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| COURT FILE NUMBER | 2201-01438 |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA |
| JUDICIAL CENTRE | CALGARY |
| PLAINTIFF | AVONLEA-DREWRY HOLDINGS INC. |
| DEFENDANTS | CURA-CAN HEALTH CORP. AND THE CLINIC NETWORK CANADA INC. |
| APPLICANT | IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF CURA-CAN HEALTH CORP. AND THE CLINIC NETWORK CANADA INC. |
| DOCUMENT | KPMG INC., IN ITS CAPACITY AS COURT APPOINTED RECEIVER AND MANAGER OF THE PROPERTY OF CURA-CAN HEALTH CORP. AND THE CLINIC NETWORK CANADA INC. |
| | FIRST REPORT OF THE RECEIVER |
| DATE | MARCH 14, 2022 |
| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT: | KPMG INC. Suite 3100, Bow Valley Square II 205 - 5th Ave SW Calgary, Alberta T2P 4B9 Attn: Huey Lee / Joseph Sitholé Tel: (403) 691-8014 / (403) 691-8070 hueylee@kpmg.ca / jsithole@kpmg.ca |
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1. INTRODUCTION AND PURPOSE OF REPORT

Introduction

1. On February 7, 2022 Avonlea-Drewry Holdings Inc. (“**ADH**”) brought an application (the “**Application**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) and section 13(2) of the Judicature Act, RSA 2000, c J-2, seeking the appointment of KPMG Inc. (“**KPMG**”) as receiver and manager of all the assets, undertakings and properties (the “**Property**”) of Cura-Can Health Corp. (“**Cura-Can**”) and The Clinic Network Canada Inc. (“**TCNC**”) (together, the “**Companies**” or the “**Debtors**”).
2. The Court of Queen’s Bench of Alberta (the “**Court**”) pronounced an order (the “**Receivership Order**”) on February 7, 2022 (the “**Date of Appointment**”), pursuant to which KPMG was appointed receiver and manager (in such capacity, the “**Receiver**”) of the Property of the Companies (the “**Receivership Proceedings**”). A copy of the Receivership Order is attached hereto as **Appendix “A”**.

Purpose of the Report

3. This is the Receiver’s first report to the Court (the “**First Report**” or this “**Report**”) which has been prepared to provide the Court with:
 - a) Background information on the Companies;
 - b) A summary of the Companies’ primary assets and liabilities;
 - c) An update on the initial actions of the Receiver since the Date of Appointment;
 - d) A summary of the Receiver’s proposed sales and investment solicitation process (the “**SISP**”) with respect to the Companies or the Property; and
 - e) The Receiver’s recommendations.

Terms of Reference

4. All materials filed with the Court and all orders granted by the Court in connection with the receivership proceedings will be made available to creditors and other interested parties in electronic format on the Receiver’s website at www.home.kpmg/ca/curacan (the “**Receiver’s Website**”).

5. In preparing this Report, the Receiver has been provided with, and has relied upon, unaudited and other financial information, books and records (collectively, the “**Information**”) prepared by the Companies and/or its representatives, and discussions with the Companies’ management and/or representatives.
6. The Receiver has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. The Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants Handbook, and accordingly the Receiver expresses no opinion or other form of assurance in respect of the Information.
7. The information contained in this Report is not intended to be relied upon by any prospective purchaser or investor in any transaction with the Receiver.
8. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

2. BACKGROUND INFORMATION ON THE COMPANIES

9. The Companies were in the business of investment in, and operation of, businesses active in the medical and retail cannabis space, including the operation of medical clinics in Western Canada and Ontario. An organizational chart of the Companies is attached as **Appendix “B”**.
10. Cura-Can has no active operations. The Company’s primary investment is its indirect interest in Pathway Health Corp. (“**Pathway**”), a publicly listed company on the TSXV (PHC.V) of which Cura-Can’s wholly owned subsidiary, TCNC, has an approximate 56% equity interest.
11. Additionally, Cura-Can has a wholly owned subsidiary, Natural Health Services Ltd. (“**NHS**”), which was acquired from Sunniva Inc. (“**Sunniva**”) in 2019 for cash and share consideration, in an effort at the time to expand the Company’s chronic pain services and range of pain treatments. NHS filed a voluntary assignment into bankruptcy on August 6, 2021.
12. Cura-Can also holds a minority equity interest in Sunniva, and convertible debt in Glamster Canada Inc. (“**Glamster**”), an active plant-based beauty and wellness company (the “**Minority Glamster Interest**”).
13. TCNC currently has no active operations. TCNC now acts as a holding company for its investment in Pathway. TCNC holds no other significant assets.
14. The Companies and ADH are parties to a credit facility agreement dated March 1, 2019, amended and restated on January 18, 2021. (the “**Credit Agreement**”). Pursuant to the credit agreement, ADH provided Cura-Can with a term loan facility in the maximum aggregate principal amount of \$10,000,000 (the “**Loan Facility**”).
15. In order to evidence the amounts owing by Cura-Can pursuant to the Credit Agreement, including fees, expenses and principal and interest owing under the Loan Facility (collectively, the “**Indebtedness**”), Cura-Can and ADH executed an amended secured convertible grid promissory note in favor of ADH, dated June 24, 2020.
16. All amounts owing in connection with the Loan Facility were to be repaid on May 31, 2021 (the “**Maturity Date**”). The Debtors failed to repay the Indebtedness on the Maturity Date.

17. As a result, demands for full repayment of the Indebtedness (collectively, the “**Demands**”) and duly executed Notices of Intention to Enforce Security under section 244 of the BIA (collectively, the “**NITES**”) were sent by ADH to the Debtors on June 10, 2021.
18. The Debtors and ADH entered into a Forbearance Agreement, dated June 30, 2021 (the “**Forbearance Agreement**”)
19. The Debtors have defaulted under the Forbearance Agreement, including for failure to complete the New Lender Financing, as defined therein.
20. As a term of the Forbearance Agreement, the Debtors consented to the appointment of a receiver and each provided a duly executed Consent Receivership Order.
21. On February 7, 2022, the Receiver took possession and control of the assets of the Companies.
22. Further background and information regarding the Companies can be found on the Receiver’s Website.

3. THE COMPANIES' PRIMARY ASSETS

23. Based on its books and records, the Companies' primary assets at the Date of Appointment consisted of the following:

| Cura-Can Health Corp. | |
|---|---------------------------------|
| Assets | Book Value (CAD \$000's) |
| Cash | 1,601 |
| Prepaid expenses | 201 |
| TCNC - Promissory note receivable | 5,000 |
| TCNC - non-interest bearing inter-company loan | 6,646 |
| TCNC - secured interest bearing credit facility | 6,103 |
| Other related party balance | 15 |
| Investment in NHS | 6,670 |
| Investment - Glamster | 994 |
| Investment - TCNC | 674 |
| Total | 27,903 |

| The Clinic Network Canada Inc. | |
|---------------------------------------|---------------------------------|
| Assets | Book Value (CAD \$000's) |
| Cash | 5 |
| Investment in Pathway Health Services | 9,295 |
| Total | 9,300 |

Glamster Convertible Debt

24. In 2018, Cura-Can made an investment in the form of convertible debt in Glamster. As at December 31, 2021, the value of this investment was recorded in internally prepared unaudited financial statements at approximately \$994,000.

Pathway Shares

25. Through TCNC, Cura-Can has an indirect equity ownership interest of approximately 56% of the issued and outstanding common shares of Pathway (the "**Pathway Shares**"). Pathway conducts out-patient pain management services, with nine clinics across Alberta, Saskatchewan, Manitoba, and Ontario. As per the December 31, 2021 internal financial statements, this equity interest is recorded at a book value of approximately \$9.3 million.

26. A sale of the Pathway Shares held by Cura-Can would constitute a “control distribution” under applicable securities laws and, accordingly, will be subject to compliance with applicable securities laws respecting same. Further, a sale of the Pathway Shares may constitute a “change of control” as defined in the policies of the TSXV, and as such may also require compliance with applicable TSXV Policy.
27. 75% of the Pathway Shares are subject to certain additional trade restrictions under a TSXV value escrow agreement (the “**Escrow Agreement**”) until June 2024.

Cura-Can Cash

28. As at the Date of Appointment, Cura-Can held cash in trust with its legal counsel in the amount of approximately \$1.1 million (the “**Company Cash**”).

Sunniva Shares

29. Subsequent to the acquisition of NHS from Sunniva, Cura-Can filed a statement of claim against Sunniva for approximately \$100 million in respect of alleged misrepresentations made by Sunniva in relation to a sale of the business. In 2020, Sunniva filed for creditor protection pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”) and put forth a plan of arrangement in 2021, which was approved by creditors and the Court. Under the plan of arrangement, Cura-Can’s claim was compromised and adjusted to \$4.25 million. Cura-Can received approximately 50 million shares (the “**Sunniva Shares**”) in exchange for its compromised claim amount. The Sunniva Shares represent a less than 10% equity ownership interest in Sunniva and accordingly, except as restricted by the Cease Trade Order (defined and described below), it is not anticipated that the sale of the Sunniva Shares will trigger or breach any significant securities law or Canadian Securities Exchange requirements.
30. Sunniva was discharged and released from the CCAA Proceedings on June 18, 2021, but continues to be subject to a cease trade order issued by British Columbia Securities Commission (“**BCSC**”) on June 22, 2020 (the “**Cease Trade Order**”), as amended by a partial revocation order issued April 26, 2021 (the “**Partial Revocation Order**”). The Cease Trade Order ceases all trading of Sunniva shares. To the best of the Receiver’s knowledge, it is uncertain if or when the Cease Trade Order will be revoked. Cura-Can currently has no recorded amount for the value of these shares.

4. THE COMPANIES' PRIMARY LIABILITIES

32. Based on its books and records, the Companies' primary liabilities at the Date of Appointment consisted of the following:

| Cura-Can Health Corp. | |
|--|----------------------------|
| Liabilities | Book Value (CAD \$) |
| Accounts payable | 168 |
| Accrued liabilities | 260 |
| Accrued audit fees | 100 |
| Due to/from The Clinic Network Canada Inc. | (49) |
| Due to/from NHS (non-interest loan) | (405) |
| Due to/from NHS | (93) |
| Shareholder loan from K.Weil/L.Weil | 69 |
| Shareholder loan from ADH | 55 |
| Loan from Avonlea-Drewry Holdings | 16,439 |
| Total | 16,545 |

| The Clinic Network Canada Inc. | |
|---|----------------------------|
| Liabilities | Book Value (CAD \$) |
| Accounts Payable | 516 |
| Accrued Liabilities | 376 |
| Accrued Audit Fees | 120 |
| Accrued Legal Fees | 1 |
| Leases - Current Portion | 58 |
| Loans - Senior Secure Notes | 41 |
| Due to/from Cura-Can | 49 |
| Due to/from NHS | 285 |
| Due to/from 12352877 Canada Ltd. | 414 |
| Payable to Corbo Consulting Inc. | 45 |
| Promissory Note Payable | 5,000 |
| Cura-Can - Non-Interest Bearing Inter-Company Loan | 6,646 |
| Cura-Can - Secured Interest Bearing Credit Facility | 6,103 |
| Loan - CEBA | 25 |
| Leases - Long Term Portion | 11 |
| Total | 19,691 |

33. Cura-Can has one known primary secured creditor, ADH, which is owed approximately \$16.4 million.

34. TCNC has three known secured creditors, as follows:
- a) ADH in first position, as agent for the secured debt owed to noteholders, which is approximately \$44,000;
 - b) ADH in second position, as TCNC is a guarantor of Cura-Can's secured debt to ADH; and
 - c) Cura-Can in third position, for the secured intercompany debt owed by TCNC, which is approximately \$5.0 million.
35. Cura-Can and TCNC have a combined total of approximately \$1.6 million of unsecured debts.
36. Based on the Companies' books and records available to the Receiver, Cura-Can had four unsecured creditors as at the receivership date, while TCNC had five unsecured creditors.

5. ACTIVITIES OF THE RECEIVER TO DATE

Initial Receivership Activities

37. Immediately upon issuance of the Receivership Order, the Receiver undertook the following:
- a) Informed the Companies' sole contractor of the Receivership Order and the Receiver's appointment;
 - b) Identified and secured assets; and
 - c) Identified and secured the Companies' books and records.
38. The Receiver began to devise the SISP for the assets of the Companies, and instructed its legal counsel to prepare the necessary materials for an application to this Honourable Court for the approval of the SISP.

Cash and Banking

39. As at the Date of Appointment, all cash was held in a trust account by the Companies' legal counsel. The Receiver has collected these funds and is holding them in a separate estate trust account.

Books and Records

40. The books and records are located at the Pathway offices, under the custody of a Pathway employee and contractor to the Companies. The Receiver has continued to use the services of the contractor, and has kept the books and records secured at the Pathway offices.

Premises

41. On the Date of Appointment, TCNC was a party to two lease agreements as a lessee in Bowmanville, ON, and Toronto, ON. These two locations had been vacant for several months, with no assets or books and records remaining on site. The landlords of each location were informed that the Receiver has immediately vacated and disclaimed any interest the Companies may have had in the premises.

Notice

42. Paragraph 36 of the Receivership Order addresses what is deemed good and sufficient service, and the Receiver confirms that all requirements were met subsequent to its appointment. Copies of the notice and statements of the Receiver is attached hereto as **Appendix “C”**.

Management, Employees, and Contractors

43. All employees of the Companies were terminated on or before January 2021, prior to the receivership proceedings. The Receiver understands there are no outstanding payroll or severance liabilities. The Receiver has maintained the services of the sole remaining contractor of the Companies, who is also an employee of Pathway, to assist with general receivership information requests.

Legal Matters

44. The Companies are named parties to a number of legal actions in connection with their prior business operations and investments. Actions against the Companies are currently stayed by virtue of the Receivership Order, and the Receiver does not intend to advance actions in progress against third parties at this time. The Receiver may assign the Companies' interest and rights in such actions as part of the SISP, as further defined herein.

6. SALES AND INVESTMENT SOLICITATION PROCESS

45. The Companies' marketable assets (the "Assets") consist of the following:
- a) Pathway Shares;
 - b) Sunniva Shares;
 - c) Minority Glamster Interest;
 - d) Related party loan to NHS;
 - e) The Companies' interest and rights in various causes of actions; and
 - f) Company Cash.
46. As described above at paragraph 26, the Receiver understands from its legal counsel that a sale of the Pathway Shares would constitute a "control distribution", which pursuant to National Instrument 45-102, will require the Receiver to, among other things, confirm that:
- a) no unusual effort has been made to prepare the market or create demand for the sale of the Pathway Shares;
 - b) there are no reasonable grounds to believe Pathway is in default under applicable securities legislation; and
 - c) file an insider report within 3 days after the trade takes place.
47. The execution and delivery of an asset purchase agreement contemplating the sale of the Pathway Shares could constitute a "take-over bid", as defined by National Instrument 62-104, which absent an available exemption therefrom, would require compliance with the formal take-over bid rules under securities laws. However, the purchase and sale of the Pathway Shares is expected to fall within the "private agreement exemption" from such formal take-over bid requirements.
48. Additionally, as described above at paragraph 27, 75% of the Pathway Shares are subject to additional trade restrictions under the Escrow Agreement. The Escrow Agreement does not explicitly provide for the transfer of the applicable Pathway Shares via the contemplated sale process. As a result, the Receiver may be required by the TSXV to apply for approval of the transfer.

49. Accordingly, the Receiver's counsel is taking steps to engage with the applicable securities commissions and the TSXV to determine their respective positions on the contemplated sale of the Pathway Shares.
50. Further, as described above at paragraphs 29 and 30, there is currently a Cease Trade Order in effect with respect to the Sunniva Shares and to the best of the Receiver's knowledge, it is uncertain if and when the Cease Trade Order will be revoked. Further, applicable securities legislation may preclude the inclusion of the Sunniva Shares in the SISP and the Stalking Horse APA while the Cease Trade Order remains in effect.
51. Accordingly, the Receiver's counsel is taking steps to inquire with the BCSC to determine whether the Cease Trade Order will be lifted and whether the Sunniva Shares can be marketed within the SISP and Stalking Horse APA without risk of violating the Cease Trade Order. Should the BCSC take the position the Sunniva Shares cannot be marketed for sale and sold within the SISP and Stalking Horse APA, the Receiver will consult with stakeholders and determine its next steps.
52. NHS has been assigned into bankruptcy. As per the Statement of Affairs and discussions with the bankruptcy trustee, it does not appear that the bankruptcy estate will have excess funds to pay a dividend to any creditors.
53. The Receiver has developed, in conjunction with interested stakeholders, a proposed SISP in order to market all assets of the Companies to potential investors and purchasers. A copy of the proposed SISP is hereto attached as **Appendix "D"**.
54. Given the significant amount of indebtedness owed by the Companies to ADH, and the nature and restrictions associated with the Assets, it is unlikely that ADH will obtain a significant recovery with a sale to a third party. With this in consideration, ADH has submitted a proposed stalking horse bid (the "**Stalking Horse APA**") as a part of the proposed SISP. A copy of the Stalking Horse APA is hereto attached as **Appendix "E"**. The Stalking Horse APA contains the following provisions:
- a) A sale of substantially all assets of the Companies,
 - b) A purchase price of approximately \$6,750,000, comprised of:
 - i. \$6,500,000 to be credited against the secured indebtedness of ADH;

- ii. such further amounts payable in cash necessary to satisfy any amounts in priority to the ADH secured indebtedness, including but not limited to any amounts outstanding pursuant to the charges created by the Receivership Order; and
 - c) In the event that the Stalking Horse APA is not selected as the Successful Bidder, the payment of a fee to ADH (the “**Break Fee**”), as reimbursement of ADH’s expenses incurred in relation to the Stalking Horse APA and as compensation for being the Stalking Horse Bidder.
- 55. The Receiver’s independent counsel, Cassels Brock & Blackwell LLP, have delivered an opinion to the Receiver indicating that ADH’s security is valid and enforceable, subject to the usual and ordinary assumptions and qualifications.
- 56. The book value of the Assets as at December 31, 2021 is approximately \$11.9 million. As the bulk of the assets are equity interests in minority positions or subject to escrow restrictions, the market value of the Assets is anticipated to be significantly less than the recorded book value. The Stalking Horse APA purchase price of approximately \$6,750,000 takes into account the market challenges of the Assets, and appears reasonable in the circumstances.
- 57. The Break Fee that is to be reimbursed to ADH in the event that the Stalking Horse APA is not selected as the Successful Bidder amounts to \$325,000. A stalking horse break fee is intended to reimburse reasonable out of pocket expenses and costs the potential purchaser has incurred in relation to their stalking horse bid, and normally ranges from 1% to 5% of the stalking horse purchase price. The Stalking Horse APA Break Fee amounts to 4.8% of the purchase price. Given the professional fees and costs ADH has incurred in negotiating the Stalking Horse APA with the Receiver, and the time invested by ADH in undertaking these efforts, the Break Fee amount appears reasonable in the circumstances.
- 58. The SISP takes into account the nature of the Assets, and the anticipated challenges in a marketing process. The Receiver does not believe that an extended sales process beyond what is contemplated in the SISP is appropriate given:
 - a) The escrow restrictions in place on the Pathway shares;
 - b) The anticipated lack of third-party interest in the minority equity interest of Sunniva and Glamster;
 - c) The significant amount of indebtedness due to ADH; and

- d) The potential need for a lengthy period after closing date of any successful bid to allow for regulatory approval from the applicable securities regulators and TSXV.

