galessiere</p> <p>Tel: (416) 306-3827 Email: <a href="mailto:lgalesiere@cglegal.ca">lgalesiere@cglegal.ca</a></p> <p><i>Counsel for various Landlords: Ivanhoe Cambridge, RioCan, Cushman &amp; Wakefield, Brookfield, Cominar REIT, Morguard</i></p>
<p>First Capital Asset Management LP 85 Hanna Avenue, Suite 400 Toronto, ON M6K 3S3</p> <p>Attention: Kirryn Hashmi</p> <p>Tel: (416) 216-2083 Email: <a href="mailto:kirryn.hashmi@fcr.ca">kirryn.hashmi@fcr.ca</a></p> <p><i>Counsel for First Capital Asset Management LP</i></p>	<p>Bridgehouse Law LLP Barristers &amp; Solicitors 9<sup>th</sup> Floor – 900 West Hastings Street Vancouver, BC V6C 1E5</p> <p>Attention: Richie Clark, Q.C. / Nadia Walnicki</p> <p>Tel: (604) 684-2550 Email: <a href="mailto:RClark@bridgehouselaw.ca">RClark@bridgehouselaw.ca</a> <a href="mailto:nwalnicki@bridgehouselaw.ca">nwalnicki@bridgehouselaw.ca</a></p> <p><i>Counsel for Various JV Investors</i></p>
<p>Bishop &amp; McKenzie LLP Barristers &amp; Solicitors #2200, 555 – 4<sup>th</sup> Avenue SW Calgary, AB T2P 3E7</p> <p>Attention: Anthony L. Dekens</p> <p>Tel: (403) 750-2247 Email: <a href="mailto:ADekens@bmllp.ca">ADekens@bmllp.ca</a></p> <p><i>Counsel for Wexford Whyte Ave LP, by its GP, Wexford Whyte Ave Advisors Corp.</i></p>	<p>Miller Thomson LLP Barristers &amp; Solicitors Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, ON M5H 3S1</p> <p>Attention: Jeffrey C. Carhart / Jay Sernoskie</p> <p>Tel: (416) 595-8615 Email: <a href="mailto:jcarhart@millerthomson.com">jcarhart@millerthomson.com</a> <a href="mailto:jsernoskie@millerthomson.com">jsernoskie@millerthomson.com</a></p> <p><i>Counsel for Racking Direct Limited</i></p>

<p>Daoust Vukovich LLP Barristers &amp; Solicitors 20 Queen Street West Suite 3000 Toronto, Ontario M5H 3R3</p> <p>Attention: Gasper Galati / Michael Hochberg</p> <p>Tel: 416-597-6888</p> <p>Email: <a href="mailto:ggalati@dv-law.com">ggalati@dv-law.com</a> <a href="mailto:mhochberg@dv-law.com">mhochberg@dv-law.com</a></p> <p><i>Counsel for Bentall Kennedy (Canada) LP ITF Sun Life Assurance Company Of Canada</i></p>	<p>Torys LLP 79 Wellington St. W., 30th Floor, Box 270, TD South Tower Toronto, Ontario M5K 1N2</p> <p>Attention: Scott Bomhof</p> <p>Tel: 416-865-7380</p> <p>Email: <a href="mailto:sbomhof@torys.com">sbomhof@torys.com</a></p> <p><i>Counsel for First Capital Realty Inc.</i></p>
<p>Blaney McMurtry LLP Barristers &amp; Solicitors 2 Queen Street East, Suite 1500 Toronto, ON M5C 3G5</p> <p>Attention: John C. Wolf</p> <p>Tel: 416-593-2994</p> <p>Email: <a href="mailto:jwolf@blaney.com">jwolf@blaney.com</a></p> <p><i>Counsel for White Oaks Mall Holdings Ltd.</i></p>	<p>Witten LLP Barristers &amp; Solicitors Suite 2500, Canadian Western Bank Place 10303 Jasper Avenue Edmonton, AB T5J 3N6</p> <p>Attention: Howie Sniderman</p> <p>Tel: 780-441-3203</p> <p>Email: <a href="mailto:hsniderman@wittenlaw.com">hsniderman@wittenlaw.com</a></p> <p><i>Counsel for Griesbach Village Properties Inc.</i></p>
<p>Brauti Thorning LLP 161 Bay Street   Suite 2900 Toronto, ON M5J 2S1</p> <p>Tel: (416) 304-6517</p> <p>Attention: Sharon Kour</p> <p>Email: <a href="mailto:skour@btlegal.ca">skour@btlegal.ca</a></p> <p><i>Counsel for JV Investors for Scarborough TC</i></p>	<p>Clark Wilson LLP 900 – 885 W. Georgia Street Vancouver, BC V6C 3H1</p> <p>Tel: (604) 643-3105</p> <p>Attention: Christopher Ramsay / Katie Mak</p> <p>Email: <a href="mailto:CRamsay@cwilson.com">CRamsay@cwilson.com</a>; <a href="mailto:KMak@cwilson.com">KMak@cwilson.com</a></p> <p><i>Agents for Brauti Thorning LLP – Counsel for JV Investors for Scarborough TC</i></p>

<p>DS Lawyers Canada LLP Suite 2700 - 1055 West Georgia Street, Vancouver, BC, V6E 3P3</p> <p>Tel: (604) 669-8858</p> <p>Attention: Derek Young / Victor Tsao / Justin Fogarty</p> <p>Email: <a href="mailto:DYoung@dsavocats.ca">DYoung@dsavocats.ca</a>; <a href="mailto:VTsao@dsavocats.ca">VTsao@dsavocats.ca</a>; <a href="mailto:JFogarty@dsavocats.ca">JFogarty@dsavocats.ca</a></p> <p><i>Counsel for Harry Tao Xu</i></p>	<p>Webster Hudson &amp; Coombe LLP 510 - 1040 West Georgia Street Vancouver BC V6E 4H1</p> <p>Tel: (604) 443-3656</p> <p>Attention: Daniel D. Nuget</p> <p>Email: <a href="mailto:ddn@whclaw.ca">ddn@whclaw.ca</a></p> <p><i>Counsel for Robson Street Partners, Inc.</i></p>
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**SCHEDULE "B"**

NO. S197744  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, C.C-36**

BETWEEN:

MINISO INTERNATIONAL HONG KONG LIMITED, MINISO INTERNATIONAL  
(GUANGZHOU) CO. LIMITED, MINISO LIFESTYLE CANADA INC., MIHK  
MANAGEMENT INC., MINISO TRADING CANADA INC., MINISO CORPORATION and  
GUANGDONG SAIMAN INVESTMENT CO. LIMITED

**PETITIONERS**

AND:

MIGU INVESTMENTS INC., MINISO CANADA INVESTMENTS INC., MINISO  
(CANADA) STORE INC., MINISO (CANADA) STORE ONE INC., MINISO (CANADA)  
STORE TWO INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA)  
STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE  
SIX INC., MINISO (CANADA) STORE SEVEN INC., MINISO (CANADA) STORE EIGHT  
INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC.,  
MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC.,  
MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN  
INC., MINISO (CANADA) STORE FIFTEEN INC., MINISO (CANADA) STORE SIXTEEN  
INC., MINISO (CANADA) STORE SEVENTEEN INC., MINISO (CANADA) STORE  
EIGHTEEN INC., MINISO (CANADA) STORE NINETEEN INC., MINISO (CANADA)  
STORE TWENTY INC., MINISO (CANADA) STORE TWENTY-ONE INC., MINISO  
(CANADA) STORE TWENTY-TWO INC. and 1120701 B.C. LTD.