59. Accordingly, the Receiver has developed a streamlined sales process reflective of the foregoing.

SISP Details

60. An overview of the SISP is provided below. Capitalized terms not defined herein are defined in the SISP.

- a) No later than seven days after Court approval of the SISP, the Receiver shall publish notice of the SISP in *The Globe and Mail*, *National Post*, *Calgary Herald*, *Edmonton Journal*, *Vancouver Sun*, and the *Toronto Star*;
- b) In order to participate in the SISP and ultimately be considered for qualification as a potential bidder (“**Potential Bidder**”), an interested party must deliver to the Receiver:
 - i. A duly executed Confidentiality Information Memorandum (“**CIM**”);
 - ii. A letter setting forth the identity of the party, contact information, and full disclosure of the direct and indirect owners of the party and their principals; and
 - iii. Written acknowledgement of receipt of a copy of the Court order approving the SISP and agreeing to accept and be bound by the provisions contained therein;
- c) Once an interested party has satisfied all of the requirements above, they will be deemed a Potential Bidder and be provided access to the Receiver’s virtual data room that contains due diligence materials and information relating to the Company and its property; and
- d) The SISP will be conducted on an “as is, where is” basis with no representations or warranties.

61. The following further provisions of the SISP apply to Potential Bidders who wish to submit a bid for the Company’s assets:

- a) The bid deadline for written offers to be received is April 22, 2022 (the “**Bid Deadline**”);
- b) An offer submitted by a Potential Bidder will be considered a qualified bid (“**Qualified Bid**”) only if the offer complies with all of the requirements outlined in paragraph 26 of the SISP;

- c) A Qualified Bid may be for all or a portion of the assets included in the Stalking Horse APA;
 - d) Immediately following the Bid Deadline, all Qualified Bids will be reviewed and assessed as to their likelihood of successful completion;
 - e) In order for a Qualified Bid to be considered as superior to the Stalking Horse APA (“**Superior Offer**”), it must contain the following:
 - i. A cash payment in the minimum amount of the Stalking Horse APA credit bid amount, being \$6,500,000;
 - ii. A cash payment to fully pay the Break Fee; and
 - iii. A cash payment or assumption of liabilities to satisfy any and all charges in priority to ADH’s security.
 - f) In the event that a Qualified Bid constitutes a Superior Offer, the Receiver shall provide the parties making the Superior Offer(s) and the Stalking Horse Bidder the opportunity to make further bids through an auction process as set out in paragraph 37 of the SISP (“**Auction**”).
 - g) At the conclusion of the Auction, the Receiver will select one or a combination of bids to be the Winning Bid(s) in the Auction, and concurrently the Successful Bid(s) of the SISP;
 - h) In the event that there are no Qualified Bids or none of the Qualified Bids received were likely to be successful, the SISP will be deemed to be terminated and the Receiver will select the Stalking Horse APA as the Successful Bidder;
 - i) Upon notifying a Qualified Bidder that it is a Successful Bidder, the Receiver and the Successful Bidder will promptly move to finalize the sale; and
 - j) The Receiver shall apply to the Court as soon as practicable for approval by the Court of a proposed sale.
62. The Receiver is of the view that the SISP is reasonable and appropriate in the circumstances for the following reasons:
- a) A streamlined regional and national advertising campaign will expose the Assets to a wide audience of potentially interested parties, while minimizing marketing costs;

- b) The Companies' Assets will be widely exposed to the market for a sufficient length of time;
- c) Pathway will continue to operate as normal with no interruption or intervention from the Receiver, maximizing the equity value of this asset;
- d) The Stalking Horse APA sets an appropriate minimum price for the value of the Assets, and provides assurances of a transaction concluding at the end the SISP;
- e) The SISP contains negotiation and auction provisions with Qualified Bidders to maximize sale value;
- f) The process contemplated by the SISP is fair, transparent, and reasonable in the circumstances; and
- g) ADH is supportive of the proposed SISP.

7. RECEIVER'S RECOMMENDATIONS

63. The Receiver submits this First Report, respectfully requesting that the Court:
- a) Approve the First Report and the activities of the Receiver as set out herein; and
 - b) Approve the SISP, and the Stalking Horse APA.

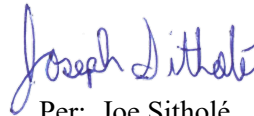
This Report is respectfully submitted this 14th day of March, 2022.

KPMG Inc.

**In its capacity as Court-appointed Receiver of
Cura-Can Health Corp. and The Clinic Network Canada Inc.
and not in its personal or corporate capacity**



Per: Huey Lee
Senior Vice President



Per: Joe Sitholé
Vice President

APPENDIX "A"
RECEIVERSHIP ORDER

Clerk's Stamp:



COURT FILE NUMBER

2201-01438

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

AVONLEA-DREWRY HOLDINGS INC.

DEFENDANTS

**CURA-CAN HEALTH CORP. AND THE CLINIC
NETWORK CANADA INC.**

DOCUMENT

CONSENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Aird & Berlis LLP
Brookfield Place, 181 Bay Street,
Suite 1800
Toronto Ontario Canada M5J 2T9

Attention: Harry M. Fogul, Sam Babe
Email: hfogul@airdberlis.com, sbabe@airdberlis.com

DATE ON WHICH ORDER WAS PRONOUNCED: February 7, 2022

LOCATION WHERE ORDER WAS
PRONOUNCED:

Calgary Courts Centre, Calgary Alberta

NAME OF JUSTICE WHO MADE THIS
ORDER:

Madam Justice Hollins

UPON the application of Avonlea-Drewry Holdings Inc. ("**Avonlea**") in respect of Cura-Can Health Corp. and The Clinic Network Canada Inc. (the "**Debtors**"); **AND UPON** having read the Application, the Affidavit of David Dozzo; and the Affidavits of Service of Christine Doyle, sworn February 6, 2022; **AND UPON** reading the consent of KPMG Inc. to act as receiver and manager ("**Receiver**") of the Debtors, to be filed; **AND UPON** hearing counsel for Avonlea;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), and section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, KPMG Inc. is hereby appointed Receiver, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property,
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to retain for the unexpired term, assign, surrender, renegotiate, or terminate any lease or agreement related to the Property;
- (s) to collect the rents, profits and other receipts arising from the Property or any part thereof;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (u) to assign the Debtors into bankruptcy; and
- (v) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other

entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Receiver or exercising any other remedy provided under such agreements or arrangements. The Receiver shall be entitled to the continued use of the Debtors' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver

is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 17. Except for gross negligence or willful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on

the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the **"Receiver's Certificates"**) for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full

indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

WEBSITE

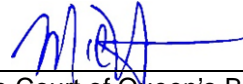
34. The Receiver shall establish and maintain a website in respect of these proceedings and shall post there as soon as practicable:

- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

35. 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 or otherwise served with notice of 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; and
 - (b) posting a copy of this Order on the Receiver's Website
- and service on any other person is hereby dispensed with.

36. 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.

A handwritten signature in blue ink, consisting of stylized initials and a horizontal line extending to the right.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **KPMG Inc.**, the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of **CURA-CAN HEALTH CORP. AND THE CLINIC NETWORK CANADA INC.** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 7th day of February, 2022 (the "**Order**") made in action number 2201-01438, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$<*>, being part of the total principal sum of \$<*> that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the <*> day of each month**] after the date hereof at a notional rate per annum equal to the rate of <*> per cent above the prime commercial lending rate of Bank of <*> from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at <*>.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KPMG Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

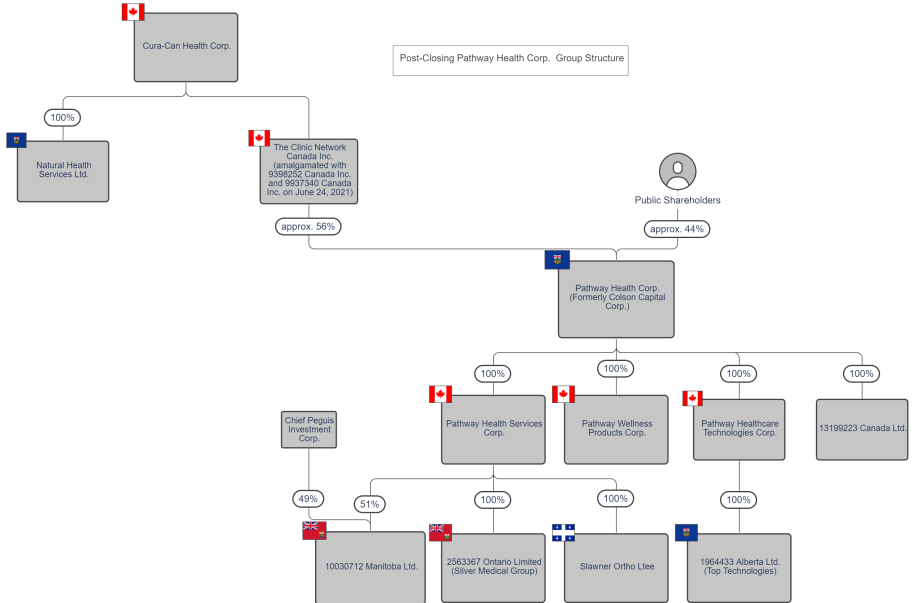
Name:

Title:

47429988.3

APPENDIX "B"
ORGANIZATIONAL CHART

Post-Closing Pathway Health Corp. Group Structure



APPENDIX "C"

NOTICE AND STATEMENT OF THE RECEIVER

BANKRUPTCY AND INSOLVENCY ACT

Form 87

Notice and Statement of the Receiver (Subsections 245(1) and 246(1) of the Act)

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF THE CURA-CAN HEALTH CORP.

The Receiver gives notice and declares that:

1. On the 7th day of February 2022, the undersigned, KPMG Inc., became the receiver and manager (the “**Receiver**”) in respect of the property of The Cura-Can Health Corp. (the “**Company**”) (the “**Property**”).

The Property of the Company can be summarized as follows¹:

| Assets | Estimated Amount (CAD \$) |
|---|----------------------------------|
| Cash | 1,600,579 |
| Promissory Note Receivable | 5,000,000 |
| Prepaid Expenses | 201,250 |
| TCNC - Non-Interest Bearing Inter-Company Loan | 6,645,738 |
| TCNC - Secured Interest Bearing Credit Facility | 6,102,595 |
| Related Party Balance | 15,176 |
| Investment in NHS | 6,669,969 |
| Investment - Glamster | 994,178 |
| Investment - TCNC Shares | 674,000 |
| Total | 27,903,485 |

2. The undersigned became the Receiver in respect of the assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 2201-01438, Calgary Judicial Centre, dated February 7th, 2022.
3. The undersigned took possession or control of the property described above on the 7th day of February, 2022.
4. The following information relates to the Receivership:
 - (a) Address of insolvent persons: 1500, 850 - 2 Street SW
Calgary, AB, T2P 0R8
 - (b) Principal line of business: Health Services
 - (c) Location of business: 1500, 850 – 2 Street SW
Calgary, AB, T2P 0R8

¹ The above summary of estimated assets has been prepared based the books and records of the Company and may not accurately reflect the net realizable value of the Company’s assets.

Notice and Statement of the Receiver (Subsections 245(1) and 246(1))

- (d) Estimated amount owed by the Company to each creditor who holds security on the property described above²:

| Secured Creditor | Estimated Amount (CAD \$) |
|-------------------------------------|----------------------------------|
| <u>Avonlea-Drewry Holdings Inc.</u> | <u>16,400,000</u> |
| Total | 16,400,000 |

- (e) The list of other creditors of the insolvent persons and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is to preserve the property and eventually realize on that property, subject to various considerations.

- (g) Contact Person for Receiver:

Patrick McQueen
KPMG Inc.
Suite 3100, 205-5th Avenue SW
Calgary, AB, T2P 4B9
Telephone: (403) 691-8357
Facsimile: (403) 691-8008
Email: pmcqueen@kpmg.ca

Joe Sithole
KPMG Inc.
Suite 3100, 205-5th Avenue SW
Calgary, AB, T2P 4B9
Telephone: (403) 691-8070
Facsimile: (403) 691-8008
Email: jsithole@kpmg.ca

Dated at Calgary, Alberta, this 7th day of February 2022.

KPMG Inc., in its capacity as receiver and manager of
The Cura-Can Health Corp.
and not in its personal or corporate capacity



Per: Huey Lee
Senior Vice President

²Amounts owing are based on records provided by the Company as at December 31, 2021.

APPENDIX "A"

LIST OF UNSECURED CREDITORS

| Creditor Name | Amount Owing (CAD \$) |
|----------------------------------|------------------------------|
| Animus Capital Partners Inc. | 5,559 |
| Clark Wilson LLP | 20,428 |
| Dentons LLP | 42,253 |
| Grant Thornton LLP | 40,192 |
| Total Unsecured Creditors | 108,432 |

BANKRUPTCY AND INSOLVENCY ACT

Form 87

Notice and Statement of the Receiver (Subsections 245(1) and 246(1) of the Act)

IN THE MATTER OF THE RECEIVERSHIP OF THE PROPERTY OF THE CLINIC NETWORK CANADA INC.

The Receiver gives notice and declares that:

1. On the 7th day of February, 2022, the undersigned, KPMG Inc., became the receiver and manager (the “**Receiver**”) in respect of the property of The Clinic Network Canada Inc. (the “**Company**”) (the “**Property**”).

The Property of the Company can be summarized as follows¹:

| Assets | Estimated Amount (CAD \$) |
|---------------------------------------|----------------------------------|
| Cash | 5,055 |
| Investment in Pathway Health Services | 9,294,968 |
| Total | 9,300,023 |

2. The undersigned became the Receiver in respect of the assets, undertakings and properties described above by virtue of being appointed by the Court of Queen’s Bench of Alberta File No. 2201-01438, Calgary Judicial Centre, dated February 7th, 2022.
3. The undersigned took possession or control of the property described above on the 7th day of February 2022.
4. The following information relates to the Receivership:
 - (a) Address of insolvent persons: 10 Four Seasons Pl
Etobicoke, ON, M9B 6H7
 - (b) Principal line of business: Health Services
 - (c) Location of business: 10 Four Seasons Pl
Etobicoke, ON, M9B 6H7

¹ The above summary of estimated assets has been prepared based the books and records of the Company and may not accurately reflect the net realizable value of the Company’s assets.

Notice and Statement of the Receiver (Subsections 245(1) and 246(1))

- (d) Estimated amount owed by the Company to each creditor who holds security on the property described above²:

| Secured Creditor | Estimated Amount (CAD \$) |
|--|----------------------------------|
| Avonlea-Drewry Holdings Inc., as agent for secured noteholders | 44,000 |
| Avonlea-Drewry Holdings Inc. | 16,400,000 |
| Cura-Can Health Corp. | 5,000,000 |
| Total | 21,444,000 |

- (e) The list of other creditors of the insolvent persons and the amount owed to each creditor (to the extent that it is known) and the total amount due by the insolvent persons is attached to this notice as **Appendix “A”**.
- (f) The intended plan of action of the Receiver during the receivership, to the extent that such a plan has been determined, is to preserve the property and eventually realize on that property, subject to various considerations.

- (g) Contact Person for Receiver:

Patrick McQueen
KPMG Inc.
Suite 3100, 205-5th Avenue SW
Calgary, AB, T2P 4B9
Telephone: (403) 691-8357
Facsimile: (403) 691-8008
Email: pmcqueen@kpmg.ca

Joe Sithole
KPMG Inc.
Suite 3100, 205-5th Avenue SW
Calgary, AB, T2P 4B9
Telephone: (403) 691-8070
Facsimile: (403) 691-8008
Email: jsithole@kpmg.ca

Dated at Calgary, Alberta, this 7th day of February 2022.

KPMG Inc., in its capacity as receiver and manager of
The Clinic Network Canada Inc.
and not in its personal or corporate capacity



Per: Huey Lee
Senior Vice President

²Amounts owing are based on records provided by the Company as at December 31, 2021.

APPENDIX "A"

LIST OF UNSECURED CREDITORS

| Creditor Name | Amount Owing (CAD \$) |
|----------------------------------|------------------------------|
| 2129152 Ontario Inc. | 111,268 |
| Bowmanville Prof. Centre | 7,573 |
| Counterforce Inc. | 237 |
| Dentons LLP | 397,263 |
| Eiwo Canadian Management Ltd. | 45 |
| Total Unsecured Creditors | 516,387 |

APPENDIX “D”

PROPOSED SALES AND INVESTOR SOLICITATION PROCESS

**Procedure for the Sales and Investment Solicitation Process of
Cura-Can Health Corp. and The Clinic Network Canada Inc.**

Background

1. On February 7, 2022 (the “**Filing Date**”), KPMG Inc. was appointed as receiver and manager of Cura-Can Health Corp. (“**Cura**”) and The Clinic Network Canada Inc. (“**TCNC**”, together, the “**Companies**”) by way of Order (the “**Receivership Order**”) of the Alberta Court of Queen’s Bench (the “**Court**”).
2. Among other things, the Receivership Order granted a stay of all proceedings as against the Companies and Receiver and authorized the Receiver to take immediate possession and control of all current and future assets, undertakings and properties of the Companies (the “**Property**”) and to market and sell the Property out of the ordinary course of business, subject to Court approval.
3. On March 22, 2022, the Receiver obtained an order from the Court (the “**Sale Process Order**”), which, among other things, approved the procedures for the sales and investment solicitation process proposed by the Receiver in respect of the Companies and the Property, as set out below (the “**SISP**”).
4. Pursuant to the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to find the highest and/or best offer for the sale of the Property on a going concern basis, restructuring, refinancing, or a combination thereof.
5. Set forth below is the procedure to be followed in respect of the SISP, the aim of which is to realize a Successful Bid (as defined herein), and, if there is a Successful Bid, to complete any definitive transactions contemplated by the Successful Bid.

Defined Terms

6. All monetary references shall be in Canadian dollars, unless otherwise stated.
7. In this SISP:
 - a. “**Additional Bid**” has the meaning ascribed at paragraph 33, hereof;
 - b. “**Approval Motion**” has the meaning ascribed at paragraph 41, hereof;
 - c. “**Auction**” has the meaning ascribed in paragraph 35 hereof;
 - d. “**Auction Bidder**” has the meaning ascribed in paragraph 36 hereof;
 - e. “**Backup Bidder**” has the meaning ascribed in paragraph 39 hereof;

- f. **“Business”** means the business presently carried on by the Companies, or either of them as the context may require;
- g. **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;
- h. **“CIM”** has the meaning ascribed in paragraph 19 hereof;
- i. **“Claims and Interests”** has the meaning ascribed in paragraph 16 hereof;
- j. **“Companies”** has the meaning ascribed in paragraph 1 hereof;
- k. **“Court”** has the meaning ascribed in paragraph 1 hereof;
- l. **“CPIC Claim Amount”** means the aggregate amount owing to Chief Peguis Investment Corporation by TCNC as of the date the Receiver was appointed, which amount is estimated to be approximately \$44,000 inclusive of interest;
- m. **“Cura”** has the meaning ascribed in paragraph 1 hereof;
- n. **“Expense Reimbursement and Transaction Fee”** means the amount of \$325,000, payable by the Receiver to the Stalking Horse Bidder, on the terms and conditions of this SISP;
- o. **“Filing Date”** has the meaning ascribed in paragraph 1 hereof;
- p. **“Final Bid”** has the meaning ascribed in paragraph 25 hereof;
- q. **“Final Bid Deadline”** has the meaning ascribed in paragraph 25 hereof;
- r. **“Leading Bid”** has the meaning ascribed in paragraph 37(m) hereof;
- s. **“Minimum Incremental Overbid”** means the minimum incremental value in an amount to be determined by the Receiver over the Starting Bid or the Leading Bid, as the case may be;
- t. **“Outside Date”** means May 18, 2022;
- u. **“Potential Bidder”** has the meaning ascribed in paragraph 21 hereof;
- v. **“Prior Charges”** means all claims against the Companies or Property that rank in priority to the Senior Security including but not limited to, the CPIC Claim Amount, but excluding the Receivership Charges;
- w. **“Property”** has the meaning ascribed in paragraph 2 hereof;

- x. **“Qualified Bid”** has the meaning ascribed in paragraph 26 hereof;
- y. **“Qualified Bidder”** has the meaning ascribed in paragraph 22 hereof;
- z. **“Receiver”** means KPMG Inc., in its capacity as Court-appointed receiver and manager of the Companies and not in its personal or corporate capacity;
- aa. **“Receivership Charges”** means the charges created by the Receivership Order, ranking in priority to the Senior Security, comprised of the Receiver’s Charge and Receiver’s Borrowing Charge (as defined in the Receivership Order);
- bb. **“Receivership Obligations”** means the indebtedness, liabilities and obligations secured by the Receivership Charges;
- cc. **“Receivership Order”** has the meaning ascribed in paragraph 1 hereof;
- dd. **“Sale Approval and Vesting Order”** has the meaning ascribed at paragraph 41, hereof;
- ee. **“Sale Process Order”** has the meaning ascribed in paragraph 3 hereof;
- ff. **“Senior Debt”** means the debt owed by the Companies to the Senior Secured Creditor pursuant to the Senior Note and TCNC Guarantee, including all principal, interest and costs totaling \$16,637,348.37 as of January 27, 2022;
- gg. **“Senior Note”** means the secured grid promissory note issued by Cura to the Senior Secured Lender on March 1, 2019, accruing interest at a rate of 10% per annum, as amended, issued pursuant to the Credit Facility Agreement dated March 1, 2019, as amended;
- hh. **“Senior Secured Creditor”** means Avonlea-Drewry Holdings Inc. as holder of the Senior Note;
- ii. **“Senior Security”** means the security which secures the Senior Debt, without limitation including the general security agreement given by Cura in favour of the Senior Secured Creditor, dated March 1, 2019, the TCNC Pledge, the TCNC Guarantee and the TCNC Security;
- jj. **“SISP”** has the meaning ascribed in paragraph 3 hereof;
- kk. **“Stalking Horse APA”** means the Asset Purchase and Sale Agreement between the Receiver and the Stalking Horse Bidder, dated March [●], 2022, and approved by the Sale Process Order;

- ll. **“Stalking Horse Bid Amount”** has the meaning ascribed in paragraph 31(a) hereof;
- mm. **“Stalking Horse Bidder”** means the Senior Secured Creditor, or its nominee;
- nn. **“Starting Bid”** has the meaning ascribed at paragraph 36, hereof;
- oo. **“Subsequent Bid”** has the meaning ascribed at paragraph 37(k), hereof;
- pp. **“Successful Additional Bid”** has the meaning ascribed at paragraph 33(b), hereof;
- qq. **“Successful Additional Bidder”** has the meaning ascribed at paragraph 33(b), hereof;
- rr. **“Successful Bid”** has the meaning ascribed at paragraph 38, hereof;
- ss. **“Successful Bidder”** has the meaning ascribed in paragraph 38 hereof;
- tt. **“Superior Offer”** means a credible, reasonably certain and financially viable third party offer, or combination of offers, for:
 - i. the acquisition of all, substantially all, or certain of, the Property or Business contained in the Stalking Horse APA, or
 - ii. an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Company,the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse APA, and which at a minimum, alone, or in combination with other offers, includes:
 - i. a payment in cash in the minimum amount of the Stalking Horse Bid Amount, being \$6,500,000;
 - ii. a payment in cash in the amount necessary to fully pay the aggregate of the Expense Reimbursement and Transaction Fee and the Receivership Obligations (which amount is currently estimated to be \$250,000), as at the closing of such transaction; and
 - iii. a payment in cash or an assumption of liabilities to satisfy any and all Prior Charges as at the closing of such transaction, which amount with respect to the Stalking Horse APA is estimated to be \$44,000;
- uu. **“TCNC”** has the meaning ascribed in paragraph 1 hereof;

- vv. **"TCNC Guarantee"** means the unlimited guarantee provided by TCNC in favour of the Senior Secured Creditor, dated March 1, 2019, given as assurance of payment to the Senior Secured Creditor of the Senior Debt;
- ww. **"TCNC Security"** means the security which secures the amounts payable by TCNC under the TCNC Guarantee, without limitation including the general security agreement given by TCNC in favour of the Senior Secured Creditor, dated March 1, 2019;
- xx. **"Teaser"** has the meaning ascribed in paragraph 18 hereof;
- yy. **"Template PSA"** means the form of template purchase and sale agreement posted by the Receiver to the VDR;
- zz. **"VDR"** has the meaning ascribed in paragraph 20 hereof;
- aaa. **"Winning Bid"** has the meaning ascribed at paragraph 38, hereof;

Stalking Horse APA

- 8. This SISF is intended to solicit interest in, and opportunities for either:
 - a. a sale or combination of sales of all or substantially all of the Business or Property of the Companies, whether through an asset purchase, share purchase or a combination thereof (**"Sale Proposal"**); or
 - b. for an investment in, restructuring, recapitalization, reorganization or refinancing of the Company or its Business (**"Investment Proposal"**);(**"Opportunities"**, and each an **"Opportunity"**), or a combination of either.
- 9. The Receiver has entered into the Stalking Horse APA with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will acquire property, as more particularly detailed in the Stalking Horse APA (the **"Property"**). The Stalking Horse APA is attached to the Sale Process Order, appended thereto as Schedule 1.1(d).
- 10. The Stalking Horse APA shall constitute a Qualified Bid for all purposes and at all times under this SISF.
- 11. The Stalking Horse APA has been entered into by the Receiver in furtherance of a competitive bidding process and all interested parties are encouraged to submit bids based on any form of Opportunity they may elect to advance pursuant to this SISF, including as a Sale Proposal or an Investment Proposal.
- 12. Certain bid protections, such as the Expense Reimbursement and Transaction Fee, have been approved under the Sale Process Order, in view of the Stalking Horse Bidder's efforts and

agreements to date and to facilitate a full and transparent process for solicitation of Opportunities. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to this SISP.

SISP Procedure

13. The SISP set forth herein describes, among other things, the Property and the Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the Court's approval thereof. The Receiver shall administer the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.
14. The Receiver will use reasonable efforts to complete the SISP in accordance with the timelines as set out in **APPENDIX A** hereto. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

As-Is, Where-Is

15. The sale of the Property and the Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or the Companies, or any of their respective agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. Any representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for such materially improved position.

Free of Any and All Claims and Interests

16. In the event of any sale(s), all of the rights, title and interests of the Companies in and to the Property and the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Receiver, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The terms for the vesting out of Claims and Interests by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for such materially improved position.

Publication of Notice and Teaser

17. As soon as reasonably practicable after the granting of the SISP Approval Order by the Court, the Receiver shall cause a notice of the SISP and such other relevant information which the Receiver

considers appropriate, to be published in The Globe and Mail, National Post, Calgary Herald, Edmonton Journal, Vancouver Sun, Toronto Star and such other publications as the Receiver considers appropriate.

18. A non-confidential teaser letter prepared by the Receiver (the “**Teaser**”), describing the Opportunity and the SISP will be made available by the Receiver to prospective purchasers and will be posted on the Receiver’s website as soon as practicable following the issuance of the SISP Approval Order.
19. A Confidential Information Memorandum (“**CIM**”) describing the opportunity to acquire the Property and the Business will be made available by the Receiver to prospective purchasers that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver, and as more particularly set-forth below.
20. The Receiver will establish and populate a virtual data room (the “**VDR**”) with such materials as are made available by the Companies to the Receiver in connection with the Receivership and as may be relevant or material to prospective purchasers for the purpose of performing due diligence on the Property and the Business.

Participation Requirements

21. In order to participate in the SISP, each person interested in bidding on the Property and/or the Business (a “**Potential Bidder**”) must deliver to the Receiver, at the address specified at paragraph 50 hereof (including by email or fax transmission), and prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the CIM and access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid.
22. A Potential Bidder that has executed a non-disclosure agreement, as described above and who the Receiver determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a “**Qualified Bidder**” and will be promptly notified of such classification by the Receiver. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

23. The Receiver shall provide any person deemed to be a Qualified Bidder with a copy of the CIM, access to the VDR, and such reasonably requested and available additional due diligence materials and information relating to the Property and the Business as the Receiver, may be able to reasonably obtain and thereafter deems appropriate for further inclusion in the VDR.
24. The Receiver and its respective advisors make no representation or warranty as to the information contained in the CIM, the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise expressly contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the Court.

Seeking Qualified Bids from Qualified Bidders

25. A Qualified Bidder that desires to make a bid for the Property or Business must deliver written copies of a final, binding proposal (the “**Final Bid**”) in the form of a fully executed purchase and sale agreement to the Receiver at the address specified at paragraph 50 hereof (including by email or fax transmission) so as to be received by it not later than 12:00 p.m. Calgary time on April 22, 2022, or such other date or time as may be agreed by the Receiver (the “**Final Bid Deadline**”).

Qualified Bids

26. A Final Bid will be considered a Qualified Bid only if it is submitted by a Qualified Bidder and the Final Bid complies with, among other things, the following (a “**Qualified Bid**”):

- a. it contains:
 - i. a duly executed purchase and sale agreement based on the Template PSA;
 - ii. a blackline/comparison of the executed purchase and sale agreement to the Template PSA; and
 - iii. a blackline of the executed purchase and sale agreement to the Stalking Horse APA, if it is a bid for any of the Property that is subject to the Stalking Horse APA;
- b. it includes a letter stating that the Final Bid is irrevocable until there is a selected Superior Offer, provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of: (i) the completion of the sale to the Successful Bidder; and (ii) the Outside Date;
- c. it is not conditional upon obtaining financing, or it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;
- d. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- e. it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form of payment acceptable to the Receiver, payable to the order of the Receiver in trust, in an amount equal to at least 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with this SISP;
- f. it is not conditional upon further or unperformed due diligence by the Qualified Bidder;
- g. it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);

- h. it contains an agreement that the Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder, in the event the Successful Bidder fails to close; provided, however, that the Stalking Horse Bidder shall not be required to serve as Backup Bidder, except to the extent that the Stalking Horse Bidder elects to submit a Minimum Incremental Overbid in the Auction;
 - i. if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the aggregate consideration to be paid by the Qualified Bidder, alone, or in combination with other Qualified Bids, exceeds the aggregate of the total consideration payable pursuant to the Stalking Horse APA, by at least the Minimum Incremental Overbid;
 - j. if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the bid, or bids as the case may be, alone or in the aggregate, shall provide for:
 - i. immediately available funds sufficient to pay the Receivership Obligations in full, as at the date of closing;
 - ii. immediately available funds sufficient to pay the Stalking Horse Bid Amount in full, as at the date of closing; and
 - iii. immediately available funds sufficient to pay, or an assumption of liabilities in an amount sufficient to indefeasibly settle, in full, all applicable Prior Charges; and
 - iv. immediately available funds to pay the Expense Reimbursement and Transaction Fee in full.
 - k. it is received by the Final Bid Deadline.
27. The Receiver may, in its discretion, waive compliance with any one or more of the requirements specified herein and deem any non-compliant bid to be a Qualified Bid.
28. The Receiver may, following the receipt of any bid, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Qualified Bid.
29. The Receiver shall notify each Qualified Bidder in writing as to whether its bid constitutes a Qualified Bid within five Business Days of the Final Bid Deadline, or at such later time as the Receiver deems appropriate.

Stalking Horse APA

30. Pursuant to the Stalking Horse APA, the Stalking Horse Bidder shall provide to the Receiver a cash deposit equivalent to ten percent (10%) of the Prior Charges, within five (5) Business Days of the approval of this SISP through the Sales Process Order, to be treated in accordance with the

Stalking Horse APA. The Receiver may elect to waive this requirement for the Stalking Horse Bidder, if the Receiver deems the Property to include sufficient cash to fully repay the Prior Charges.

31. The purchase price for the Property and the Business identified in the Stalking Horse APA includes:
- a. a non-cash credit bid in the amount of \$6,500,000 (the “**Stalking Horse Bid Amount**”), as specified in the Stalking Horse APA, resulting in that portion of the Senior Debt being satisfied in exchange for the acquisition of certain of the Property by the Stalking Horse Bidder; and
 - b. consideration in an amount sufficient to pay in full in cash on closing, or through the assumption of liabilities, all Prior Charges and Receivership Obligations; which consideration may be in the form of cash already comprising a portion of the Property.

No Superior Offers

32. If none of the Qualified Bids, or combination thereof, received constitute a Superior Offer, the Receiver shall promptly apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder.

Selection of Additional Successful Bid

33. If none of the Qualified Bids received relate to the same Property subject to the Stalking Horse APA (each an “**Additional Bid**”):
- a. the Receiver shall, as soon as practicable, apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder; and
 - b. the Receiver shall review and evaluate each Additional Bid and identify the highest or otherwise best bid (the “**Successful Additional Bid**”, and the Qualified Bidder making such Successful Additional Bid, the “**Successful Additional Bidder**”).
34. Any Successful Additional Bid shall be subject to approval by the Court in accordance with paragraph 41 hereof.

If a Superior Offer is Received

35. If the Receiver determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Offer, the Receiver shall provide the parties making Superior Offer(s) and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the “**Auction**”).
36. The Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”).

to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Offer, prior to 5:00 p.m. (MST) on April 29, 2022. Prior to 12:00 p.m. (MST) on May 4, 2022, each Qualified Bidder that has made a Superior Offer and the Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver being hereinafter referred to as the “**Auction Bidder(s)**”).

Auction

37. In the event that the Auction is required in accordance with the terms of this SISP, it shall be conducted in accordance with the procedures set forth in this paragraph:
- a. The Auction shall commence at 10:00 a.m. (Calgary time) on May 6, 2022, at the Calgary offices of Cassels Brock & Blackwell LLP, being Suite 3810, Bankers Hall West, 888 3 St SW, Calgary Alberta, or such other place (including remotely by videoconference) and time as determined by the Receiver and communicated reasonably in advance to all entities entitled to attend at the Auction.
 - b. The Auction shall continue thereafter until completed, subject to such adjournments as the Receiver may consider appropriate.
 - c. Notwithstanding the foregoing, if circumstances do not permit the Auction to be held in person, the Receiver shall work with the parties entitled to attend the Auction to arrange for the Auction to be held via videoconference or teleconference, or such other reasonable means as the Receiver deems appropriate.
 - d. The Receiver may cancel or postpone the Auction, if it determines such action to be necessary, in its discretion.
 - e. Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - i. not inconsistent with the Receivership Order, the SISP, or any other order of the Court entered in connection with the receivership proceedings;
 - ii. disclosed to each Auction Bidder; and
 - iii. designed, in the Receiver’s discretion, to result in the highest and otherwise best offer.
 - f. Except as otherwise permitted in the Receiver’s discretion, only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.

- g. The Receiver shall arrange for the actual bidding at the Auction to be transcribed or recorded. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction.
- h. Each Auction Bidder must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Companies, the Receiver, or any other person, regarding the SISP or any information that has not been disclosed to all other Auction Bidders.
- i. Only the Auction Bidders will be entitled to make any Subsequent Bids at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid.
- j. All Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction.
- k. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Receiver determines is: (A) for the first round, a higher or otherwise better offer than the Starting Bid; and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid; in each case by at least the Minimum Incremental Overbid.
- l. Each bid at the Auction must exceed the Starting Bid or the Leading Bid, as the case may be, by at least the Minimum Incremental Overbid. A Subsequent Bid, increased by at least the Minimum Incremental Overbid, may be increased through any of:
 - i. in the case of the Stalking Horse Bidder, the further reduction of Senior Debt, if applicable; or
 - ii. in the case of any Subsequent Bid, including a bid by the Stalking Horse Bidder, the payment of additional cash or additional tangible monetary value of an equivalent amount;
- m. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the bid, or combination of bids, (including the aggregate value, including assumed liabilities, if any, and material terms thereof) that it believes to be the highest or otherwise best offer(s) (the "**Leading Bid**"). A round of bidding will conclude

after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid in that round.