**RESPONDENTS**

**ORDER MADE AFTER APPLICATION**

*[Meeting Order]*

) THE HONOURABLE )  
BEFORE ) ) OCTOBER 15, 2019  
) MADAM JUSTICE FITZPATRICK )

ON THE APPLICATION of Alvarez & Marsal Canada Inc., as Court appointed Monitor of the  
Respondents (the "**Monitor**") coming on for hearing at Vancouver, British Columbia on the 15<sup>th</sup>  
day of October, 2019, and on hearing John Sandrelli and Jordan Schultz, counsel for the Monitor,  
and those other counsel set forth on **Schedule "A"** hereto;

**THIS COURT ORDERS AND DECLARES that:**

1. The time for service of the Notice of Application herein be and is hereby abridged such that the Notice of Application is properly returnable today and service upon any interested party, other than those parties on the service list maintained by the Monitor in this proceeding, is hereby dispensed with.

**DEFINITIONS AND INTERPRETATION**

2. This Meeting Order pertains to the plan of compromise, arrangement and reorganization, attached hereto as **Schedule "B"** (the "**Migu Plan**") of only the following Respondents:

- (a) Miniso (Canada) Store One Inc.,
- (b) Miniso (Canada) Store Three Inc.,
- (c) Miniso (Canada) Store Four Inc.,
- (d) Miniso (Canada) Store Five Inc.,
- (e) Miniso (Canada) Store Eight Inc.,
- (f) Miniso (Canada) Store Nine Inc.,
- (g) Miniso (Canada) Store Ten Inc.,
- (h) Miniso (Canada) Store Eleven Inc.,
- (i) Miniso (Canada) Store Twelve Inc.,
- (j) Miniso (Canada) Store Thirteen Inc.,
- (k) Miniso (Canada) Store Fourteen Inc. and
- (l) Miniso (Canada) Store Twenty-One Inc.

(collectively, the "**Migu Plan Companies**").

3. All capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Plan, and the following terms in this Meeting Order shall have the following meanings:

- (a) "**Allowed Claim**" means a Claim:
  - (i) allowed by the Monitor and the Migu Plan Companies; or
  - (ii) otherwise determined to be valid by the Court,in accordance with the Claims Process Order;
- (b) "**Chair**" has the meaning ascribed to it in paragraph 25 hereof;

- (c) **"Convenience Creditor Election"** means the election form to be delivered by Convenience Creditors to the Monitor in accordance with paragraph 21 hereof, which shall be substantially in the form attached hereto as **Schedule C**;
  - (d) **"Meeting Date"** means November 1, 2019, subject to any adjournment, postponement, other rescheduling or further order of this Court;
  - (e) **"Meeting Materials"** has the meaning ascribed to it in paragraph 15 hereof;
  - (f) **"Newspaper Notice of Meeting"** means a notice of this Meeting Order, the Meeting and the Meeting Date, to be published in accordance with paragraph 14 hereof, which shall be substantially in the form attached hereto as **Schedule "D"**;
  - (g) **"Notice of Meeting to Affected Creditors"** means a notice of this Meeting Order, the Meeting and the Meeting Date, which shall be substantially in the form attached hereto as **Schedule "E"**;
  - (h) **"Proxy"** or **"Proxies"** means the form of proxy for the Affected Creditors Class, which shall be substantially in the form attached as **Schedule "F"**;
  - (i) **"Sanction Order Application"** has the meaning ascribed to it in paragraph 45 hereof;
  - (j) **"Voting Creditors"** means Affected Creditors with Allowed Claims that are not Convenience Creditors, as determined at the Voting Record Deadline; and
  - (k) **"Voting Record Deadline"** means 5:00 p.m. (Vancouver Time) on Tuesday, October 30, 2019.
4. All references herein as to time shall mean local time in Vancouver, British Columbia, Canada, and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day unless otherwise indicated herein and any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.
5. Dollar amounts referenced in this Meeting Order are expressed in Canadian dollars unless otherwise specified.
6. All references to the singular herein include the plural and the plural include the singular.

#### **PLAN**

7. The Plan is hereby accepted for filing and the Migu Plan Companies are hereby authorized to present the Plan to the Voting Creditors at the Meeting, in order to seek approval of the Resolution by the Affected Creditors Class in accordance with the terms of this Meeting Order and the Plan.
8. Each of the Schedules to this Meeting Order are hereby approved in substantially the forms attached hereto.

9. Before and during the Meeting, with the prior express consent of the Miniso Purchasers, the Monitor (on behalf of Migu Plan Companies) may at any time, and from time to time, amend the Plan by written instrument and the Monitor shall post such amendment on the Website. The Monitor will advise all Affected Creditors present at the Meeting of the details of any such amendment prior to the vote being taken to approve the Resolution.
10. After the Meeting, with the prior written consent of the Miniso Purchasers, the Monitor (on behalf of Migu Plan Companies) may at any time and from time to time amend the Plan:
  - (a) without an Order if, in the opinion of the Monitor, such amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give effect to the full intent of the Plan or the Sanction Order; or
  - (b) pursuant to an Order of the Court made on notice to all Persons potentially affected by such variation, amendment, modification or supplement.
11. The Monitor shall, as soon as practicable, post on the Website any modification, amendment, variation or supplement to the Plan, and forthwith provide notice of such posting to the Service List.

#### CLASSIFICATION

12. For the purposes of considering and voting on the Resolution, there shall be one class of Affected Creditors: the Affected Creditors Class.