- n. The Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided however, that such Subsequent Bids are made in accordance with these Auction rules.
 - o. To the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information reasonably acceptable to the Receiver), demonstrating such Auction Bidder's financial wherewithal and ability to close the transaction proposed by the Subsequent Bid. If the Stalking Horse Bidder submits a Subsequent Bid, this paragraph shall only apply to the Stalking Horse Bidder if the cash portion of the Purchase Price in the Stalking Horse Bidder's Subsequent Bid is in excess of the cash portion of the Purchase Price in the Stalking Horse APA.
 - p. The Receiver reserves the right to make one or more adjournments in the Auction of not more than 24 hours each, to among other things:
 - i. facilitate discussions between the Receiver and the Auction Bidders;
 - ii. allow individual Auction Bidders to consider how they wish to proceed;
 - iii. consider and determine the current highest and best offer(s) at any given time in the Auction; and
 - iv. give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its discretion, may require, to demonstrate the Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Leading Bid amount.
 - q. If, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed.
 - r. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Receiver.
 - s. No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
38. At the end of the Auction, the Receiver shall select the winning bid, or combination of winning bids, in its discretion (the "**Winning Bid**"). The Receiver will negotiate a definitive agreement in

respect of the Winning Bid, in accordance with the provisions hereof, and the Winning Bid shall thereafter be the “**Successful Bid(s)**” (the person(s) who made the Successful Bid(s), being the “**Successful Bidder(s)**”). If the Stalking Horse Bidder is not a Successful Bidder, the Receiver shall pay to the Stalking Horse Bidder the Expense Reimbursement and Transaction Fee out of the proceeds of the closing of the Successful Bid(s).

39. Notwithstanding anything in this SISP to the contrary, if an Auction is conducted, the Qualified Bidder with the second highest or otherwise best Qualified Bid at the Auction, as determined by the Receiver, will be designated as the backup bidder (the “**Backup Bidder**”); provided that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide a Minimum Incremental Overbid in the Auction.
40. The Backup Bidder shall be required to keep its initial Qualified Bid, or if the Backup Bidder submitted one or more Minimum Incremental Overbids at the Auction, the Backup Bidder’s final Minimum Incremental Overbid (the “**Backup Bid**”), open until the earlier of: i) two Business Days after the date of closing of the Successful Bid; and ii) the Outside Date.

Approval Motion

41. The Receiver shall apply to the Court (the “**Approval Motion**”) for an order (the “**Sale Approval and Vesting Order**”) approving the Successful Bid, the Successful Additional Bid (if applicable), and the Backup Bid (if applicable), and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder, as the case may be, as well as an order vesting title to the Property subject to such bid or bids in the name of the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder as the case may be.
42. The Approval Motion will be held on a date to be set by the Receiver, through coordination with the Court. The Approval Motion may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Motion or in a notice to the Receiver’s compiled service list prior to the Approval Motion.
43. All Qualified Bids and Subsequent Bids (other than the Successful Bid, the Successful Additional Bid, and/or the Backup Bid, as the case may be) shall be deemed rejected on and as of the date and granting of the Sale Approval and Vesting Order by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

44. All Deposits shall be retained by the Receiver and invested in a non-interest bearing trust account. If there is a Successful Bid or a Successful Additional Bid, the Deposit paid by the Successful Bidder or Successful Additional Bidder, whose bid is approved at the Approval Motion, shall be applied to the purchase price to be paid by the Successful Bidder or the Successful Additional Bidder, as the case may be, upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as either a Successful Bidder or a Successful Additional Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the

Sale Approval and Vesting Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which this SISP is terminated in accordance with these procedures.

Approvals

45. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a successful Bid.

Confidentiality

46. Apart from as required in connection with any Auction or Approval Motion, wherein the Receiver will file a report to the Court in its discretion disclosing such information and materials as the Receiver deems warranted in its discretion, the Receiver will not publicly disclose: i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder); or ii) the terms of any bid, Sale Proposal, Investment Proposal or Qualified Bid (other than the Stalking Horse APA), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

47. At any time during the SISP, the Receiver may apply to the Court for advice and directions with respect to any aspect of the SISP or the discharge of its powers and duties.

Amendments

48. This SISP shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Receiver to the extent necessary or advisable to comply with same.
49. The Receiver may modify the SISP and the deadlines set out herein if such modification, in its discretion, will enhance the process or better achieve the objectives of the SISP.

Notices

50. Correspondence and notices, including relating to this SISP and bidding herein, may be directed to the Receiver as follows:

KPMG Inc., in its capacity as receiver and manager of
Cura-Can Health Corp. and The Clinic Network Canada Inc.

3100 - 205 5th Ave SW
Calgary, AB T2P 4B9

Attention: Huey Lee / Joe Sitholé

Email: hueylee@kpmg.ca / jsithole@kpmg.ca

with a copy to:

Cassels Brock & Blackwell LLP

Bankers Hall West
3810, 888 3rd Street SW
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver

Email: joliver@cassels.com

APPENDIX "A"

**To the Procedure for the Sales and Investment Solicitation Process of
Cura-Can Health Corp. and The Clinic Network Canada Inc.**

TIMELINE

| Event | Date |
|--|---|
| Publication of Opportunity and SISP by Receiver and posting on website: https://home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/cura-can-health-corp.html | As soon as practical following the granting of the SISP Approval Order |
| Receiver to distribute teaser to potential bidders | As soon as practical following the granting of the SISP Approval Order |
| Receiver to prepare CIM and VDR for potential bidders | As soon as practical following the granting of the SISP Approval Order |
| FINAL BID DEADLINE | April 22, 2022 |
| Notification sent to Qualified Bidders if they submitted a Qualified Bid | April 27, 2022 |
| Approval Motion of Stalking Horse APA if no Superior Offers received | As soon as practical following the Final Bid Deadline |
| Notice to Qualified Bidders who have made Superior Offers of intention to participate in Auction (if required) | April 29, 2022 |
| Qualified Bidders who have made a Super Offer to notify Receiver of intention to participate in Auction (if required) | May 4, 2022 |
| AUCTION (if required) | May 6, 2022 |
| Approval Motion for Successful Bid and/or Successful Additional Bid | As soon as practical following the Auction, or in the case of a Successful Additional Bid, the Final Bid Deadline |

APPENDIX "E"

PROPOSED STALKING HORSE APA

ASSET PURCHASE AGREEMENT

**KPMG INC., solely in its capacity as receiver and manager of
CURA-CAN HEALTH CORP. and THE CLINIC NETWORK CANADA INC.
and not in its personal capacity**

as Seller

- and -

AVONLEA-DREWRY HOLDINGS INC.

as Buyer

March 14, 2022

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ASSET PURCHASE AGREEMENT

THIS AGREEMENT is made as of March 14, 2022

B E T W E E N:

KPMG INC. ("KPMG"), solely in its capacity as receiver and manager of **CURA-CAN HEALTH CORP. ("Cura-Can")** and **THE CLINIC NETWORK CANADA INC. ("TCNC")** and together, the **"Debtors"**, each a corporation formed under the laws of Canada, and not in its personal capacity

(the **"Seller"** or the **"Receiver"**)

- and -

AVONLEA-DREWRY HOLDINGS INC., a corporation incorporated under the laws of the Province of Ontario

(and any of its designees or assignees hereunder, as applicable, the **"Buyer"**)

RECITALS:

- A. Cura-Can and TCNC own and hold various securities in both public and private enterprises active or formerly active in the cannabis industry (together with any other business in which the Debtors are engaged on the date hereof, the **"Business"**).
- B. Pursuant to the order of the Honourable Madam Justice M.H. Hollins of the Alberta Court of Queen's Bench (the **"Court"**), pronounced February 7, 2022 (the **"Receivership Order"**) in Court File No. 2201-01438 (the **"Receivership Proceedings"**), KPMG was appointed as the receiver of all of the assets, undertakings and properties of the Debtors (the **"Property"**).
- C. Pursuant to the Receivership Order, the Receiver is authorized to market and sell any or all of the Property of the Debtors and negotiate such terms and conditions of sale as the Receiver may deem appropriate.
- D. The Receiver: (i) wishes to sell, and the Buyer wishes to purchase and has agreed to act as a "stalking horse bidder" pursuant to the SISP (as defined herein), substantially all of the Debtors' property and assets used in connection with the Business (except as specifically provided herein), and the Buyer further wishes to assume certain liabilities in connection therewith, subject to the terms and conditions of this Agreement; and (ii) intends to seek the approval of this Agreement and the SISP pursuant to the Receivership Order.

- E. The Receiver has determined that it is in the best interests of the Debtors' stakeholders to enter into this Agreement and to consummate the transactions contemplated herein on the terms set forth herein.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement,

- (a) **“affiliate”** of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, in each case, whether directly or indirectly through one or more intermediaries, and “control” and any derivation thereof means the control by one Person of another Person in accordance with the following: a Person (“**A**”) controls another Person (“**B**”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which are attached more than 50% of the votes permitted to be cast in the election of directors (or other Persons performing a similar role) of B, then A controls B for this purpose;
- (b) **“Agreement”** means this Asset Purchase Agreement and all attached Schedules, in each case as the same may be supplemented, amended, restated or replaced from time to time, and the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and all attached Schedules and unless otherwise indicated, references to Articles, Sections and Schedules are to Articles, Sections and Schedules in this Agreement;
- (c) **“Applicable Law”** means any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, restriction, by-law (zoning or otherwise), order, or any consent, exemption, approval or license of any Governmental Authority, that applies in whole or in part to the Transaction, the Seller, the Debtors, the Buyer, the Business or any of the Purchased Assets or Assumed Liabilities;
- (d) **“Approval and Vesting Order”** means the form of Court order attached as Schedule “1.1(d)” hereto, with any amendments thereto to be acceptable to each of Seller and Buyer, each acting reasonably;

- (e) **“Assigned Contracts”** has the meaning given to such term in Section 2.4;
- (f) **“Business”** has the meaning given to such term in Recital A;
- (g) **“Business Day”** means any day, other than a Saturday or Sunday, on which the principal commercial banks in Calgary are open for commercial banking business during normal banking hours;
- (h) **“Buyer”** has the meaning given to such term in the preamble to this Agreement;
- (i) **“Claim”** means any right, claim, cause of action or complaint of any Person that may be asserted or made in whole or in part against the Debtors or Seller, any of their respective affiliates and their respective Representatives, 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, without limitation, 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, claim, cause of action or complaint is executory or anticipatory in nature;
- (j) **“Closing”** means the completion of the Transaction at the Closing Time;
- (k) **“Closing Date”** means May 18, 2022, or such other date as the Parties may agree, acting reasonably, including where no Superior Offer is received or where no Qualified Bidder elects to participate in an Auction (as such terms are defined in the SISP);
- (l) **“Closing Documents”** means all contracts, agreements and instruments required by this Agreement to be delivered at or before the Closing;
- (m) **“Closing Time”** means 10:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place;
- (n) **“Confidential Information”** means non-public, confidential, personal or proprietary information which is furnished to a Party by the other Party, including, without limitation, information about identifiable individuals, any information relating to a Party and its affiliates or any customer or supplier

of a Party; provided that "Confidential Information" does not include information that:

- (i) is or becomes generally available to the public other than as a result of disclosure in breach of this Agreement;
 - (ii) is received by a Party from a third party that obtained it lawfully and was under no duty of confidentiality;
 - (iii) was lawfully in a Party's possession prior to disclosure thereof by the other Party; or
 - (iv) was independently developed by a Party without use of, or reference to, the other Party's Confidential Information;
- (o) "**Contracts**" means contracts, licences, permits, leases, agreements, commitments, entitlements or engagements to which a Debtor is party or by which a Debtor is bound;
 - (p) "**Court**" has the meaning given to such term in Recital B;
 - (q) "**Court Approval**" means the pronouncement of the Approval and Vesting Order by the Court;
 - (r) "**CPIC Claim Amount**" means the aggregate amount owing to Chief Peguis Investment Corporation by TCNC under the CPIC Note as of the date the Receiver was appointed, which amount is estimated to be \$44,000 in inclusive of interest;
 - (s) "**CPIC Note**" means the secured promissory note (Series II) issued by TCNC in favour of Chief Peguis Investment Corporation pursuant to the TCNC Purchase Agreement;
 - (t) "**Cura Credit Facility Agreement**" means the credit facility agreement, dated March 1, 2019, as amended, among the Buyer, Cura-Can and TCNC, amongst others;
 - (u) "**Cura Loan**" means the loan advanced to Cura-Can pursuant to the Cura Credit Facility Agreement and evidenced by the Cura Note;
 - (v) "**Cura Loan Contracts**" means the Cura Credit Facility Agreement, the Cura Note and the Cura Security Agreements;
 - (w) "**Cura Note**" means the secured convertible grid promissory note issued by Cura-Can in favour of the Buyer pursuant to the Cura Credit Facility Agreement;

- (x) **"Cura Security Agreements"** means the following security agreements entered into pursuant to the Cura Credit Facility Agreement and the Cura Note:
- (i) general security agreement dated March 1, 2019, as amended, charging all present and after-acquired property of Cura-Can securing the Cura Loan;
 - (ii) general security agreement dated March 1, 2019, as amended, charging all present and after-acquired property of TCNC securing the Cura Loan;
 - (iii) the unconditional and unlimited guarantee of TCNC dated March 1, 2019, as amended, supporting the repayment of the Cura Loan;
 - (iv) the securities pledge agreement dated in relation to the shares of Cura-Can dated March 1, 2019, as amended, and the related executed stock transfer power of attorney; and
 - (v) any other document purporting to grant security to the Buyer securing the Cura Loan.
- (y) **"Court Orders"** has the meaning given to such term in Section 8.1(b);
- (z) **"Debtors"** has the meaning given to such term in the preamble to this Agreement;
- (aa) **"Encumbrances"** means all mortgages, pledges, charges, liens, hypothecs, hypothecations, debentures, trust deeds, Claims, assignments by way of security or otherwise, security interests, Priority Charges, conditional sales contracts or other title retention agreements, security created under the *Bank Act (Canada)*, rights of first refusal, reservations of ownership or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, licenses, occupancy agreements, options, easements, rights of way, restrictions, executions, or other encumbrances (including notices or other registrations in respect of any of the foregoing) affecting title to the Purchased Assets or any part thereof or interest therein;
- (bb) **"Environmental Law"** means any Applicable Law concerning pollution or protection of the environment, including all those relating to the use, production, generation, handling, transportation, treatment, storage, disposal, distribution, labeling, testing, processing, discharge, release, threatened release, control or clean-up of any Hazardous Material;
- (cc) **"Excluded Assets"** has the meaning given to such term in Section 2.2;
- (dd) **"Excluded Liabilities"** has the meaning given to such term in Section 2.3;

- (ee) **"Expense Reimbursement and Transaction Fee"** has the meaning given to such term in Section 9.3(a);
- (ff) **"Final"** with respect to any order of any court of competent jurisdiction, means that leave to appeal or reconsideration shall not have been sought in respect of such order and that such order shall not have been stayed, appealed, varied (except with the consent of the Buyer and Seller) or vacated, and all time periods within which leave to appeal and reconsideration could at law be sought shall have expired and all time periods within which such order could at law be appealed shall have expired;
- (gg) **"Glamster Loan"** means the loan advanced by Cura-Can to Glamster Canada Inc. pursuant to the Glamster Credit Facility Agreement and evidenced by the Glamster Note;
- (hh) **"Glamster Loan Contracts"** means the Glamster Credit Facility Agreement, the Glamster Investment Agreement, the Glamster Note and the Glamster Security Agreements;
- (ii) **"Glamster Credit Facility Agreement"** means the credit facility agreement entered into among Cura-Can, Glamster Inc., Glamster Canada Inc. and Glamster USA Inc. pursuant to which Cura-Can agreed to lend up to \$2,000,000 to Glamster Canada Inc. dated September 12, 2018;
- (jj) **"Glamster Investment Agreement"** means the investment framework agreement entered into among Cura-Can, Glamster Inc., Glamster Canada Inc. and Glamster USA Inc. dated September 12, 2018, including the schedules and appendices attached thereto;
- (kk) **"Glamster Note"** means the secured convertible promissory grid note issued by Glamster Canada Inc. to Cura-Can on September 12, 2018;
- (ll) **"Glamster Security Agreements"** means the following security agreements entered into pursuant to the Glamster Credit Facility Agreement, the Glamster Note and the Glamster Investment Agreement:
 - (i) general security agreement dated September 12, 2018 charging all present and after-acquired property of Glamster Canada Inc. securing the Glamster Loan;
 - (ii) general security agreement dated September 12, 2018 charging all present and after-acquired property of Glamster USA Inc. securing the Glamster Loan;
 - (iii) the unconditional and unlimited guarantee of Glamster Inc. dated September 12, 2018 supporting the repayment of the Glamster Loan;

- (iv) the unconditional and unlimited guarantee of Glamster USA Inc. dated September 12, 2018 supporting the repayment of the Glamster Loan;
 - (v) the unconditional and unlimited guarantee of Kartik Ram dated September 12, 2018 supporting the repayment of the Glamster Loan;
 - (vi) the securities pledge agreement dated in relation to the shares of Glamster Canada Inc. dated September 12, 2018, and the related executed stock transfer power of attorney; and
 - (vii) any other document purporting to grant security to Cura-Can securing the Glamster Loan.
- (mm) **“Governmental Authority”** means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation-making entity:
- (i) having jurisdiction over the Debtor, the Buyer, the Purchased Assets or the Assumed Liabilities on behalf of any country, province, state, locality or other geographical or political subdivision thereof; or
 - (ii) exercising or entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;
- (nn) **“Governmental Authorizations”** means the permits, licences, approvals and authorizations, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or held or required by the Seller and/or the Debtors relating to the Business or any of the Purchased Assets by or from any Governmental Authority;
- (oo) **“Hazardous Material”** means any hazardous material, toxic substance, pollutant or hazardous waste (including any petroleum products or byproducts) defined or regulated as such under any Environmental Law;
- (pp) **“HST”** means the sales tax payable under the HST Legislation;
- (qq) **“HST Legislation”** means Part IX of the *Excise Tax Act* (Canada);
- (rr) **“IFRS”** means International Financial Reporting Standards;
- (ss) **“including”** and **“includes”** shall be interpreted on an inclusive basis and shall be deemed to be followed by the words “without limitation”;
- (tt) **“Indebtedness”** means the aggregate of all debts, liabilities and obligations owing to the Buyer by the Debtors, jointly and severally, inclusive of all interest, costs, fees, expenses and amounts that may accrue in accordance with the Cura Loan and Cura Loan Contracts;