#### NOTICE OF MEETING AND DELIVERY OF MATERIALS TO AFFECTED CREDITORS

13. The Migu Plan Companies are hereby authorized to convene, hold and conduct the Meeting at 10:00 a.m. (Vancouver time) on the Meeting Date at the office of Dentons Canada LLP, counsel for the Monitor, located at 20<sup>th</sup> Floor, 250 Howe Street, Vancouver, BC, V6C 3R1, for the purpose of considering and, if deemed advisable, passing the Resolution, unless the Chair, in accordance with paragraphs 31 and 32 hereof, decides to adjourn, postpone or otherwise reschedule the Meeting.
14. The Newspaper Notice of Meeting shall be published by the Monitor for one Business Day in the *National Post* newspaper as soon as practicable following the issuance of this Meeting Order.
15. By no later than October 16, 2019, the Monitor shall publish the following documents (collectively, the "**Meeting Materials**") on the Website:
  - (a) a copy of this Meeting Order;
  - (b) a copy of the Plan;
  - (c) a copy of the Monitor's Fifth Report to the Court, reporting on the Plan;
  - (d) a copy of the proposed Newspaper Notice of Meeting;
  - (e) a copy of the Notice of Meeting to Affected Creditors;
  - (f) a copy of the Convenience Creditor Election; and

- (g) a copy of the Proxy.
16. The Monitor or the Migu Plan Companies, with the consent of the Monitor, are hereby authorized to vary, amend, modify or supplement any of the Meeting Materials (other than the Plan, which may only be modified, amended or supplemented with the consent of the Miniso Purchasers and in accordance with the terms of this Meeting Order and the Plan), and the Monitor shall distribute or make available any such amended form by posting it on the Website.
  17. By no later than October 16, 2019, the Monitor shall send to each Affected Creditor copies of: (a) this Meeting Order; (b) the Monitor's Fifth Report to the Court; (c) the Plan; (d) the Notice of Meeting to Affected Creditors; (e) the Convenience Creditor Election; and (f) the Proxy.
  18. The materials referred to in paragraph 15 hereof shall be sent by the Monitor to each Affected Creditor by ordinary mail, courier, email or fax to the address appearing on the Affected Creditor's Proof of Claim delivered to the Monitor pursuant to the Claims Process Order.
  19. The publications referred to in paragraphs 14 and 15 hereof, and transmission and delivery in accordance with paragraph 18 hereof, shall constitute good and sufficient service of the Meeting Materials on all Persons who may be entitled to receive notice thereof, or of these proceedings, or who may wish to be present in person or represented by proxy at the Meeting, or who may wish to appear in these proceedings, and no other form of notice or service needs to be made on such Persons, and no other document or material needs to be served on such Persons in respect of these proceedings, the Plan, and the Meeting.
  20. The accidental failure to transmit or deliver the Meeting Materials by the Monitor in accordance with this Meeting Order or the non-receipt of such materials by any Person entitled to delivery of such materials shall not invalidate the passing of the Resolution or any other proceedings taken at the Meeting.

#### **DELIVERY OF CONVENIENCE CREDITOR ELECTION**

21. An Affected Creditor having an Allowed Claim amount greater than \$1,500 that wishes to be treated as a Convenience Creditor under the Plan must deliver a duly completed and executed Convenience Creditor Election to the Monitor, on or before the Voting Record Deadline, by email at [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com), fax at (604) 638-7441 or by delivery to the Monitor's office located at 1680-400 Burrard Street, Vancouver, BC, V6C 3A6 (Attention: Nishant Virmani) on or before the Voting Record Deadline.
22. Upon delivery of a Convenience Creditor Election as provided for in paragraph 21 of this Order, such Affected Creditor: (i) is irrevocably deemed to have voted the full amount of its Allowed Claim in favour of the Resolution as a member of the Affected Creditors Class and (ii) shall be treated as a Convenience Creditor for the purpose of distributions made under the Plan. For clarity, the delivery of a Convenience Creditor Election shall not affect the amount of the Affected Creditor's Allowed Claim for voting purposes under the Plan.

## CONDUCT AT THE MEETING

23. The amount of an Affected Claim which may be voted (or is deemed to have been voted) by an Affected Creditor shall be the amount of that Affected Claim at the Voting Record Deadline, as determined in accordance with the Claims Process Order.
24. For purposes relating to voting on the Plan and calculating distributions thereunder, Affected Claims denominated in currencies other than Canadian Dollars in any Proof of Claim delivered to the Monitor, shall be converted by the Monitor to Canadian Dollars in accordance with paragraph 6 of the Claims Process Order.
25. A representative of the Monitor shall preside as the chair (the "**Chair**") of the Meeting, and, subject to this Meeting Order or any further order of this Court, shall decide all matters relating to the conduct of the Meeting.
26. The Monitor may appoint scrutineers for the supervision and tabulation of the attendance, quorum and votes cast at the Meeting and any person to act as secretary at the Meeting.
27. The only Persons entitled to attend and speak at the Meeting are: (i) the Migu Plan Companies and their legal counsel and advisors; (ii) the Petitioners and their legal counsel and advisors; (iii) the Monitor and its legal counsel and advisors; and (iv) those Persons, including the holders of Proxies, entitled to vote at the Meeting and their legal counsel and advisors. Any other Person may be admitted on invitation of the Chair.
28. In order to be voted at the Meeting, Proxies must be: (a) received by the Monitor by email at [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com), by fax at (604) 638-7441 or by delivery to the Monitor's office located at 1680-400 Burrard Street, Vancouver, BC, V6C 3A6 (Attention: Nishant Virmani) prior to the Voting Record Deadline; or (b) deposited with the Chair before the beginning of the Meeting (or any such adjournment, postponement or other rescheduling thereof).
29. In the absence of instruction to vote in favour of or against the Resolution, any Proxies received by the Monitor in accordance with paragraph 28 hereof shall be deemed to include instructions to vote in favour of the Resolution.
30. All Convenience Creditors shall be irrevocably deemed to vote in favour of the Resolution and any Proxy filed by or on behalf of such Convenience Creditor shall be of no force and effect.
31. The quorum of the Affected Creditors Class required at the Meeting shall be one Voting Creditor present in person or by Proxy and entitled to vote at the Meeting. If the requisite quorum is not present at the Meeting, then the Meeting shall be adjourned by the Chair to such date, time and place as may be decided by the Chair in his or her sole discretion. The Chair shall decide on the manner of giving notice to the Affected Creditors Class of any rescheduled Meeting and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Website.
32. The Chair is hereby authorized to adjourn, postpone or otherwise reschedule the Meeting, or the vote of the Affected Creditors Class scheduled to occur at the Meeting, on one or more occasions to such time(s), date(s) and place(s) as the Chair deems necessary or desirable (without the need to first convene the Meeting for the purpose of any

adjournment, postponement or other rescheduling thereof). The Chair shall decide on the manner of giving notice to the Affected Creditors of the rescheduled Meeting or vote and may, if he or she deems it appropriate, restrict such notice to a notice posted on the Website.

## **VOTING PROCEDURE**

33. At the Meeting:
  - (a) the approval of the Resolution will be decided by the Required Majority on a ballot vote; and
  - (b) any other matter submitted for a vote at the Meeting shall be decided by a simple majority of votes cast on a vote by a show of hands.
34. The only Persons entitled to vote at the Meeting shall be Voting Creditors and their Proxy holders. All Convenience Creditors are irrevocably deemed to vote in favour of the Resolution.
35. The Monitor shall record and tabulate the votes cast at the Meeting.
36. For the purposes of counting and tabulating the votes at the Meeting, each Affected Creditor shall have one vote for its Allowed Claim and the weight attributed to such vote (for the purposes of determining the Required Majority) shall be equal to the dollar value of such Affected Creditor's Allowed Claim (if necessary, converted into Canadian Dollars in accordance with paragraph 24 hereof).
37. Any Affected Claim acquired by a transferee or assignee shall not merge, consolidate, or combine with any other Affected Claim held or acquired by such transferee or assignee.
38. Allowed Claims shall not include fractional numbers and shall be rounded down to the nearest whole dollar amount without compensation.
39. At the Meeting, for each Affected Creditor's Unresolved Claim, the Monitor shall keep a separate record of votes cast by anyone entitled to vote holding Unresolved Claims. The votes cast in respect of any Unresolved Claim shall not be counted for any purpose unless, until and only to the extent that such Unresolved Claim is finally determined to be an Allowed Claim in accordance with the Claims Process Order.
40. No Affected Creditor shall be entitled to split or subdivide an Affected Claim for purposes of voting or distribution or for the purposes of making the Convenience Creditor Election.

## **NOTICE TO AFFECTED CREDITORS:**

41. Any document sent by the Monitor or the Migu Plan Companies to any Person pursuant to this Meeting Order may be sent to such Person at their respective address or contact information as set out in the applicable Proof of Claim delivered to the Monitor in the Claims Process. Any such service and delivery shall be deemed to have been received: (i) if sent by ordinary mail, on the third Business Day after mailing within British Columbia, the fifth Business Day after mailing within Canada (other than within British Columbia), and the seventh Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business

Day following dispatch; and (iii) if delivered by electronic transmission (such as facsimile or email), by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

42. If, during any period in which notice or other communications are being given pursuant to this Meeting Order, a postal work stoppage of general application should occur, such notice or other communications sent by ordinary mail and then not received shall not, absent further Order of this Court, be effective and notices and other communications given hereunder during the course of any such work stoppage of general application shall only be effective if given by courier, personal delivery, facsimile transmission or email in accordance with this Meeting Order.
43. In the event that this Meeting Order is later amended by further order, the Monitor shall post such further order on the Monitor's Website and the Migu Plan Companies or the Monitor may serve such further order on the Service List and such posting and service shall constitute adequate notice to Creditors of the amendments made.

### **SANCTION ORDER APPLICATION**

44. As soon as practicable following the Meeting, the Monitor shall report to this Court on: (i) the voting results of the Affected Creditors Class with respect to the approval of the Resolution; and (ii) any other matter the Monitor considers relevant with respect to the Meeting or the Migu Plan Companies' application for the Sanction Order.
45. If the Plan is approved by the Required Majority of the Affected Creditors Class, the Monitor, on behalf of the Migu Plan Companies, shall bring an application (the "**Sanction Order Application**") for the Sanction Order as contemplated in Section 5.1 of the Plan, which application shall be returnable before this Court at 10:00 a.m. (Vancouver Time) on November 6, 2019 or as soon thereafter as the matter can be heard.
46. A copy of the Migu Plan Companies' notice of application seeking the Sanction Order shall be published on the Website as soon as practicable.
47. Publication of the Notice of Meeting to Affected Creditors and this Meeting Order pursuant to paragraphs 14 and 15 hereof and delivery of the Meeting Materials pursuant to paragraphs 17 and 18 hereof shall constitute good and sufficient service of notice of the Sanction Order Application upon all Persons who may be entitled to receive such service and no other form of service needs to be made and no other materials need to be served on such Persons in respect of the Sanction Order Application.
48. Any party who wishes to oppose the Sanction Order Application shall serve on counsel for the Migu Plan Companies, counsel for the Miniso Purchasers, counsel for the Monitor, and all parties on the Service List, by no later than 12:00 p.m. (Vancouver time) on November 5, 2019: (a) an application response in the form prescribed by the British Columbia Supreme Court Civil Rules setting out the basis for such opposition; and (b) a copy of the materials to be relied upon to oppose the Sanction Order Application.
49. If the Sanction Order Application is adjourned, postponed or otherwise rescheduled, only those Persons listed on the Service List or that have filed and served an application response in accordance with paragraph 48 hereof are required to be served with notice of the adjourned, postponed or otherwise rescheduled date.



## GENERAL PROVISIONS

50. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunals, regulatory or administrative bodies to act in aid of and to be complementary to this Court in carrying out the terms of this Meeting Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Migu Plan Companies and to the Monitor as an officer of this Court, as may be necessary or desirable to give effect to this Meeting Order.
51. The Migu Plan Companies and the Monitor shall use reasonable discretion as to the adequacy of completion and execution of any document completed and executed pursuant to this Meeting Order and may waive strict compliance with the requirements of this Meeting Order as to the completion, execution and delivery, including with respect to the timing of such delivery, of any documents.
52. Subject to further Order of this Court, in the event of any conflict, inconsistency, ambiguity or difference between the provision of the Plan and this Meeting Order, the terms, conditions and provision of the Plan shall govern and be paramount, and any such provision of this Meeting Order shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.
53. The Migu Plan Companies and the Monitor may apply to this Court from time to time for directions from this Court with respect to this Meeting Order, including with respect to the Meeting and Schedules to this Meeting Order, or for such further order(s) as either of them may consider necessary or desirable to amend, supplement or replace this Meeting Order, including any Schedule hereto.
54. Endorsement of this Meeting Order by counsel appearing on this application, other than counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of Lawyer for the Monitor  
Lawyer: John Sandrelli

BY THE COURT

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REGISTRAR

**SCHEDULE "A"**

**List of Counsel**

<b>Counsel Name</b>	<b>Party Represented</b>

**SCHEDULE "B"**

**Plan of Compromise, Arrangement and Reorganization of the Migu Plan Companies**

**SCHEDULE "C"**

**Convenience Creditor Election**

[On Monitor Letterhead]

**FIXED DISTRIBUTION OPTION ELECTION**

Regarding the Plan of Compromise, Arrangement and Reorganization (the "**Plan**") filed by Miniso (Canada) Store One Inc., Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc., Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc., Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc., Miniso (Canada) Store Eleven Inc., Miniso (Canada) Store Twelve Inc., Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and Miniso (Canada) Store Twenty-One Inc. (collectively, the "**Migu Plan Companies**") in Supreme Court of British Columbia, Vancouver Registry, Proceeding No. S197744 (the "**CCAA Proceedings**").

The undersigned creditor has an Allowed Claim under the Plan greater than \$1,500 and hereby elects to reduce its Allowed Claim to \$1,500 and receive a fixed distribution in the amount of \$1,500.

**NOTE:** All Convenience Creditors are irrevocably deemed to vote in favour of the Plan.

This form properly completed and duly signed, must be received by Alvarez & Marsal Canada Inc., the Monitor appointed in the CCAA Proceedings, at the address, facsimile or email as set out below:

Alvarez & Marsal Canada Inc.  
1680-400 Burrard Street  
Vancouver, B.C., V6C 3A6  
Attention: Nishant Virmani  
Fax : (604) 638-7441  
Email : [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com)

at or before 5 :00 pm (Vancouver Time) on October 30, 2019.