- (uu) **“Intellectual Property”** has the meaning given to such term in Section 2.1(c);
- (vv) **“Material Adverse Change”** or **“Material Adverse Effect”** means any change, development, effect, event, circumstance, fact or occurrence that, individually or in the aggregate with such other changes, developments, effects, events, circumstances, facts or occurrences, is, or would reasonably be expected to be, material and adverse to the properties, assets, liabilities (contingent or otherwise), condition (financial or otherwise), operations or results of operations of the Business; other than any change, development, effect, event, circumstance, fact or occurrence arising out of, attributable to or resulting from: (A) any action expressly required or permitted by this Agreement or relating to the Debtors' current financial condition, including the Receivership Proceedings; (B) general political, economic or financial conditions in Canada or elsewhere in the world; (C) any change generally affecting the industries in which the Business is conducted (including changes in general market prices, or regulatory changes in any such industry); (D) acts of terrorism or war (whether or not declared); (E) any changes to existing Applicable Law (including the interpretation thereof); (F) any changes to IFRS or the adoption, implementation or proposal of any new accounting principles; (G) hurricanes, earthquakes, storms, floods or other natural disasters, epidemics, pandemics (including COVID), outbreak or escalation of hostilities, the declaration of war, acts or terrorism, or acts of God; (H) any action consented to by the Buyer; (I) any failure by the Debtors to meet any projections or estimates (including internal projections or estimates) of revenues, earnings, working capital or performance for any period; or (J) any action, change, development, effect, event, circumstance, fact or occurrence that is attributable to or otherwise caused by the Seller, the Debtors or the Buyer;
- (ww) **“ordinary course of the Business”** means ordinary course of the Business having regard to the Debtors' current financial condition;
- (xx) **“Pathway Shares”** means the 51,638,710 common shares of Pathway Health Corp. registered in the name of TCNC;
- (yy) **“Parties”** means the Seller and the Buyer collectively, and **“Party”** means either the Seller or the Buyer; provided, however that, Parties and Party may also refer to the Debtors, as applicable;
- (zz) **“Person”** means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

- (aaa) **“Priority Charges”** means the Receiver’s Charge and Receiver’s Borrowing Charge, as those terms are defined and provided for in the Receivership Order;
- (bbb) **“Purchase Price”** has the meaning given to such term in Section 3.1;
- (ccc) **“Purchased Assets”** has the meaning given to such term in Section 2.1;
- (ddd) **“Receiver”** has the meaning given to such term in Recital B;
- (eee) **“Receiver’s Certificate”** means the certificate filed with the Court by the Receiver certifying that the Receiver is satisfied that: (i) all conditions to Closing set forth in Article 6 have been satisfied or waived; and (ii) the Buyer has paid, and the Seller has received, the Purchase Price;
- (fff) **“Receivership Order”** has the meaning given to such term in Recital B;
- (ggg) **“Receivership Proceedings”** has the meaning given to such term in Recital B;
- (hhh) **“Representative”** means, in respect of a Person, each director, officer, employee, agent, legal counsel, accountant, consultant, contractor, professional advisor and other representative of such Person and its affiliates;
- (iii) **“Restricted Rights”** has the meaning given to such term in Section 2.4;
- (jjj) **“Seller”** has the meaning given to such term in the preamble to this Agreement;
- (kkk) **“SISP”** means the sale and investment solicitation process set forth in Schedule “1.1(kkk)” hereto;
- (lll) **“Successful Bid”** has the meaning ascribed to it in the SISP;
- (mmm) **“Sunniva Shares”** means the 50,088,970 common shares of Sunniva Inc. registered in the name of Cura-Can;
- (nnn) **“Tax”** and **“Taxes”** means any and all:
 - (i) taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Authority, including those with respect to income, goods and services, harmonized sales, transfer, land transfer, use, real or personal property, and registration fees; and

- (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority on or in respect of amounts of the type described in clause (i) above or this clause (ii);
- (ooo) **"Tax Act"** means the *Income Tax Act* (Canada), as amended;
- (ppp) **"TCNC Purchase Agreement"** means the secured promissory note purchase agreement dated April 15, 2020, between TCNC and certain purchasers and secured by the TCNC Security Agreement;
- (qqq) **"TCNC Security Agreement"** means the general security agreement dated April 15, 2020, as amended, charging all present and after-acquired property of TCNC securing the CPIC Note;
- (rrr) **"Transaction"** means, collectively, the of sale and purchase of the Purchased Assets pursuant to this Agreement and all other transactions contemplated by this Agreement that are to occur contemporaneously with the sale and purchase of the Purchased Assets;
- (sss) **"Transfer Taxes"** has the meaning given to such term in Section 7.7(c); and
- (ttt) **"Transferred Contracts"** has the meaning given to such term in Section 2.1(c).

1.2 Schedules

The schedules to this Agreement are an integral part of this Agreement.

| <u>Schedule</u> | <u>Description</u> |
|--------------------|------------------------------------|
| Schedule 1.1(d) | Form of Approval and Vesting Order |
| Schedule 1.1 (ddd) | Receivership Order |
| Schedule 1.1(kkk) | SISP |
| Schedule 2.1(h) | List of Actions |

1.3 Statutes

Unless specified otherwise, reference in this Agreement to a statute refers to that statute as it may be amended, or to any restated or successor legislation of comparable effect.

1.4 Headings and Table of Contents

The inclusion of headings and a table of contents in this Agreement is for convenience of reference only and shall not affect the construction or interpretation hereof.

1.5 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in Canadian dollars.

1.7 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.

1.8 Entire Agreement

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as otherwise specifically set forth in this Agreement and any document required to be delivered pursuant to or in respect of this Agreement.

1.9 Waiver, Amendment

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

1.10 Governing Law; Jurisdiction and Venue

This Agreement, the rights and obligations of the Parties under this Agreement, and any claim or controversy directly or indirectly based upon or arising out of this Agreement or the Transaction (whether based on contract, tort, or any other theory), including all matters of construction, validity and performance, shall in all respects be governed by, and interpreted, construed and determined in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein, without regard to the conflicts of law principles thereof. The Parties consent to the exclusive jurisdiction and venue of the Court prior to a Final order of the Court terminating the Receivership Proceedings and thereafter to the Courts of Alberta for the resolution of any disputes arising under this Agreement. Each Party agrees that service of process on such Party as provided in Section 11.6 shall be deemed effective service of process on such Party.

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase and Sell Purchased Assets

Upon and subject to the terms and conditions of this Agreement (including the provisions of Section 2.4), at Closing the Seller shall sell and the Buyer shall purchase, free and clear of all Encumbrances, all of the Debtors' right, title and interest in, to and under, or relating to, the assets, property and undertaking, owned or used or held by the Debtors specifically as set forth below (collectively the "**Purchased Assets**"):

- (a) *Cash and Accounts Receivable* – all cash and all accounts receivable (including unbilled revenue and holdbacks), bills receivable, trade accounts, trade debts and book debts due or accruing due in connection with the Business, including any refunds and rebates receivable relating to the Business or the Purchased Assets and the full benefit of all security (including cash deposits), guarantees and other collateral held by the Debtor relating to the Business, and amounts receivable (or which may become receivable) by the Debtor under agreements whereby the Debtor has disposed of a business, facility or other assets, or under royalty (or other) agreements or documents related thereto, and any asset-backed commercial paper or other investments, and, to the extent practicable, all bank accounts agreed upon by the Parties;
- (b) *Prepaid Expenses* – the full benefit of prepaid expenses of the Business, and all deposits with any public utility, lessor under any Personal Property Lease or Real Property Lease or Governmental Authority;
- (c) *Transferred Contracts* – the Glamster Loan Contracts (all such Contracts, collectively, the "**Transferred Contracts**");
- (d) *Securities* – the Pathway Shares and the Sunniva Shares;

- (e) *Other Assets* – to the extent that it is necessary to specifically identify them for any purpose whatsoever, any other property, assets or undertakings of the Debtors that are specifically identified by the Buyer on or before the Closing Time (which, for certainty, will not result in any adjustment to the Purchase Price);
- (f) *Business Records* – all business and financial records and files of the Business, including the general ledger and accounting records relating to the Business, all customer lists and lists of suppliers, all operating manuals, plans and specifications and all of the right, interest and benefit, if any, thereunder and to and in the domain names, telephone numbers, facsimile numbers and e-mail addresses, used by the Debtor in the conduct of the Business, and all records, files and information necessary or desirable for Buyer to conduct or pursue the rights described in Section 2.1(h); provided, however, that the Debtors may retain copies of all books and records included in the Purchased Assets to the extent necessary or useful for the administration of the Receivership Proceedings or the filing of any Tax return or compliance with any Applicable Law or the terms of this Agreement;
- (g) *Insurance* –
 - (i) the interests of the Debtors in all Contracts of insurance, insurance policies and insurance plans;
 - (ii) any insurance proceeds net of any deductibles and retention recovered by the Debtors under all other Contracts of insurance, insurance policies (excluding for certainty proceeds paid directly by the insurer to or on behalf of directors and officers under directors' and officers' insurance policies) and insurance plans between the date of this Agreement and the Closing Date; and
 - (iii) the full benefit of the Debtors' rights to insurance claims (excluding for certainty proceeds paid directly by the insurer to or on behalf of directors and officers under directors' and officers' insurance policies) relating to the Business and amounts recoverable in respect thereof net of any deductible;
- (h) *Actions, etc.* – the interests of the Debtors in the claims set out in Schedule 2.1(h), refunds, causes of action, rights of recovery, rights of set-off and rights of recoupment related to the Business or any of the Purchased Assets, and the interest of the Debtor in any litigation and in the proceeds of any judgment, order or decree issued or made in respect thereof in respect of occurrences, events, accidents or losses suffered prior to the Closing Time;

- (i) *Loans* – any loans or debts due prior to the Closing Date to the Debtor, including the Glamster Loan;
- (j) *Tax Refunds* – the benefit of any refundable Taxes payable or paid by the Debtor (including any Taxes payable or paid under the HST Legislation, or any Taxes collected and remitted to any Governmental Authority), net of any amounts deducted or withheld by any Governmental Authority, and any claim or right of the Debtors to any incentive, refund, rebate or credit of Taxes;

2.2 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, the Buyer shall not acquire any other assets that are not Purchased Assets (collectively, the “**Excluded Assets**”), including without limitation:

- (a) *Corporate Records* – original Tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Debtors as Persons, and provided further that the Buyer may take copies of all Tax records and books and records pertaining to such records (as redacted, if applicable) to the extent necessary or useful for the carrying on of the Business after Closing including the filing of any Tax return; provided, however that the Seller shall retain or transfer to the Buyer the original copies of any of the records required to be provided to the Buyer hereunder to the extent the Seller is required to do so under Applicable Law;
- (b) *Rights under Agreement* – all of the Debtors’ rights under this Agreement, the Closing Documents and the Transaction;
- (c) *Subsidiaries, Partnerships and Joint Ventures* – all of the securities, partnership interests or joint venture interests of the Debtors or either of them in another Person, apart from the Pathway Shares and the Sunniva Shares;
- (d) *Other Assets* – any other assets, including, without limitation, any Contracts, that are designated by the Buyer as Excluded Assets prior to the Closing Time; provided, however, that any such designation will not result in any adjustment to the Purchase Price and that any liabilities or obligations related to any asset designated as an Excluded Asset shall not be an Assumed Liability);
- (e) *Insurance* – all insurance policies, proceeds and claims excluded from the Purchased Assets in Section 2.1(g); and
- (f) *Ordinary Course Assets* – any asset of the Debtors that would otherwise constitute a Purchased Asset but for the fact that it is conveyed, leased or

otherwise disposed of in the ordinary course of the Business in compliance with Section 7.2 during the period beginning on the date of this Agreement and ending on the Closing Date.

2.3 Excluded Liabilities

The Buyer shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, obligations, Contracts and liabilities of the Debtors, of any kind or nature ("**Excluded Liabilities**"), all of which shall remain the sole responsibility of the Debtors, and the Buyer shall not assume, accept or undertake any debt, obligation, duty, contract or liability of the Debtors of any kind whatsoever, whether accrued, contingent, known or unknown or otherwise. The Excluded Liabilities shall include, without in any way limiting the foregoing, the following liabilities, without limitation:

- (a) *Intercompany Accounts Payable* – any debts due or accruing prior to the Closing Date from any Debtor to any shareholder, director, officer or affiliate of the Debtor;
- (b) *Intellectual Property Claims* – any claims against any Debtor for infringements of any intellectual property rights of any third Person relating to any period prior to the Closing Date;
- (c) *Excluded Assets* – all liabilities and obligations relating to the Excluded Assets;
- (d) *Taxes* – all liabilities for Taxes of any Debtor; and
- (e) *Other* – Claims, demands, complaints, actions, applications, suits, causes of action, charges, indictments, prosecutions, information or other similar processes, orders (including injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator and includes remedial orders), assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, or tort, arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date, including without limitation liabilities relating to any breach of law, product liability claims, and any liabilities or obligations relating to the environment or occupational health and safety, including but not limited to, (i) liabilities arising in connection with properties owned, leased or operated by the Debtors or either of them at any time prior to the Closing Date, (ii) liabilities arising in connection with facilities or properties to which any of the Debtors sent Hazardous Material for disposal prior to the Closing Date, (iii) liabilities arising in connection with any Hazardous Material generated, used, emitted, released, stored, transported or disposed of prior to the Closing Date in connection with the

Business or by any of the Debtors or (iv) fines, penalties or other liabilities arising from violations of or non-compliances with Environmental Law or environmental Permits occurring prior to the Closing Date, all to the maximum extent permitted by Applicable Law and except, in each case, as specifically defined in this Agreement as an Assumed Liability.

2.4 Assignment of Purchased Assets

The Seller and the Buyer shall use their reasonable commercial efforts to obtain any necessary consents or approvals in order to assign the Transferred Contracts to the Buyer (the “**Assigned Contracts**”) prior to the Closing Date. To the extent assignable and transferable to the Buyer, all Assigned Contracts shall be assigned by the Seller and/or Debtors to the Buyer.

Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or transfer any Purchased Asset or any right thereunder if an attempted assignment or transfer of such Purchased Asset or right thereunder without the consent of a third Person would constitute a breach thereunder (“**Restricted Rights**”), unless: (i) such consent is obtained; or (ii) the assignment has been ordered by the Court. The Seller and/or Debtors shall hold any such Restricted Rights in trust for the Buyer until such time as consent and/or approval has been obtained, to the extent applicable. If a consent to transferring the Restricted Rights to the Buyer is not obtained, or such assignment is not attainable, the Seller and/or the Debtors and the Buyer will cooperate and use their respective commercially reasonable efforts to implement a mutually agreeable arrangement pursuant to which the Buyer will obtain the benefits and assume the liabilities and obligations related to such Restricted Rights in accordance with this Agreement including, at the election and expense of the Buyer, applying to the Court before or after Closing for an order compelling the assignment and for related relief.

Notwithstanding the foregoing: (i) nothing in this Section 2.4 shall require the Seller to renew any Restricted Rights once they have expired; and (ii) any efforts required of the Seller pursuant to this Section 2.4 shall be strictly on an interim basis and in no event be required to continue for more than 120 days following the Closing Date.

2.5 “As is, Where Is”

The Buyer acknowledges and agrees that all of the Purchased Assets are being purchased on an “as is, where is” basis as they shall exist at Closing. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrances, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. Without limiting the generality of the foregoing, any and all conditions, warranties, or representations expressed or implied pursuant to the *Sale of Goods Act* (Alberta), as amended, or similar legislation do not apply hereto and

have been waived by the Buyer. This Section 2.5 shall not merge on Closing and is deemed incorporated by reference into all Closing Documents and deliveries.

ARTICLE 3 PURCHASE PRICE AND RELATED MATTERS

3.1 Purchase Price

The purchase price payable by the Buyer to the Seller for the Purchased Assets (the **“Purchase Price”**) shall be the aggregate sum of up to six million seven hundred fifty thousand dollars (\$6,750,000), comprised of: (i) a cash payment of up to \$250,000 (the **“Cash Component”**) comprising any amounts outstanding that are secured by the Priority Charges and the CPIC Claim Amount; plus (ii) the balance of the Purchase Price of \$6,500,000 by way of set off against and non-cash credit reduction of the Indebtedness. The Buyer shall satisfy the Purchase Price at the Closing Time by: (i) paying to the Receiver in trust the Cash Component by wire transfer in immediately available funds pursuant to wire transfer instructions to be provided by the Receiver to the Buyer no later than one (1) Business Day prior to the Closing Date; and (ii) delivery of an acknowledgement of the Buyer that the Indebtedness has been reduced by the amount of six million five hundred thousand dollars (\$6,500,000) in consideration of the balance of the Purchase Price.

3.2 Purchase Price Allocation

The Purchase Price shall be allocated among the Purchased Assets as agreed by the Parties, acting reasonably. Such allocation shall be binding and the Buyer and the Seller shall report the purchase and sale of the Purchased Assets and file all filings which are necessary or desirable under the Tax Act and any other applicable Tax legislation to give effect to such allocations and shall not take any position or action inconsistent with such allocation.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES BY THE SELLER

The Seller represents and warrants to the Buyer and acknowledges that the Buyer is relying upon the following representations and warranties in connection with its purchase of the Purchased Assets the matters set out below:

4.1 Validly Appointed

The Seller has been validly appointed by the Court as receiver of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof, pursuant to the Receivership Order.

4.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

4.3 Due Authorization and Enforceability of Obligations

Subject to Court Approval being obtained, the Seller has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. This Agreement has been, and at the Closing Time the Closing Documents will be, duly executed and delivered by the Seller in its capacity as Receiver.

4.4 Residence of the Seller

The Seller is not a non-resident of Canada within the meaning of section 116 of the Tax Act.

4.5 HST Registration

The Seller is registered for purposes of the HST Legislation and will provide its registration number to the Buyer.

4.6 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder's fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Seller or the Debtors.

4.7 No Other Representations, Warranties or Covenants

All of the Purchased Assets are being purchased on an "as is where is" basis. Unless and solely to the extent expressly set forth in this Agreement, no representation, warranty or covenant is expressed or implied by the Seller, including any warranties as to title, encumbrance, description, merchantability or fitness for a particular purpose, environmental compliance, condition, quantity or quality, or in respect of any other matter or thing whatsoever concerning the Business and/or the Purchased Assets or the right of the Seller to sell or assign the same. The disclaimer in this Section 4.7 is made notwithstanding the delivery or disclosure to the Buyer or its directors, officers, employees, agents or representatives of any documentation or other information.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE BUYER

The Buyer represents and warrants to the Seller as follows, and acknowledges that the Seller is relying upon the following representations and warranties in connection with its sale of the Purchased Assets:

5.1 Existence

The Buyer is duly organized and validly existing under the laws of its jurisdiction of organization.

5.2 Recitals

The Recitals hereto are true and correct as of the date of this Agreement.

5.3 Due Authorization

The Buyer has all necessary power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action of the Buyer. This Agreement has been duly executed and delivered by the Buyer and constitutes a valid and binding obligation of the Buyer enforceable against it in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors generally and by general principles of equity.