In the event that an Affected Creditor with an Allowed Claim greater than \$1,500 fails to deliver a properly completed and duly executed Distribution Option Election (or such other form of election as the Monitor in its sole discretion may deem acceptable) to the Monitor as aforesaid before 5 :00 pm (Vancouver Time) on October 30, 2019., that Affected Creditor shall be deemed to have elected to receive a *pro rata* distribution.

Capitalized terms not defined herein have the meanings ascribed to them in the Plan.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Name: \_\_\_\_\_  
(Print name of Creditor as it appears on the Proof of Claim Form)

**Creditor Signature** (if the Creditor is a corporation, this section must be completed by a duly authorized officer or attorney of the corporation)

By: \_\_\_\_\_  
Name:  
Title:

**Witness Signature** (only applicable if the Creditor is an individual)

By: \_\_\_\_\_  
Name of Witness

Phone number of Creditor \_\_\_\_\_  
Email address of Creditor \_\_\_\_\_

**SCHEDULE "D"**

**Newspaper Notice of Meeting**

## NOTICE TO CREDITORS

IN THE MATTER OF Miniso (Canada) Store One Inc.,  
Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc.,  
Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc.,  
Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc.,  
Miniso (Canada) Store Eleven Inc., Miniso (Canada) Store Twelve Inc.,  
Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and  
Miniso (Canada) Store Twenty-One Inc. (collectively, the "**Company**")

TAKE NOTICE that on July 12, 2019, the Company was placed under creditor protection pursuant to the *Companies' Creditors' Arrangement Act* (Canada), R.S.C. 1985, C-36, as amended (the "**CCAA Proceedings**"), by Order of the Supreme Court of British Columbia. Alvarez & Marsal Canada Inc. was appointed as the Monitor (the "**Monitor**") in the CCAA Proceedings.

As part of the CCAA Proceedings, the Court granted an Order (the "**Order**") authorizing the Monitor to convene, hold and conduct a Creditors' Meeting to consider the plan of compromise, arrangement and reorganization (the "**Plan**") submitted by the Company in the CCAA Proceedings.

The Creditors' Meeting will be held at the offices of Dentons Canada LLP, counsel for the Monitor, at 20<sup>th</sup> Floor, 250 Howe Street, Vancouver, BC, V6C 3R8 at 10:00 am (Vancouver Time) on November 1, 2019 or on such later date and/or other location as the Creditors' Meeting may be adjourned in accordance with the provisions of the Plan and the Order.

In order to participate in any voting associated with the Plan or the CCAA Proceedings, any party having a Claim must have filed a Proof of Claim in accordance with the Claims Process Order.

Creditors who are unable to attend the Creditors' Meeting are requested to date, sign and return a proxy (the "**Proxy**") by mail, facsimile or email as set out below, so that it is received on or before 5:00 pm (Vancouver Time) on October 30, 2019, or must deposit the same with the Chair before the beginning of the Creditors' Meeting or any adjournment thereof.

Alvarez & Marsal Canada Inc.  
1680-400 Burrard Street  
Vancouver, B.C., V6C 3A6  
Attention: Nishant Virmani  
Fax : (604) 638-7441  
Email : [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com)

A copy of all Court Orders, Plan documents, Proxy forms and other pertinent materials in the CCAA Proceedings can be obtained by contacting the Monitor at the address set out above or from the Monitor's webpage located at <https://www.alvarezandmarsal.com/minisocanada>



**SCHEDULE "E"**

**Notice of Meeting to Affected Creditors**

[On Monitor Letterhead]

**NOTICE TO CREDITORS**

IN THE MATTER OF Miniso (Canada) Store One Inc.,  
Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc.,  
Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc.,  
Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc.,  
Miniso (Canada) Store Eleven Inc., Miniso (Canada) Store Twelve Inc.,  
Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and  
Miniso (Canada) Store Twenty-One Inc. (collectively, the "**Company**")

TAKE NOTICE that on July 12, 2019, the Company was placed under creditor protection pursuant to the *Companies' Creditors' Arrangement Act* (Canada), R.S.C. 1985, C-36, as amended (the "**CCAA Proceedings**"), by Order of the Supreme Court of British Columbia. Alvarez & Marsal Canada Inc. was appointed as the Monitor (the "**Monitor**") in the CCAA Proceedings.

As part of the CCAA Proceedings, the Court granted an Order (the "**Order**") authorizing the Monitor to convene, hold and conduct a Creditors' Meeting to consider the plan of compromise, arrangement and reorganization (the "**Plan**") submitted by the Company in the CCAA Proceedings.

The Creditors' Meeting will be held at the offices of Dentons Canada LLP, counsel for the Monitor, at 20<sup>th</sup> Floor, 250 Howe Street, Vancouver, BC, V6C 3R8 at 10:00 am (Vancouver Time) on November 1, 2019 or on such later date and/or other location as the Creditors' Meeting may be adjourned in accordance with the provisions of the Plan and the Order.

In order to participate in any voting associated with the Plan or the CCAA Proceedings, any party having a Claim must have filed a Proof of Claim in accordance with the Claims Process Order.

Creditors who are unable to attend the Creditors' Meeting are requested to date, sign and return a proxy (the "**Proxy**") by mail, facsimile or email as set out below, so that it is received on or before 5:00 pm (Vancouver Time) on October 30, 2019, or must deposit the same with the Chair before the beginning of the Creditors' Meeting or any adjournment thereof.

Alvarez & Marsal Canada Inc.  
1680-400 Burrard Street  
Vancouver, B.C., V6C 3A6  
Attention: Nishant Virmani  
Fax : (604) 638-7441  
Email : [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com)

A copy of all Court Orders, Plan documents, Proxy forms and other pertinent materials in the CCAA Proceedings can be obtained by contacting the Monitor at the address set out above or from the Monitor's webpage located at <https://www.alvarezandmarsal.com/minisocanada>

Dated at Vancouver, British Columbia, this \_\_\_\_ day of October, 2019.

Alvarez & Marsal Canada Inc.

In its capacity as Monitor of the Company, and not in its personal capacity

**SCHEDULE "F"**

**Proxy**

NO. S197744  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, C.C-36**

BETWEEN:

MINISO INTERNATIONAL HONG KONG LIMITED, MINISO INTERNATIONAL (GUANGZHOU) CO. LIMITED, MINISO LIFESTYLE CANADA INC., MIHK MANAGEMENT INC., MINISO TRADING CANADA INC., MINISO CORPORATION and GUANGDONG SAIMAN INVESTMENT CO. LIMITED

**PETITIONERS**

AND:

MIGU INVESTMENTS INC., MINISO CANADA INVESTMENTS INC., MINISO (CANADA) STORE INC., MINISO (CANADA) STORE ONE INC., MINISO (CANADA) STORE TWO INC., MINISO (CANADA) STORE THREE INC., MINISO (CANADA) STORE FOUR INC., MINISO (CANADA) STORE FIVE INC., MINISO (CANADA) STORE SIX INC., MINISO (CANADA) STORE SEVEN INC., MINISO (CANADA) STORE EIGHT INC., MINISO (CANADA) STORE NINE INC., MINISO (CANADA) STORE TEN INC., MINISO (CANADA) STORE ELEVEN INC., MINISO (CANADA) STORE TWELVE INC., MINISO (CANADA) STORE THIRTEEN INC., MINISO (CANADA) STORE FOURTEEN INC., MINISO (CANADA) STORE FIFTEEN INC., MINISO (CANADA) STORE SIXTEEN INC., MINISO (CANADA) STORE SEVENTEEN INC., MINISO (CANADA) STORE EIGHTEEN INC., MINISO (CANADA) STORE NINETEEN INC., MINISO (CANADA) STORE TWENTY INC., MINISO (CANADA) STORE TWENTY-ONE INC., MINISO (CANADA) STORE TWENTY-TWO INC. and 1120701 B.C. LTD.

**RESPONDENTS**

**PROXY FOR MEETING OF CREDITORS**

To be held pursuant to an Order of the Supreme Court of British Columbia in connection with the plan of compromise, arrangement and reorganization (the "**Plan**") of  
Miniso (Canada) Store One Inc.,  
Miniso (Canada) Store Three Inc., Miniso (Canada) Store Four Inc.,  
Miniso (Canada) Store Five Inc., Miniso (Canada) Store Eight Inc.,  
Miniso (Canada) Store Nine Inc., Miniso (Canada) Store Ten Inc.,  
Miniso (Canada) Store Eleven Inc., Miniso (Canada) Store Twelve Inc.,  
Miniso (Canada) Store Thirteen Inc., Miniso (Canada) Store Fourteen Inc. and  
Miniso (Canada) Store Twenty-One Inc., pursuant to *the Companies' Creditors Arrangement Act* (Canada), and at any adjournment thereof.

Before completing this proxy, please read carefully the Instructions to Creditors enclosed herewith.

THIS PROXY MUST BE COMPLETED AND SIGNED BY THE AFFECTED CREDITOR AND PROVIDED TO THE MONITOR, ALVAREZ & MARSAL CANADA INC., BY 5:00 PM (VANCOUVER TIME) ON OCTOBER 30, 2019 IF ANY PERSON ON THE AFFECTED CREDITOR'S BEHALF IS TO ATTEND THE MEETING OF CREDITORS, OR ANY ADJOURNMENT THEREOF, AND VOTE ON THE PLAN OR IF THE AFFECTED CREDITOR WISHES TO APPOINT THE REPRESENTATIVE DESIGNATED BY THE MONITOR TO ACT AS THE AFFECTED CREDITOR'S PROXY.

THE UNDERSIGNED AFFECTED CREDITOR hereby:

Revokes all proxies previously given and nominates, constitutes and appoints \_\_\_\_\_ (the "**Nominee**") as his/her/its proxy or, if no name is inserted in the preceding blank space for Nominee, Anthony Tillman of Alvarez & Marsal Canada Inc., in its capacity as Monitor, or any such other person as the Monitor may designate, shall be deemed to be appointed as proxyholder (the "**Deemed Proxyholder**") for the undersigned Affected Creditor to attend on behalf of and act for the Affected Creditor at the Meeting of Creditors (the "**Creditors Meeting**"), to be held in connection with the Plan and at any and all adjournments thereof, and to vote the amount of the undersigned Affected Creditor's Allowed Claim pursuant to the Claims Process Order made on July 22, 2019 as follows:

A. (mark one only)

☐ VOTE FOR approval of the Plan;

☐ VOTE AGAINST approval of the Plan; or

☐ VOTE FOR OR AGAINST approval of the Plan as the Nominee or Deemed Proxyholder (as applicable) may determine;

and

B. Vote at the Nominee's or Deemed Proxyholder's discretion and otherwise act for and on behalf of the undersigned Affected Creditor in respect of any amendments or variations to the above Plan and to any other matters that may come before the Creditors' Meeting or any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2019

\_\_\_\_\_  
Print Name of Affected Creditor

\_\_\_\_\_  
Signature of Affected Creditor or, if the Affected

Creditor is a corporation, Signature of authorized  
signing officer of the corporation

\_\_\_\_\_  
Print name and title of authorized signing officer,  
if applicable

\_\_\_\_\_  
Mailing Address of Affected Creditor

\_\_\_\_\_  
Email Address of Affected Creditor

\_\_\_\_\_  
Phone Number of Affected Creditor

### INSTRUCTIONS FOR COMPLETION OF PROXY

1. Each Affected Creditor who has a right to vote at the Creditors' Meeting has the right to appoint a Nominee (who need not be an Affected Creditor) to attend, act and vote for and on behalf of the Affected Creditor at the Creditors' Meeting, or any adjournment thereof, and such right may be exercised by inserting in the space provided the name of the person to be appointed.
2. If no person is named as the Nominee in the space provided above to act as proxy for the Affected Creditor, Anthony Tillman of Alvarez and Marsal Canada Inc., in its capacity as Monitor, or any such person as the Monitor may designate, shall be deemed to be appointed as the Deemed Proxyholder for the Affected Creditor.
3. If a Nominee or a Deemed Proxyholder is appointed or deemed to be appointed to act as proxy for the Affected Creditor and the said Affected Creditor fails to indicate on this Proxy a vote for or against approval of the Plan, this Proxy will be voted FOR approval of the Plan.
4. If this Proxy is not dated in the space provided, it shall be deemed to be dated on the date it is received by the Monitor.
5. This Proxy must be signed by the Affected Creditor or by the Affected Creditor's attorney duly authorized in writing or, if the Affected Creditor is a corporation, by a duly authorized officer or attorney of the corporation with an indication of the title of such officer or attorney.
6. Valid Proxies executed by the Affected Creditor and bearing or deemed to bear a later date shall revoke this Proxy. If more than one valid Proxy for the same Affected Creditor and bearing or deemed to bear the same date are received with conflicting instructions, such Proxies will be treated as disputed Proxies and shall not be counted.
7. **This Proxy must be sent to the Monitor by email, courier, facsimile or email (in PDF format) at the address provided below, so that it is received by the Monitor no later than 5:00 pm (Vancouver Time) on October 30, 2019.**

The address of the Monitor is as follows:

Alvarez & Marsal Canada Inc.  
1680-400 Burrard Street  
Vancouver, B.C., V6C 3A6  
Attention: Nishant Virmani  
Fax : (604) 638-7441  
Email : [nvirmani@alvarezandmarsal.com](mailto:nvirmani@alvarezandmarsal.com)



## MEMORANDUM

### PRIVATE & CONFIDENTIAL

To Cariboo Copper Corp.  
555 Burrard Street  
Suite 900, P.O. Box 245  
Vancouver BC V7X 1M8

From Dentons Canada LLP

Date October 9, 2019

Subject Re: Gibraltar Mine Reclamation Security  
File No.: 577130-1

### BACKGROUND

We are writing to provide you with an analysis of certain potential risks to Cariboo Copper Corp. ("**Cariboo**") associated with its participation in the proposal of Taseko Mines Limited ("**Taseko**") to restructure the reclamation security arrangements currently in place with respect to the Gibraltar Mine unincorporated joint venture (the "**JV**"), as more particularly described in the steps memorandum (the "**Steps Memo**") prepared by McCarthy Tétrault LLP and attached hereto as Schedule "A" (the "**Proposed Transaction**").