5.4 Absence of Conflicts

The Buyer is not a party to, bound or affected by or subject to any provision in its articles, by-laws or other constating documents or Applicable Laws or governmental authorizations, approvals, franchises, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority that would be violated, breached by, or under which any default would occur or with notice or the passage of time would, be created as a result of the execution and delivery of, or the performance of obligations under, this Agreement or any other agreement or document to be entered into or delivered under the terms of this Agreement, except for any violations, breaches or defaults or any Applicable Laws or any governmental authorizations, approvals, orders, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued, granted or given by or from any Governmental Authority, that would not have a material and adverse effect on the ability of the Buyer to consummate the transactions hereunder.

5.5 Approvals and Consents

Except for Court Approval, no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or any other Person is required in connection with the execution, delivery or performance of this Agreement by the Seller and each of the Closing Documents to be executed and delivered by the Seller hereunder or the purchase of any of the Purchased Assets hereunder.

5.6 HST Registration

The Buyer, or its assignee(s) acquiring the Purchased Assets, is, or at the Closing Time will be, registered for purposes of the HST Legislation and will provide its registration number to the Seller.

5.7 Investment Canada Act

At the Closing Time, the Buyer will (a) be either a “Canadian” or “WTO investor” within the meaning of the *Investment Canada Act*; and (b) not be a “state-owned enterprise” within the meaning of the *Investment Canada Act*.

5.8 No Additional Due Diligence

The Buyer acknowledges and agrees that: (a) it has had an opportunity to conduct any and all due diligence regarding the Purchased Assets, the Assumed Liabilities and the Business prior to the execution of this Agreement; (b) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Purchased Assets, the Assumed Liabilities and/or the Business; (c) it is not relying upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied, (by operation of law or otherwise), regarding the Purchased Assets, Assumed Liabilities or the Business or the completeness of any information provided in connection therewith, except as expressly stated in this Agreement; and (d) the obligations of the Buyer under this Agreement are not conditional upon any additional due diligence.

5.9 Brokers

No broker, finder or investment banker is entitled to any brokerage commission, finder’s fee or other similar payment in connection with the Transaction based upon arrangement made by or on behalf of the Buyer.

ARTICLE 6 CONDITIONS

6.1 Conditions for the Benefit of the Buyer and the Seller

The respective obligations of the Buyer and of the Seller to consummate the Transaction are subject to the satisfaction of, or compliance with, at or prior to the Closing Time, each of the following conditions:

- (a) no provision of any Applicable Law and no judgment, injunction, order (including but not limited to any cease-trade order) or decree that prohibits the consummation of the purchase of the Purchased Assets pursuant to this Agreement shall be in effect;
- (b) the Receivership Order shall have been issued and entered, and shall be Final, and the Receivership Proceedings shall be ongoing;
- (c) the Stalking Horse Bidder shall be the Successful Bidder (each, as defined in the SISP) under the SISP;

- (d) the Approval and Vesting Order shall have been issued and entered on or before May 16, 2022 or on or before such later date as the Parties agree to in writing, and shall be Final; and
- (e) to the extent required, the TSX Venture Exchange shall have conditionally approved the transfer of the Pathway Shares from the Seller to the Buyer as provided for herein, on terms and conditions acceptable to the Parties, each acting reasonably, and the Parties shall have been satisfied, each acting reasonably, that such transfer shall be exempt from the formal “take-over bid” requirements under, and shall be in compliance with, Applicable Law.

6.2 Conditions for the Benefit of the Buyer

The obligation of the Buyer to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver by the Buyer of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Buyer):

- (a) the representations and warranties of the Seller set forth in this Agreement shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Seller at or prior to the Closing Time shall have been performed in all material respects as at the Closing Time, except where any failure or failures to perform any such covenant would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (c) the Buyer shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.2(a) and 6.2(b), signed for and on behalf of the Seller without personal liability by an executive officer of the Seller or other Persons reasonably acceptable to the Buyer, in each case in form and substance reasonably satisfactory to the Buyer;
- (d) the Closing Documents, all other documents relating to the due authorization and completion of the Transaction and all actions and proceedings taken on or prior to the Closing in connection with the performance by the Seller of its obligations under this Agreement shall be satisfactory to the Buyer, acting reasonably, and the Buyer shall have

received copies of all such documents and evidence that all such actions and proceedings have been taken as it may reasonably request in form and substance reasonably satisfactory to the Buyer;

- (e) the Purchased Assets shall be assigned and transferred to the Buyer free and clear of all Encumbrances, in accordance with the Approval and Vesting Order;
- (f) since the date first written above, no Material Adverse Change shall have occurred.

6.3 Conditions for the Benefit of the Seller

The obligation of the Seller to consummate the Transaction is subject to the satisfaction of, or compliance with, or waiver where applicable, by the Seller of, at or prior to the Closing Time, each of the following conditions (each of which is acknowledged to be for the exclusive benefit of the Seller):

- (a) the representations and warranties of the Buyer set forth in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (b) the covenants contained in this Agreement to be performed by the Buyer at or prior to the Closing Time, including payment of the Purchase Price, shall have been performed in all material respects as at the Closing Time, except where any failure or failures of any such representations and warranties to be so true and correct would not, individually or in the aggregate cause a Material Adverse Change (and, for this purpose, any reference to “material”, “Material Adverse Change” or any other concept of materiality in such representations and warranties shall be ignored);
- (c) the Seller shall have received a certificate confirming the satisfaction of the conditions contained in Sections 6.3(a) and 6.3(b) signed for and on behalf of the Buyer without personal liability by an executive officer of the Buyer or other persons reasonably acceptable to the Seller, in each case in form and substance reasonably satisfactory to the Seller;
- (d) all other Closing Documents required pursuant to this Agreement to be delivered by the Buyer on Closing in form and substance reasonably satisfactory to the Seller;
- (e) the acknowledgement of the Buyer, that the Indebtedness has been reduced by the amount of six million five hundred thousand dollars

\$6,500,000 in consideration of the balance of the Purchase Price, shall have been delivered and released by the Buyer to the Seller.

ARTICLE 7 ADDITIONAL AGREEMENTS OF THE PARTIES

7.1 Access to Information

Until the Closing Time, the Seller and/or the Debtors shall give to the Buyer's personnel engaged in the Transaction and their accountants, legal advisers, consultants and representatives during normal business hours reasonable access to its premises and to all of the books and records relating to the Business, the Purchased Assets and the Assumed Liabilities and to members of the Debtor's senior management, shall furnish them with all such information relating to the Business, the Purchased Assets and the Assumed Liabilities as the Buyer may reasonably request in connection with the Transaction, and shall coordinate reasonable access by the Buyer to the customers and suppliers of the Business. Notwithstanding anything in this Section 7.1 to the contrary, any such investigation shall be conducted upon reasonable advance notice and in such manner as does not materially disrupt the conduct of the Business. The Seller and/or the Debtors shall also deliver to the Buyer authorizations to Governmental Authorities necessary to permit the Buyer to obtain information in respect of the Purchased Assets from the files of such Governmental Authorities. Notwithstanding the foregoing, the Seller and/or the Debtors shall not be required to disclose any information, records, files or other data to the Buyer where prohibited by any Applicable Laws or such disclosure would have the effect of causing the waiver of any solicitor-client privilege.

7.2 Court Filings

From and after the date of execution of this Agreement and until the Closing Time, the Seller shall use commercially reasonable efforts to deliver to the Buyer copies of all pleadings, motions, notices, statements, schedules, applications, reports and other papers that relate, in whole or in part, to this Agreement, or to the Buyer or its Representatives, that are to be filed by the Seller in connection with the Court Approval in advance of their filing, before the filing of such papers, and shall provide the Buyer with a reasonable opportunity to review and comment thereon.

The Seller shall act reasonably and in good faith in considering any comments provided by the Buyer to such papers; provided, however that, subject in each case to the foregoing good faith obligations of the Seller, the Seller shall have no obligation to accept and incorporate the Buyer's comments to such papers and neither the Seller's inadvertent failure to comply with this Section 7.2, nor the Seller's failure to comply with this Section 7.2 due to emergency circumstances, shall constitute a breach under this Agreement.

7.3 Conduct of Business Until Closing Time

Except: (1) as expressly required by this Agreement; and (2) with the prior written consent of the Buyer (not to be unreasonably withheld, conditioned or delayed), as

necessary or advisable in connection with or pursuant to the Receivership Proceedings, or as required by Applicable Law (including to the extent required by any Contract), to the extent reasonably necessary, and as practicable having regard to the Receivership Proceedings and any Court order issued in the Receivership Proceedings, the Seller shall:

- (a) operate the Business in the ordinary course of Business in all material respects and use commercially reasonable efforts to preserve the Business;
- (b) not amend, terminate or assign any Permits, Licences and Transferred Contracts or Contract that is included in the Purchased Assets and material to the Business;
- (c) not waive, release, permit the lapse of, relinquish or assign any material rights of the Business under any Contract included in the Purchased Assets and material to the Business; and
- (d) not enter into any lease, contract or agreement, licence or other commitment related to the Business that would constitute a Personal Property Lease, Real Property Lease or Contract except, in each case, in the ordinary course of the Business.

7.4 Approvals and Consents

- (a) The Seller and the Buyer shall:
 - (i) as soon as reasonably possible following the date hereof, make all such filings and seek all such consents, approvals, permits and authorizations with any other Governmental Authorities and applicable stock exchanges whose consent is required for consummation of the Transaction, and the Buyer will request any expedited processing available; and
 - (ii) use commercially reasonable efforts to seek all consents, approvals or authorizations required in connection with the assignment of the Purchased Assets in accordance with this Agreement to the Buyer.
- (b) The Buyer shall, at the Seller's request, furnish the Seller with copies of such documents and information with respect to the Buyer, including financial information, as the Seller may reasonably request in connection with the obtaining of any consents, approvals, permits and authorizations contemplated by Section 7.4(a).

7.5 Covenant Regarding Confidential Information

On or prior to Closing, the Seller shall request any Person that was furnished confidential information of the Debtors to return or destroy all such information.

7.6 Further Assurances

Each of the Parties hereto shall promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and shall use commercially reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement. Upon and subject to the terms and conditions of this Agreement and subject to the directions of any applicable courts to the Seller, the Parties shall use their commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary proper or advisable under Applicable Laws to consummate and make effective the Transaction, including using commercially reasonable efforts to satisfy the conditions precedent to the obligations of the Parties hereto.

7.7 Tax Matters

- (a) The Buyer and the Seller agree to use commercially reasonable efforts to furnish or cause to be furnished to each other, as promptly as practicable, such information and assistance relating to the Purchased Assets and the Assumed Liabilities as is reasonably necessary for the preparation and filing of any Tax return, claim for refund or other required or optional filings relating to Tax matters, for the preparation for and proof of facts during any Tax audit, for the preparation for any Tax protest, for the prosecution of any suit or other proceedings relating to Tax matters and for the answer to any governmental or regulatory inquiry relating to Tax matters.
- (b) For purposes of any income Tax return related to the Transaction, the Buyer and, to the extent applicable, the Seller, agree to report the Transaction in a manner consistent with the Purchase Price allocation determined in accordance with Section 3.2, and the Buyer and the Seller shall not voluntarily take any action inconsistent therewith in any such Tax return, refund claim, litigation or otherwise, unless required by applicable Tax laws. The Buyer and the Seller shall each be responsible for the preparation of their own statements required to be filed under the Tax Act and other similar forms in accordance with applicable Tax laws.
- (c) All amounts payable by the Buyer to the Seller pursuant to this Agreement are exclusive of any HST, or any other federal, provincial, state or local or foreign value-added, sales, use, consumption, multi-staged, ad valorem, personal property, customs, excise, stamp, transfer, land or real property transfer, or similar Taxes, duties, or charges, or any recording or filing fees or similar charges (collectively, "**Transfer Taxes**"). All Transfer Taxes are the responsibility of and for the account of the Party required to pay such taxes under Applicable Laws. The Buyer and the Seller agree to cooperate to determine the amount of Transfer Taxes payable in connection with the Transaction. If the Seller is required by Applicable Law or by administration

thereof to collect any applicable Transfer Taxes from the Buyer, the Buyer shall pay such amounts to the Seller concurrent with the payment of any consideration payable pursuant to this Agreement, and the Seller shall remit or account for such Transfer Taxes to the applicable Governmental Authority on a timely basis and otherwise in accordance with Applicable Laws.

- (d) The Seller and the Buyer shall jointly make, and the Buyer will file, the election provided for in paragraph 167(1)(b) of the HST Legislation to have subsection 167(1.1) of the HST Legislation apply in respect of the sale of the Purchased Assets under this Agreement. The Buyer shall at all times indemnify and hold harmless the Seller and their directors, officers and employees, against and in respect of any and all amounts assessed by the Minister of National Revenue (Canada) as a consequence of such Minister determining, for any reason, that the election is unavailable, inapplicable, invalid or not properly made.
- (e) If requested by either the Seller or the Buyer, the Seller and the Buyer will jointly execute, and each of them will file promptly following the Closing Date, an election under section 22 of the Tax Act, and any corresponding provisions of any applicable provincial income Tax legislation, with respect to any debts referred to in such section 22 and any corresponding provisions of any applicable provincial income Tax legislation. For the purposes of such elections, the Buyer, acting reasonably and in consultation with the Seller, will designate the portion of the Purchase Price allocable to the debts in respect of which such elections are made. For greater certainty, the Seller and the Buyer agree to prepare and file their respective Tax returns in a manner consistent with such election(s).

7.8 Employee Matters

The Buyer shall neither assume nor be responsible for all liabilities and obligations with respect to any employee or contractor of the Debtors, including without limitation, all wages, severance pay, termination pay, pay in lieu of notice, damages and other liabilities, which liabilities and obligation shall remain the responsibility of the Debtors and, if applicable, the Receiver.

7.9 Fees and Expenses

Except as expressly provided in this Agreement, all fees and expenses incurred in connection with the negotiation and settlement of this Agreement and the completion of the Transaction, including the fees and disbursements of counsel, financial advisors and accountants, shall be paid by the Person incurring such fees or expenses.

7.10 Advice and Direction

The Parties acknowledge that the Seller is entitled (but not required) to seek the advice and directions of the Court in respect of any determination to be made, consent right to be exercised or other action to be taken by the Seller under this Agreement.

ARTICLE 8 COURT ORDER

8.1 Approval and Vesting Order

- (a) Within the time period provided for in the SISP, the Seller shall file a motion with the Court for the issuance of the Approval and Vesting Order. Such motion shall be scheduled for a date that is on or before May 16, 2022, or such later date as may be scheduled due to court availability or pursuant to direction of the Court.
- (b) The Buyer shall cooperate with the Seller acting reasonably, as may be necessary, in obtaining the Approval and Vesting Order.
- (c) The Seller shall use its best efforts to obtain the Approval and Vesting Order as promptly as practicable.

ARTICLE 9 TERMINATION

9.1 Termination

This Agreement may be terminated at any time prior to Closing as follows:

- (a) subject to any approvals required from the Court or otherwise pursuant to the Receivership Proceedings, by mutual written consent of the Seller and the Buyer;
- (b) by either Party, upon written notice to the other, if a Governmental Authority issues an order prohibiting the transactions contemplated hereby, which order shall have become final and non-appealable;
- (c) by the Seller upon written notice to the Buyer if there has been a material violation or breach by the Buyer of any covenant, representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.1 or 6.3 on the Closing Date and such violation or breach has not been waived by the Seller or cured within five (5) days after written notice thereof from the Seller, unless the Seller is in material breach of their obligations under this Agreement; and
- (d) by the Buyer upon written notice to the Seller, if there has been a material violation or breach by the Seller of any covenant (save and except for the

covenants set out in Section 7.2), representation or warranty which would prevent the satisfaction of any condition set forth in Section 6.1 or 6.2 on the Closing Date and such violation or breach has not been waived by the Buyer or cured within five (5) days after written notice thereof from the Buyer, unless the Buyer is in material breach of their obligations under this Agreement.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become null and void, except as set forth in Sections 9.1(d) and 9.3 and Article 11, and nothing herein shall relieve any Party from liability for any breach of this Agreement, or to impair the right of any Party to compel specific performance by any other Party of its obligations under this Agreement.

9.3 Expense Reimbursement and Transaction Fee

- (a) If the Buyer is not the Successful Bidder (as defined in the SISP) pursuant to the SISP, the Buyer shall be entitled to reimbursement for its expenses and a transaction fee in connection with the Transaction in the aggregate amount of three hundred twenty-five thousand dollars (\$325,000) the “**Expense Reimbursement and Transaction Fee**”). Such amount shall be payable by the Seller to the Buyer in immediately available funds to an account designated by the Buyer concurrently with such closing.
- (b) The payment of the Expense Reimbursement and Transaction Fee shall be approved in the Approval and Vesting Order, as contemplated by the SISP, and shall be made in priority to amounts secured by existing security, except as provided in the Approval and Vesting Order contemplated by the SISP. Each of the Parties acknowledges that the agreements contained in this Section 9.3 are an integral part of the Transaction and that, without those agreements, the Parties would not enter into this Agreement. The Parties further acknowledge and agree that the Expense Reimbursement and Transaction Fee is a payment of liquidated monetary damages which are a genuine pre-estimate of the costs and damages which the Buyer will suffer or incur as a result of the non-completion of this Agreement, that such payment is not for repayment of current Indebtedness, lost profits or a penalty, and that no Party shall take any position inconsistent with the foregoing. The Seller irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. Each of the Parties hereby acknowledges and agrees that, under circumstances where the Buyer is entitled to the Expense Reimbursement and Transaction Fee and such amounts are paid in full to the Buyer, the Buyer shall be precluded from any other remedy against the Seller at law or in equity or otherwise in respect of damages for non-completion of this Agreement, and in any such case it shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive

damages, against the Seller or any of its respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with the non-completion of this Agreement or the Transaction.

Subject to the last sentence of the preceding paragraph, nothing in this Section 9.3 shall preclude any Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any such covenants or agreement, and any requirement for securing or posting of any bond in connection with the obtaining of any such injunction or specific performance is hereby being waived.

ARTICLE 10 CLOSING

10.1 Location and Time of Closing

The Closing shall take place at the Closing Time on the Closing Date at the Calgary, Alberta offices of Cassels Brock & Blackwell LLP, or at such other location as may be agreed upon by the Parties hereto.