This memorandum is structured as follows:

1. Part I of this memorandum provides a summary of certain facts that are relevant to our analysis.
2. Part II of this memorandum provides an analysis and our conclusions with respect to certain specific questions itemized therein.

### PART I - RELEVANT FACTS

#### Formation and Operation of the JV

1. Effective March 18, 2010, Cariboo acquired a 25% beneficial interest in the JV pursuant to a joint venture formation agreement dated March 18, 2010 (the "**JV Formation Agreement**") between Cariboo, Gibraltar Mines Ltd. ("**Gibraltar**") and Taseko. Gibraltar, a wholly-owned subsidiary of Taseko, retained a 75% interest in the JV.
2. Gibraltar retained registered title to 100% of the assets of the JV. Pursuant to Section 2.1 of the JV Formation Agreement, Gibraltar holds Cariboo's 25% beneficial interest in trust as bare trustee for Cariboo. Similarly, section 5.3 of the joint venture operating agreement dated March 18, 2010 between Cariboo, Taseko and Gibraltar (the "**JV Operating Agreement**") confirms that Gibraltar holds the assets of the JV in trust for the participants in JV (based on their *pro rata* participating interest).
3. The management and operations of the JV are governed by the terms of the JV Operating Agreement.

4. Under the terms of the JV Operating Agreement, Cariboo is entitled to appoint one of four members of the Management Committee, and one of two members of the Operating Committee. Otherwise, Gibraltar acts as operator ("**Operator**") with overall management responsibility of the operations of the JV. Cariboo, through its appointees, has veto power over certain material matters relating to the management and operation of the JV as more particularly set out in Section 6.3 of the JV Operating Agreement.

Existing Reclamation Security Arrangements

5. The JV has certain existing reclamation security obligations owed to the Province of British Columbia (the "**Province**") which are currently satisfied as follows:
  - a. approximately \$40,000,000 of cash (the "**GRT Cash**") held by the Bank of Nova Scotia Trust Company (the "**Trustee**") in trust upon and subject to the terms of an amended and restated Gibraltar reclamation trust indenture dated May 1, 2010 among Gibraltar Reclamation Trust Limited Partnership ("**GRTLTP**"), Gibraltar, the Province and the Trustee (the "**GRT Indenture**"); and
  - b. \$10,000,000 of cash (the "**Existing LOC Cash**") deposited with Canadian Imperial Bank of Commerce ("**CIBC**") as cash collateral for a \$10,000,000 letter of credit (reference no. SBGV747948) issued by CIBC in favour of the Province on December 22, 2010, as amended on January 6, 2011 (the "**Existing LOC**" and together with the GRT Indenture, the "**Existing Reclamation Security**").

Proposed Reclamation Security Arrangement

6. Taseko proposes to restructure the Existing Reclamation Security such that the GRT Indenture and the Existing LOC described in paragraph 5(a) and 5(b) above, respectively, are replaced in their entirety with a new irrevocable letter of credit (the "**New LOC**") issued by CIBC in favour of the Ministry of Energy, Mines and Petroleum Resources for the Province (the "**Beneficiary**") pursuant to a letter of credit facility among the Operator and CIBC (the "**LOC Facility**") in the amount of \$50,000,000. The Proposed Transaction, more particularly described in the Steps Memo, contemplates, among other things, as follows:
  - a. the Existing LOC will be wound up and the Operator will direct CIBC to hold the Existing LOC Cash as collateral in respect of the New LOC; and
  - b. pursuant to a written direction to be provided to the Trustee by Gibraltar, GRTLTP and the Province, the Trustee will distribute the GRT Cash as follows:
    - i. \$37,500,000 to be distributed to Gibraltar; and
    - ii. \$2,500,000 (the "**Additional LOC Cash**") to be distributed to CIBC.
7. the New LOC will be collateralized:
  - a. as to \$12,500,000 (i.e., 25% of its face value), by the Existing LOC Cash and the Additional LOC Cash (the "**Cariboo Cash**"); and

- b. as to \$37,500,000 (i.e., 75% of its face value), by one or more demand bonds to be procured by Gibraltar from Aviva Insurance Company of Canada (the "**Surety**") in favour of CIBC having an aggregate face value of \$37,500,000 (the "**Demand Bond**").
8. In connection with the Demand Bond, Taseko and Gibraltar will enter into a general indemnity agreement (the "**Indemnity Agreement**"), on a joint and several basis, with the Surety. The Indemnity Agreement will be an unsecured obligation of Taseko and Gibraltar on the closing of the Proposed Transaction.

## PART II – ANALYSIS AND CONCLUSIONS

We understand that the key area of focus for Cariboo is to ensure that the Proposed Transaction does not increase the financial exposure of Cariboo (with reference to the current JV arrangements). In this regard, we have identified three areas of focus:

1. Non-renewability of the New LOC;
2. Exposure of JV assets to Surety indemnity; and
3. Pro-rata enforcement of security.

With reference to the analysis below, we view each of the issues identified above as having a very low or remote risk of increasing Cariboo's financial exposure under the Proposed Transaction (above and beyond the existing risk profile of the current JV arrangements).

The conclusions below are limited specifically to the risks associated with the transactions contemplated by the Proposed Transaction and do not contemplate risks related to the rights of creditors generally or any other risks inherent to the business and operations of the JV, including without limitation, in connection with any bankruptcy, insolvency or similar proceeding.

### 1. CIBC has a right to elect not to renew the New LOC on 90 days' prior written notice.

In connection with the Proposed Transaction, the Operator proposes to enter into the LOC Facility with CIBC for an amount of \$50,000,000 pursuant to which the Operator may require CIBC to issue letters of credit for reclamation bonding purposes. Pursuant to the LOC Facility, on the closing of the Proposed Transaction, the Operator will cause CIBC to issue the New LOC in favour of the Beneficiary. The New LOC will be for a maximum term of one (1) year and will be deemed to be automatically extended without amendment for further one year terms from the present or any future expiration date thereof, unless at least ninety (90) days prior to the present or any further expiration date thereof, CIBC notifies the Beneficiary in writing by registered mail or courier, that CIBC elects not to consider the New LOC to be renewable for any additional period ("**Notice of Non-Renewal**").