10.2 Closing Deliveries

- (a) Subject to Section 2.4, at the Closing, the Seller shall deliver to the Buyer the documents required to be delivered by the Seller pursuant to Sections 6.1 , 6.2 and 7.7.
- (b) At the Closing, the Buyer shall deliver to the Seller:
 - (i) the Cash Component;
 - (ii) an instrument of assumption of liabilities with respect to the Assumed Liabilities in a form satisfactory to the Seller, acting reasonably;
 - (iii) a duly executed election pursuant to HST Legislation and any certificates, elections or other documents required to be delivered pursuant to Section 7.7;
 - (iv) the documents required to be delivered by the Buyer pursuant to Section 6.3; and
 - (v) any other documents reasonably requested by the Seller in order to effect or evidence the consummation of the Transaction or otherwise provided for under this Agreement.

10.3 Receiver's Capacity

The Parties hereby acknowledge and agree that the Receiver is entering into this agreement in its capacity as Court-appointed receiver of the Debtors, and not in its personal capacity.

ARTICLE 11 GENERAL MATTERS

11.1 Confidentiality

- (a) Except to the extent otherwise specifically provided in this Section 11.1, each Party, on behalf of itself and its affiliates, agrees to keep the other Party's Confidential Information confidential and not to use the other Party's Confidential Information in any manner except as required to perform the obligations set out in this Agreement. Each Party agrees to be responsible for any breach of this Section 11.1 by any of its affiliates and its and their respective directors, employees, advisors, agents and representatives.
- (b) Notwithstanding anything to the contrary herein, each Party maintains the right to disclose the other Party's Confidential Information if required to do so by Applicable Laws or requirement of a Governmental Authority, or to appropriate Tax authorities in order to describe the tax treatment and tax structure of the Transaction; provided that the disclosure of such Confidential Information will be limited only to that purpose and provided further that it will use reasonable efforts to cooperate with the other Party in limiting the disclosure of the Confidential Information.
- (c) At the other Party's request, a Party will destroy all of the other Party's Confidential Information, provided that it is permitted to retain one copy of any Confidential Information to the extent required by Applicable Laws or its internal record keeping policies.
- (d) Any Confidential Information of the Seller that constitutes part of the Purchased Assets will cease to be Confidential Information of the Seller and will become Confidential Information of the Buyer on Closing.

11.2 Public Notices

No press release or other announcement concerning the Transaction shall be made by the Seller or by the Buyer without the prior consent of the other (such consent not to be unreasonably withheld); provided, however, that subject to the last sentence of this Section 11.2, any Party may, without such consent, make such disclosure if the same is required by Applicable Law (including the Receivership Proceedings) or by any insolvency or other court or securities commission or other similar regulatory authority having jurisdiction over such Party or any of its affiliates, and, if such disclosure is required, the Party making such disclosure shall use commercially reasonable efforts to give prior oral or written notice to the other, and if such prior notice is not possible, to give

such notice immediately following the making of such disclosure. Notwithstanding the foregoing: (i) this Agreement may be filed by the Seller with the Court; and (ii) the Transaction may be disclosed by the Seller to the Court, subject to redacting confidential or sensitive information as permitted by Applicable Laws. The Parties further agree that:

- (a) the Seller may prepare and file reports and other documents with the Court containing references to the Transaction and the terms thereof; and
- (b) the Seller and their professional advisors may prepare and file such reports and other documents in the Receivership Proceedings containing references to the Transaction and the terms thereof as may reasonably be necessary to complete the Transaction or to comply with their obligations in connection therewith. Wherever possible, the Buyer shall be afforded an opportunity to review and comment on such materials prior to their filing.

Each of the Parties may issue a press release announcing the execution and delivery of this Agreement, in form and substance mutually agreed to by all of the Parties.

11.3 Survival

The representations and warranties of the Seller in this Agreement or in any agreement, document or certificate delivered pursuant to or in connection with this Agreement or the Transaction are set forth solely for the purpose of Section 6.2 and none of them shall survive Closing. The Seller shall have no liability, whether before or after the Closing, for any breach of the Seller's representations, and the Buyer acknowledges that its exclusive remedy for any such breach shall be termination of this Agreement prior to the Closing (but only if permitted by Section 9.1).

11.4 Non-Recourse

No past, present or future director, officer, employee, incorporator, member, partner, stockholder, affiliate, agent, attorney or representative of the respective Parties hereto, in such capacity, shall have any liability for any obligations or liabilities of the Buyer, the Debtors or the Seller, as applicable, under this Agreement or for any claim based on, in respect of, or by reason of, the Transaction.

11.5 Assignment; Binding Effect

No Party may assign its right or benefits under this Agreement without the consent of the other Party hereto, except that without such consent the Buyer may: (i) assign any or all of its rights and obligations hereunder to one or more of its subsidiaries or affiliates; or (ii) direct that title to all or some of the Purchased Assets be transferred to, and the corresponding Assumed Liabilities be assumed by, one or more of its subsidiaries or affiliates, provided that no such assignment or direction shall relieve the Buyer of its obligations hereunder; provided further that if the Buyer shall have assigned all of its rights and obligations hereunder the Buyer shall, immediately following the Closing, be deemed fully released from all of the Buyer's obligations hereunder. References to the Buyer's status under the *Investment Canada Act* are references to the ultimate Buyer. This

Agreement shall be binding upon and inure to the benefit of the Parties and their respective permitted successors and permitted assigns. Nothing in this Agreement shall create or be deemed to create any third Person beneficiary rights in any Person or entity not a Party to this Agreement other than the express third party beneficiaries of Section 11.4 hereof.

11.6 Notices

Any notice, request, demand or other communication required or permitted to be given to a Party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery; (ii) the date of transmission by email, with confirmed transmission and receipt (if sent during normal business hours of the recipient, if not, then on the next Business Day); (iii) two days after deposit with a nationally-recognized courier or overnight service such as Federal Express; or (iv) five days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the Party to be notified at the address set forth for such Party:

(a) If to the Buyer at:

Avonlea-Drewry Holdings Inc.
P.O. Box 8
Caledon East, Ontario
L7C 3L8

Attention: David Dozzo
Email: ddozzo@capforminc.com

with a copy to:

Aird & Berlis LLP
Brookfield Place
181 Bay St. #1800
Toronto, Ontario
M5J 2T9

Attention: Harry Fogul
Email: hfogul@airdberlis.com

(b) If to the Seller at:

KPMG Inc.
3100 - 205 5th Ave SW
Calgary, AB T2P 4B9

Attention: Huey Lee / Joe Sitholé
Email: hueylee@kpmg.ca / jsithole@kpmg.ca

with a copy to:

Cassels Brock & Blackwell LLP
Bankers Hall West
3810, 888 3rd Street SW
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver
Email: joliver@cassels.com

Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to such Party at its changed address.

11.7 Counterparts; Facsimile Signatures

This Agreement may be signed in counterparts and each of such counterparts shall constitute an original document and such counterparts, taken together, shall constitute one and the same instrument. Execution of this Agreement by any of the Parties hereto may be evidenced by facsimile, scanned e-mail or internet transmission copy of this Agreement bearing such signature which, for all purposes, shall be deemed to be an original signature.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

KPMG INC., solely in its capacity as receiver of **CURA-CAN HEALTH CORP.** and **THE CLINIC NETWORK CANADA INC.** and not in its personal capacity

By: _____

Name:


Title:

By: _____

Name:

Title:

AVONLEA-DREWRY HOLDINGS INC.

By:  _____

Name: David Dozzo

Title: Director

Schedule 1.1(d)
Form of Approval and Vesting Order

COURT FILE NUMBER 2201-01438
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF AVONLEA-DREWRY HOLDINGS INC.
DEFENDANTS CURA-CAN HEALTH CORP. and THE CLINIC NETWORK CANADA INC.
DOCUMENT **APPROVAL AND VESTING ORDER**
(Sale by Receiver)



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT
Cassels Brock & Blackwell LLP
Bankers Hall West
3810, 888 3rd St SW
Calgary, AB T2P 5C5
P: 403 351 2921 / 587 441 3065
E: joliver@cassels.com / kdavis@cassels.com
Attention: Jeffrey Oliver / Kara N. Davis

DATE ON WHICH ORDER WAS PRONOUNCED: _____

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: _____

UPON THE APPLICATION by KPMG INC. in its capacity as the Court-appointed receiver (in such capacity, the “**Receiver**”) of the undertakings, property and assets of Cura-Can Health Corp. (“**Cura-Can**”) and The Clinic Network Canada Inc. (“**TCNC**”) and together with Cura-Can, 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 Avonlea-Drewry Holdings Inc. (the “**Purchaser**”) dated March 14, 2022 and appended to the First Report of the Receiver dated March 14, 2022 (the “**Report**”), and vesting in the Purchaser (or its nominee) the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the consent receivership order dated February 7, 2022 (the “**Receivership Order**”), the Report and the Affidavit of Service of [●], sworn [●], 2022; **AND UPON HEARING** the submissions of counsel for the Receiver, the Purchaser and any other parties in attendance;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of the application (the "**Application**") and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of the Application and time for service of the Application is abridged to that actually given.

APPROVAL OF TRANSACTION

2. The Sale and Investment Solicitation Process ("**SISP**") approved by Order of this Honourable Court on March 22, 2022 is hereby terminated.
3. The Purchaser is hereby declared to be the Successful Bidder (as defined in the SISP), and the Sale Agreement is hereby declared to be the Successful Bid (as defined in the SISP). All other bids submitted in the SISP are hereby rejected.
4. 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 PROPERTY

5. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in Schedule "A" hereto (the "**Receiver's Closing Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets listed in Schedule "B" hereto 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) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) those Claims listed in Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats,

interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, **"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

6. 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, 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.
7. 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.
8. 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.
9. 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.

10. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, 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.
11. 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).
12. 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.
13. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
14. 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).
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the Alberta *Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in the Debtor's records pertaining to the Debtor's past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is

in all material respects identical to the prior use (of such information) to which the Debtor was entitled.

MISCELLANEOUS MATTERS

16. Notwithstanding:
- (a) the pendency of these proceedings and any declaration of insolvency made herein;
 - (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 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.

17. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction 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.
18. 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.
19. 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;
 - (iii) any other parties attending or represented at the Application;
 - (iv) the Purchaser or the Purchaser's solicitors; and
- (b) Posting a copy of this Order on the Receiver's website at:
<https://home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/cura-can-health-corp.html>

and service on any other person is hereby dispensed with.

20. 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.

Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"**Form of Receiver's Certificate**

| | | |
|-------------------|--|---------------|
| COURT FILE NUMBER | 2201-01438 | Clerk's Stamp |
| COURT | COURT OF QUEEN'S BENCH OF ALBERTA | |
| JUDICIAL CENTRE | CALGARY | |
| PLAINTIFF | AVONLEA-DREWRY HOLDINGS INC. | |
| DEFENDANTS | CURA-CAN HEALTH CORP. and THE CLINIC NETWORK CANADA INC. | |
| DOCUMENT | RECEIVER'S CERTIFICATE | |

| | |
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| ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT | Cassels Brock & Blackwell LLP Bankers Hall West 3810, 888 3rd St SW Calgary, AB T2P 5C5 |
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P: 403 351 2921 / 587 441 3065
E: joliver@cassels.com / kdavis@cassels.com

Attention: Jeffrey Oliver / Kara N. Davis

RECITALS

- A. Pursuant to an Order of the Honourable Justice Hollins of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated February 7, 2022 KPMG Inc. was appointed as the receiver and manager (in such capacity, the "**Receiver**") of the undertakings, property and assets of Cura-Can Health Corp. ("**Cura-Can**") and The Clinic Network Canada Inc. ("**TCNC**") and together with Cura-Can, the "**Debtor**").
- B. Pursuant to an Order of the Court dated [●], 2022, the Court approved the agreement of purchase and sale made as of March 14, 2022 (the "**Sale Agreement**") between the Receiver and Avonlea-Drewry Holdings Inc. (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 of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in sections 6.1, 6.2 and 6.3 of the Sale Agreement have

been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser (or its nominee) has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in sections 6.1, 6.2 and 6.3 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at [●] on [●], 2022.

KPMG Inc. in its capacity as Receiver of the undertakings, property and assets of Cura-Can Health Corp. and The Clinic Network Canada Inc., and not in its personal capacity.

Per; _____

Name:

Title:

SCHEDULE "B"

List of Purchased Assets

SCHEDULE "C"

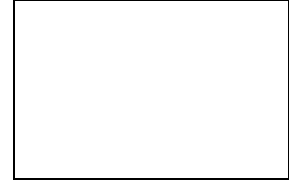
Encumbrances

SCHEDULE "D"

Permitted Encumbrances

Schedule 1.1(fff)
Receivership Order

Clerk's Stamp:



COURT FILE NUMBER

2201-01438

COURT

COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

PLAINTIFF

AVONLEA-DREWRY HOLDINGS INC.

DEFENDANTS

**CURA-CAN HEALTH CORP. AND THE CLINIC
NETWORK CANADA INC.**

DOCUMENT

CONSENT RECEIVERSHIP ORDER

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF PARTY
FILING THIS DOCUMENT

Aird & Berlis LLP
Brookfield Place, 181 Bay Street,
Suite 1800
Toronto Ontario Canada M5J 2T9

Attention: Harry M. Fogul, Sam Babe
Email: hfogul@airdberlis.com, sbabe@airdberlis.com

DATE ON WHICH ORDER WAS PRONOUNCED: February 7, 2022

LOCATION WHERE ORDER WAS
PRONOUNCED:

Calgary Courts Centre, Calgary Alberta

NAME OF JUSTICE WHO MADE THIS
ORDER:

Madam Justice Hollins

UPON the application of Avonlea-Drewry Holdings Inc. ("**Avonlea**") in respect of Cura-Can Health Corp. and The Clinic Network Canada Inc. (the "**Debtors**"); **AND UPON** having read the Application, the Affidavit of David Dozzo; and the Affidavits of Service of Christine Doyle, sworn February 6, 2022; **AND UPON** reading the consent of KPMG Inc. to act as receiver and manager ("**Receiver**") of the Debtors, to be filed; **AND UPON** hearing counsel for Avonlea;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the “**BIA**”), and section 13(2) of the *Judicature Act*, R.S.A. 2000, c.J-2, KPMG Inc. is hereby appointed Receiver, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER'S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property,
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
 - (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;
 - (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, R.S.A. 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to retain for the unexpired term, assign, surrender, renegotiate, or terminate any lease or agreement related to the Property;
- (s) to collect the rents, profits and other receipts arising from the Property or any part thereof;
- (t) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (u) to assign the Debtors into bankruptcy; and
- (v) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other

entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.

5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.
6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. No proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OR REMEDIES

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" (as defined in the BIA), and further provided that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Receiver, or leave of this Court. Nothing in this Order shall prohibit any party to an eligible financial contract (as defined in the BIA) from closing out and terminating such contract in accordance with its terms.

CONTINUATION OF SERVICES

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Receiver or exercising any other remedy provided under such agreements or arrangements. The Receiver shall be entitled to the continued use of the Debtors' current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

14. Subject to employees' rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, S.C. 2005, c.47 ("WEPPA").
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - (i) before the Receiver's appointment; or
 - (ii) after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver

is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

- (i) if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- (ii) during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by,
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- (iii) if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

- 17. Except for gross negligence or willful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

- 18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on

the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$100,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the **"Receiver's Borrowings Charge"**) as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the **"Receiver's Certificates"**) for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

25. The Receiver shall be allowed to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

27. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
28. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
29. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
30. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
31. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
32. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full

indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

33. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

WEBSITE

34. The Receiver shall establish and maintain a website in respect of these proceedings and shall post there as soon as practicable:

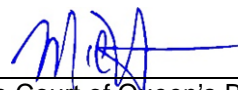
- (a) all materials prescribed by statute or regulation to be made publically available; and
- (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.

35. 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 or otherwise served with notice of 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; and
- (b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

36. 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.



Justice of the Court of Queen's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **KPMG Inc.**, the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of **CURA-CAN HEALTH CORP. AND THE CLINIC NETWORK CANADA INC.** appointed by Order of the Court of Queen's Bench of Alberta and Court of Queen's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 7th day of February, 2022 (the "**Order**") made in action number 2201-01438, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$<*>, being part of the total principal sum of \$<*> that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the <*> day of each month**] after the date hereof at a notional rate per annum equal to the rate of <*> per cent above the prime commercial lending rate of Bank of <*> from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at <*>.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KPMG Inc., solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

47429988.3

Schedule 1.1(kkk)

SISP

**Procedure for the Sales and Investment Solicitation Process of
Cura-Can Health Corp. and The Clinic Network Canada Inc.**

Background

1. On February 7, 2022 (the “**Filing Date**”), KPMG Inc. was appointed as receiver and manager of Cura-Can Health Corp. (“**Cura**”) and The Clinic Network Canada Inc. (“**TCNC**”, together, the “**Companies**”) by way of Order (the “**Receivership Order**”) of the Alberta Court of Queen’s Bench (the “**Court**”).
2. Among other things, the Receivership Order granted a stay of all proceedings as against the Companies and Receiver and authorized the Receiver to take immediate possession and control of all current and future assets, undertakings and properties of the Companies (the “**Property**”) and to market and sell the Property out of the ordinary course of business, subject to Court approval.
3. On March 22, 2022, the Receiver obtained an order from the Court (the “**Sale Process Order**”), which, among other things, approved the procedures for the sales and investment solicitation process proposed by the Receiver in respect of the Companies and the Property, as set out below (the “**SISP**”).
4. Pursuant to the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to find the highest and/or best offer for the sale of the Property on a going concern basis, restructuring, refinancing, or a combination thereof.
5. Set forth below is the procedure to be followed in respect of the SISP, the aim of which is to realize a Successful Bid (as defined herein), and, if there is a Successful Bid, to complete any definitive transactions contemplated by the Successful Bid.