Pursuant to applicable laws and as a condition of *Mines Act* (British Columbia) permits, mining companies operating in the Province must provide financial security in an amount and in a form acceptable to the Chief Inspector of Mines of the Ministry of Energy, Mines and Petroleum Resources for the Province and must place such security with the Province to ensure reclamation and closure obligations associated with the mine site are kept. This security is only returned once the mine site has been reclaimed to a satisfactory level and there are no ongoing monitoring or maintenance requirements. The intent of the Province's reclamation legislation is to ensure that modern mine sites in the Province do not leave an ongoing legacy or require public funds for clean-up activities. We understand that Cariboo is concerned with a situation where CIBC exercises its election of non-renewal of the New LOC leaving the Beneficiary without any security for the reclamation obligations of the JV. Such a situation would leave the JV in violation of its

obligations under applicable laws and the *Mines Act* (British Columbia). This concern however, is mitigated by the documentation to be entered into in connection with the Proposed Transaction, specifically the language of the New LOC to be issued by CIBC to the Beneficiary.

The form of the New LOC proposed by the Beneficiary provides that, together with any Notice of Non-Renewal delivered by CIBC to the Beneficiary, CIBC will deliver to the Beneficiary a bank draft payable to the Beneficiary in the amount less any previous payment under the New LOC. As such, in the event that CIBC exercises its election of non-renewal of the New LOC, the Beneficiary will still have security from the JV in compliance with applicable laws and the *Mines Act* (British Columbia) in the form of a bank draft.

For the reasons stated above, we do not view this issue as posing a material risk to Cariboo.

## **2. The ability of the Surety to seize assets of Cariboo or the JV pursuant to the Indemnity Agreement.**

The New LOC will be collateralized, at the closing of the Proposed Transaction, by the Cariboo Cash and the Demand Bond. The Cariboo Cash represents 25% of the face value of the New LOC which is equal to Cariboo's 25% beneficial interest in the JV. The Demand Bond represents 75% of the face value of the New LOC which is equal to Gibraltar's 75% beneficial interest in the JV.

With respect to the portion of the New LOC collateralized by the Demand Bond, the only potential exposure of the assets of Cariboo or the JV is pursuant to the Indemnity Agreement, however any such risk is mitigated by: (i) language of the Indemnity Agreement limiting the exposure of Cariboo and the JV; and (ii) a side letter (the "**Side Letter**") to be entered into in connection with the Proposed Transaction among Taseko, Gibraltar, the Operator and Cariboo. We discuss each in turn below.

The Indemnity Agreement is an unsecured obligation of Taseko and Gibraltar providing the Surety with only a contractual claim against Taseko and/or Gibraltar in the case of a breach of their respective obligations under the Indemnity Agreement. The likelihood that a court of competent jurisdiction would override such contractual indemnity obligation to expand the scope beyond what was negotiated and agreed to by the parties in writing (i.e. to the assets of Cariboo or the JV) is remote, although we cannot predict how a court will ultimately rule.

### Language Limiting Exposure under the Indemnity Agreement

In connection with, among other things, the Surety's execution or procurement of the Bond(s) (as defined in the Indemnity Agreement), Taseko and Gibraltar have entered into the Indemnity Agreement to, among other things, indemnify, hold harmless and exonerate the Surety from and against any and all Losses (as defined in the Indemnity Agreement), as well as any other reasonable expense that the Surety may incur or sustain as a result of or in connection with the furnishing, execution, renewal, continuation, or substitution of any Bond(s).

While neither Cariboo nor the JV has any direct contractual obligations pursuant to the Indemnity Agreement, Cariboo is concerned with a situation where the Surety, in satisfaction of the indemnity obligations of Taseko and Gibraltar, seizes assets of Cariboo or the JV. We find however, that such risk is mitigated by specific language in the Indemnity Agreement that: (i) limits the liability of Taseko and Gibraltar pursuant to the Indemnity Agreement specifically to Aviva Surety Bond #27003-19/Argonaut Surety Bond #INT0054758, and not any other Bond(s); (ii) that Gibraltar is entering into the Indemnity Agreement in its capacity as participant in the JV and not in its capacity as operator of the JV; and (iii) **the Surety acknowledges and agrees that it may not, at any time, recover for any Losses or obligations for which indemnification is provided under the Agreement from any interest of Cariboo in the JV or any asset of Cariboo.]**

The Side Letter

In addition to the language of the Indemnity Agreement, the Side Letter provides, among other things, an agreement and acknowledgment by Taseko and Gibraltar that any indemnity provided in connection with the closing of the Proposed Transaction, the LOC Facility, the New LOC, including, for greater certainty, the Indemnity Agreement will be for the sole account of Taseko and Gibraltar, as the case may be. In addition, and for the avoidance of any doubt, Taseko and Gibraltar agree and acknowledge that no assets of the JV may be used to satisfy any such indemnity obligations. In the unlikely event of enforcement by the Surety against the assets of Cariboo or the JV, Cariboo will have contractual recourse against Taseko and Gibraltar pursuant to the Side Letter.

For the reasons stated above, we view this issue as posing a remote risk to Cariboo, which has been mitigated by specific language included in the documentation evidencing the Proposed Transactions.

**3. Pro-rata enforcement of security based on the parties' participating interest.**

Pursuant to the Side Agreement Taseko, Gibraltar and the Operator each acknowledge and agree that Cariboo will not be required to contribute any additional cash in connection with the Proposed Transactions (whether directly or indirectly), except for the issuance fees payable by the Operator to CIBC under the LOC Facility in respect of the portion of the New LOC collateralized by the Cariboo Cash (i.e., 0.45% per annum, payable quarterly in arrears) which will be for the account of Cariboo. Any interest earned on the Cariboo Cash, will also be for the account of Cariboo (but will not affect the capital accounts of the Participants (as defined in the JV Operating Agreement)). Further, Taseko, Gibraltar and the Operator each acknowledge and agree that all fees payable to the Trustee or to CIBC on closing of the Transaction will be solely for the account of Gibraltar (and to the extent that the Operator pays any such fees, Gibraltar will promptly reimburse the Operator).

Accordingly, it is expressly contemplated that the exposure of Cariboo in the case of enforcement in connection with the Proposed Transaction will therefore be no greater following the closing of the Proposed Transaction, i.e. 25% of the face value of the New LOC which is equal to Cariboo's pro-rata beneficial interest in the JV, than it was pursuant to the Existing Reclamation Security, i.e. the Cariboo Cash (25% of the Existing Reclamation Security) which is equal to Cariboo's pro-rata beneficial interest in the JV. In the case of enforcement in connection with the Proposed Transaction, the likelihood that a court of competent jurisdiction would override the contractual arrangements beyond what was negotiated and agreed to by the parties in writing (i.e. an amount equal to its pro-rata interest in the JV) is remote, although we cannot predict how a court will ultimately rule.

For the reasons stated above, we do not view this issue as posing a material risk to Cariboo.

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We would be happy to discuss this further at your convenience.

**Schedule "A"**

**STEPS MEMO**

See attached.