Defined Terms

6. All monetary references shall be in Canadian dollars, unless otherwise stated.
7. In this SISP:
 - a. “**Additional Bid**” has the meaning ascribed at paragraph 33, hereof;
 - b. “**Approval Motion**” has the meaning ascribed at paragraph 41, hereof;
 - c. “**Auction**” has the meaning ascribed in paragraph 35 hereof;
 - d. “**Auction Bidder**” has the meaning ascribed in paragraph 36 hereof;
 - e. “**Backup Bidder**” has the meaning ascribed in paragraph 39 hereof;

- f. **“Business”** means the business presently carried on by the Companies, or either of them as the context may require;
- g. **“Business Day”** means a day, other than a Saturday or Sunday, on which banks are open for business in the City of Calgary;
- h. **“CIM”** has the meaning ascribed in paragraph 19 hereof;
- i. **“Claims and Interests”** has the meaning ascribed in paragraph 16 hereof;
- j. **“Companies”** has the meaning ascribed in paragraph 1 hereof;
- k. **“Court”** has the meaning ascribed in paragraph 1 hereof;
- l. **“CPIC Claim Amount”** means the aggregate amount owing to Chief Peguis Investment Corporation by TCNC as of the date the Receiver was appointed, which amount is estimated to be approximately \$44,000 inclusive of interest;
- m. **“Cura”** has the meaning ascribed in paragraph 1 hereof;
- n. **“Expense Reimbursement and Transaction Fee”** means the amount of \$325,000, payable by the Receiver to the Stalking Horse Bidder, on the terms and conditions of this SISP;
- o. **“Filing Date”** has the meaning ascribed in paragraph 1 hereof;
- p. **“Final Bid”** has the meaning ascribed in paragraph 25 hereof;
- q. **“Final Bid Deadline”** has the meaning ascribed in paragraph 25 hereof;
- r. **“Leading Bid”** has the meaning ascribed in paragraph 37(m) hereof;
- s. **“Minimum Incremental Overbid”** means the minimum incremental value in an amount to be determined by the Receiver over the Starting Bid or the Leading Bid, as the case may be;
- t. **“Outside Date”** means May 18, 2022;
- u. **“Potential Bidder”** has the meaning ascribed in paragraph 21 hereof;
- v. **“Prior Charges”** means all claims against the Companies or Property that rank in priority to the Senior Security including but not limited to, the CPIC Claim Amount, but excluding the Receivership Charges;
- w. **“Property”** has the meaning ascribed in paragraph 2 hereof;

- x. **“Qualified Bid”** has the meaning ascribed in paragraph 26 hereof;
- y. **“Qualified Bidder”** has the meaning ascribed in paragraph 22 hereof;
- z. **“Receiver”** means KPMG Inc., in its capacity as Court-appointed receiver and manager of the Companies and not in its personal or corporate capacity;
- aa. **“Receivership Charges”** means the charges created by the Receivership Order, ranking in priority to the Senior Security, comprised of the Receiver’s Charge and Receiver’s Borrowing Charge (as defined in the Receivership Order);
- bb. **“Receivership Obligations”** means the indebtedness, liabilities and obligations secured by the Receivership Charges;
- cc. **“Receivership Order”** has the meaning ascribed in paragraph 1 hereof;
- dd. **“Sale Approval and Vesting Order”** has the meaning ascribed at paragraph 41, hereof;
- ee. **“Sale Process Order”** has the meaning ascribed in paragraph 3 hereof;
- ff. **“Senior Debt”** means the debt owed by the Companies to the Senior Secured Creditor pursuant to the Senior Note and TCNC Guarantee, including all principal, interest and costs totaling \$16,637,348.37 as of January 27, 2022;
- gg. **“Senior Note”** means the secured grid promissory note issued by Cura to the Senior Secured Lender on March 1, 2019, accruing interest at a rate of 10% per annum, as amended, issued pursuant to the Credit Facility Agreement dated March 1, 2019, as amended;
- hh. **“Senior Secured Creditor”** means Avonlea-Drewry Holdings Inc. as holder of the Senior Note;
- ii. **“Senior Security”** means the security which secures the Senior Debt, without limitation including the general security agreement given by Cura in favour of the Senior Secured Creditor, dated March 1, 2019, the TCNC Pledge, the TCNC Guarantee and the TCNC Security;
- jj. **“SISP”** has the meaning ascribed in paragraph 3 hereof;
- kk. **“Stalking Horse APA”** means the Asset Purchase and Sale Agreement between the Receiver and the Stalking Horse Bidder, dated March 14, 2022, and approved by the Sale Process Order;

- ll. **“Stalking Horse Bid Amount”** has the meaning ascribed in paragraph 31(a) hereof;
- mm. **“Stalking Horse Bidder”** means the Senior Secured Creditor, or its nominee;
- nn. **“Starting Bid”** has the meaning ascribed at paragraph 36, hereof;
- oo. **“Subsequent Bid”** has the meaning ascribed at paragraph 37(k), hereof;
- pp. **“Successful Additional Bid”** has the meaning ascribed at paragraph 33(b), hereof;
- qq. **“Successful Additional Bidder”** has the meaning ascribed at paragraph 33(b), hereof;
- rr. **“Successful Bid”** has the meaning ascribed at paragraph 38, hereof;
- ss. **“Successful Bidder”** has the meaning ascribed in paragraph 38 hereof;
- tt. **“Superior Offer”** means a credible, reasonably certain and financially viable third party offer, or combination of offers, for:
 - i. the acquisition of all, substantially all, or certain of, the Property or Business contained in the Stalking Horse APA, or
 - ii. an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Company,

the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse APA, and which at a minimum, alone, or in combination with other offers, includes:

 - i. a payment in cash in the minimum amount of the Stalking Horse Bid Amount, being \$6,500,000;
 - ii. a payment in cash in the amount necessary to fully pay the aggregate of the Expense Reimbursement and Transaction Fee and the Receivership Obligations (which amount is currently estimated to be \$250,000), as at the closing of such transaction; and
 - iii. a payment in cash or an assumption of liabilities to satisfy any and all Prior Charges as at the closing of such transaction, which amount with respect to the Stalking Horse APA is estimated to be \$44,000;
- uu. **“TCNC”** has the meaning ascribed in paragraph 1 hereof;

- vv. **"TCNC Guarantee"** means the unlimited guarantee provided by TCNC in favour of the Senior Secured Creditor, dated March 1, 2019, given as assurance of payment to the Senior Secured Creditor of the Senior Debt;
- ww. **"TCNC Security"** means the security which secures the amounts payable by TCNC under the TCNC Guarantee, without limitation including the general security agreement given by TCNC in favour of the Senior Secured Creditor, dated March 1, 2019;
- xx. **"Teaser"** has the meaning ascribed in paragraph 18 hereof;
- yy. **"Template PSA"** means the form of template purchase and sale agreement posted by the Receiver to the VDR;
- zz. **"VDR"** has the meaning ascribed in paragraph 20 hereof;
- aaa. **"Winning Bid"** has the meaning ascribed at paragraph 38, hereof;

Stalking Horse APA

8. This SISP is intended to solicit interest in, and opportunities for either:
 - a. a sale or combination of sales of all or substantially all of the Business or Property of the Companies, whether through an asset purchase, share purchase or a combination thereof (**"Sale Proposal"**); or
 - b. for an investment in, restructuring, recapitalization, reorganization or refinancing of the Company or its Business (**"Investment Proposal"**);

(**"Opportunities"**, and each an **"Opportunity"**), or a combination of either.
9. The Receiver has entered into the Stalking Horse APA with the Stalking Horse Bidder, pursuant to which, if there is no Successful Bid from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will acquire property, as more particularly detailed in the Stalking Horse APA (the **"Property"**). The Stalking Horse APA is attached to the Sale Process Order, appended thereto as Schedule 1.1(d).
10. The Stalking Horse APA shall constitute a Qualified Bid for all purposes and at all times under this SISP.
11. The Stalking Horse APA has been entered into by the Receiver in furtherance of a competitive bidding process and all interested parties are encouraged to submit bids based on any form of Opportunity they may elect to advance pursuant to this SISP, including as a Sale Proposal or an Investment Proposal.
12. Certain bid protections, such as the Expense Reimbursement and Transaction Fee, have been approved under the Sale Process Order, in view of the Stalking Horse Bidder's efforts and

agreements to date and to facilitate a full and transparent process for solicitation of Opportunities. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to this SISP.

SISP Procedure

13. The SISP set forth herein describes, among other things, the Property and the Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder and the Court's approval thereof. The Receiver shall administer the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.
14. The Receiver will use reasonable efforts to complete the SISP in accordance with the timelines as set out in **APPENDIX A** hereto. The Receiver shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

As-Is, Where-Is

15. The sale of the Property and the Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Receiver or the Companies, or any of their respective agents, except to the extent set forth in the relevant final sale agreement with a Successful Bidder. Any representations, warranties, covenants or indemnities shall not be materially more favourable than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for such materially improved position.

Free of Any and All Claims and Interests

16. In the event of any sale(s), all of the rights, title and interests of the Companies in and to the Property and the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Receiver, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The terms for the vesting out of Claims and Interests by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse APA, except to the extent additional tangible monetary value of an equivalent amount is provided for such materially improved position.

Publication of Notice and Teaser

17. As soon as reasonably practicable after the granting of the SISP Approval Order by the Court, the Receiver shall cause a notice of the SISP and such other relevant information which the Receiver

considers appropriate, to be published in The Globe and Mail, National Post, Calgary Herald, Edmonton Journal, Vancouver Sun, Toronto Star and such other publications as the Receiver considers appropriate.

18. A non-confidential teaser letter prepared by the Receiver (the "**Teaser**"), describing the Opportunity and the SISP will be made available by the Receiver to prospective purchasers and will be posted on the Receiver's website as soon as practicable following the issuance of the SISP Approval Order.
19. A Confidential Information Memorandum ("**CIM**") describing the opportunity to acquire the Property and the Business will be made available by the Receiver to prospective purchasers that have executed a non-disclosure agreement with the Receiver, in a form satisfactory to the Receiver, and as more particularly set-forth below.
20. The Receiver will establish and populate a virtual data room (the "**VDR**") with such materials as are made available by the Companies to the Receiver in connection with the Receivership and as may be relevant or material to prospective purchasers for the purpose of performing due diligence on the Property and the Business.

Participation Requirements

21. In order to participate in the SISP, each person interested in bidding on the Property and/or the Business (a "**Potential Bidder**") must deliver to the Receiver, at the address specified at paragraph 50 hereof (including by email or fax transmission), and prior to the distribution of any confidential information by the Receiver to a Potential Bidder (including the CIM and access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Receiver, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid.
22. A Potential Bidder that has executed a non-disclosure agreement, as described above and who the Receiver determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Receiver. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

23. The Receiver shall provide any person deemed to be a Qualified Bidder with a copy of the CIM, access to the VDR, and such reasonably requested and available additional due diligence materials and information relating to the Property and the Business as the Receiver, may be able to reasonably obtain and thereafter deems appropriate for further inclusion in the VDR.
24. The Receiver and its respective advisors make no representation or warranty as to the information contained in the CIM, the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise expressly contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Receiver and approved by the Court.

Seeking Qualified Bids from Qualified Bidders

25. A Qualified Bidder that desires to make a bid for the Property or Business must deliver written copies of a final, binding proposal (the “**Final Bid**”) in the form of a fully executed purchase and sale agreement to the Receiver at the address specified at paragraph 50 hereof (including by email or fax transmission) so as to be received by it not later than 12:00 p.m. Calgary time on April 22, 2022, or such other date or time as may be agreed by the Receiver (the “**Final Bid Deadline**”).

Qualified Bids

26. A Final Bid will be considered a Qualified Bid only if it is submitted by a Qualified Bidder and the Final Bid complies with, among other things, the following (a “**Qualified Bid**”):

- a. it contains:
 - i. a duly executed purchase and sale agreement based on the Template PSA;
 - ii. a blackline/comparison of the executed purchase and sale agreement to the Template PSA; and
 - iii. a blackline of the executed purchase and sale agreement to the Stalking Horse APA, if it is a bid for any of the Property that is subject to the Stalking Horse APA;
- b. it includes a letter stating that the Final Bid is irrevocable until there is a selected Superior Offer, provided that if such Qualified Bidder is selected as the Successful Bidder, its Final Bid shall remain an irrevocable offer until the earlier of: (i) the completion of the sale to the Successful Bidder; and (ii) the Outside Date;
- c. it is not conditional upon obtaining financing, or it provides written evidence of a firm, irrevocable financial commitment for all required funding or financing;
- d. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- e. it is accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Receiver), or such other form of payment acceptable to the Receiver, payable to the order of the Receiver in trust, in an amount equal to at least 10% of the total consideration in the Qualified Bid to be held and dealt with in accordance with this SISP;
- f. it is not conditional upon further or unperformed due diligence by the Qualified Bidder;
- g. it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);

- h. it contains an agreement that the Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder, in the event the Successful Bidder fails to close; provided, however, that the Stalking Horse Bidder shall not be required to serve as Backup Bidder, except to the extent that the Stalking Horse Bidder elects to submit a Minimum Incremental Overbid in the Auction;
 - i. if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the aggregate consideration to be paid by the Qualified Bidder, alone, or in combination with other Qualified Bids, exceeds the aggregate of the total consideration payable pursuant to the Stalking Horse APA, by at least the Minimum Incremental Overbid;
 - j. if it is a bid for the Property that is included in the Stalking Horse APA, or a portion thereof, the bid, or bids as the case may be, alone or in the aggregate, shall provide for:
 - i. immediately available funds sufficient to pay the Receivership Obligations in full, as at the date of closing;
 - ii. immediately available funds sufficient to pay the Stalking Horse Bid Amount in full, as at the date of closing; and
 - iii. immediately available funds sufficient to pay, or an assumption of liabilities in an amount sufficient to indefeasibly settle, in full, all applicable Prior Charges; and
 - iv. immediately available funds to pay the Expense Reimbursement and Transaction Fee in full.
 - k. it is received by the Final Bid Deadline.
27. The Receiver may, in its discretion, waive compliance with any one or more of the requirements specified herein and deem any non-compliant bid to be a Qualified Bid.
28. The Receiver may, following the receipt of any bid, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Qualified Bid.
29. The Receiver shall notify each Qualified Bidder in writing as to whether its bid constitutes a Qualified Bid within five Business Days of the Final Bid Deadline, or at such later time as the Receiver deems appropriate.

Stalking Horse APA

30. Pursuant to the Stalking Horse APA, the Stalking Horse Bidder shall provide to the Receiver a cash deposit equivalent to ten percent (10%) of the Prior Charges, within five (5) Business Days of the approval of this SISP through the Sales Process Order, to be treated in accordance with the

Stalking Horse APA. The Receiver may elect to waive this requirement for the Stalking Horse Bidder, if the Receiver deems the Property to include sufficient cash to fully repay the Prior Charges.

31. The purchase price for the Property and the Business identified in the Stalking Horse APA includes:
- a. a non-cash credit bid in the amount of \$6,500,000 (the “**Stalking Horse Bid Amount**”), as specified in the Stalking Horse APA, resulting in that portion of the Senior Debt being satisfied in exchange for the acquisition of certain of the Property by the Stalking Horse Bidder; and
 - b. consideration in an amount sufficient to pay in full in cash on closing, or through the assumption of liabilities, all Prior Charges and Receivership Obligations; which consideration may be in the form of cash already comprising a portion of the Property.

No Superior Offers

32. If none of the Qualified Bids, or combination thereof, received constitute a Superior Offer, the Receiver shall promptly apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder.

Selection of Additional Successful Bid

33. If none of the Qualified Bids received relate to the same Property subject to the Stalking Horse APA (each an “**Additional Bid**”):
- a. the Receiver shall, as soon as practicable, apply to the Court for an order approving the Stalking Horse APA and vesting title to the Property subject to the Stalking Horse APA in the name of the Stalking Horse Bidder; and
 - b. the Receiver shall review and evaluate each Additional Bid and identify the highest or otherwise best bid (the “**Successful Additional Bid**”, and the Qualified Bidder making such Successful Additional Bid, the “**Successful Additional Bidder**”).
34. Any Successful Additional Bid shall be subject to approval by the Court in accordance with paragraph 41 hereof.

If a Superior Offer is Received

35. If the Receiver determines that one or more, or a combination thereof, of the Qualified Bids constitutes a Superior Offer, the Receiver shall provide the parties making Superior Offer(s) and the Stalking Horse Bidder the opportunity to make further bids through the auction process set out below (the “**Auction**”).
36. The Receiver will provide unredacted copies of the Qualified Bid(s) which the Receiver believes is (individually or in the aggregate) the highest or otherwise best Qualified Bid(s) (the “**Starting Bid**”)

to the Stalking Horse Bidder and to all Qualified Bidders that have made a Superior Offer, prior to 5:00 p.m. (MST) on April 29, 2022. Prior to 12:00 p.m. (MST) on May 4, 2022, each Qualified Bidder that has made a Superior Offer and the Stalking Horse Bidder, must inform the Receiver whether it intends to participate in the Auction (the parties who so inform the Receiver being hereinafter referred to as the “**Auction Bidder(s)**”).

Auction

37. In the event that the Auction is required in accordance with the terms of this SISP, it shall be conducted in accordance with the procedures set forth in this paragraph:
- a. The Auction shall commence at 10:00 a.m. (Calgary time) on May 6, 2022, at the Calgary offices of Cassels Brock & Blackwell LLP, being Suite 3810, Bankers Hall West, 888 3 St SW, Calgary Alberta, or such other place (including remotely by videoconference) and time as determined by the Receiver and communicated reasonably in advance to all entities entitled to attend at the Auction.
 - b. The Auction shall continue thereafter until completed, subject to such adjournments as the Receiver may consider appropriate.
 - c. Notwithstanding the foregoing, if circumstances do not permit the Auction to be held in person, the Receiver shall work with the parties entitled to attend the Auction to arrange for the Auction to be held via videoconference or teleconference, or such other reasonable means as the Receiver deems appropriate.
 - d. The Receiver may cancel or postpone the Auction, if it determines such action to be necessary, in its discretion.
 - e. Except as otherwise set forth herein, the Receiver may waive and/or employ and announce at the Auction additional rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are:
 - i. not inconsistent with the Receivership Order, the SISP, or any other order of the Court entered in connection with the receivership proceedings;
 - ii. disclosed to each Auction Bidder; and
 - iii. designed, in the Receiver’s discretion, to result in the highest and otherwise best offer.
 - f. Except as otherwise permitted in the Receiver’s discretion, only the Receiver and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.

- g. The Receiver shall arrange for the actual bidding at the Auction to be transcribed or recorded. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction.
- h. Each Auction Bidder must confirm on the record, at the commencement of the Auction and again at the conclusion of the Auction, that it has not engaged in any collusion with the Companies, the Receiver, or any other person, regarding the SISP or any information that has not been disclosed to all other Auction Bidders.
- i. Only the Auction Bidders will be entitled to make any Subsequent Bids at the Auction; provided, however, that in the event that any Qualified Bidder elects not to attend and/or participate in the Auction, such Qualified Bidder's Qualified Bid, shall nevertheless remain fully enforceable against such Qualified Bidder if it is selected as the Winning Bid.
- j. All Subsequent Bids presented during the Auction shall be made and received in one room on an open basis. All Auction Bidders will be entitled to be present for all Subsequent Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction and that all material terms of each Subsequent Bid will be fully disclosed to all other Auction Bidders throughout the entire Auction.
- k. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding, so long as during each round at least one subsequent bid is submitted by an Auction Bidder (a "**Subsequent Bid**") that the Receiver determines is: (A) for the first round, a higher or otherwise better offer than the Starting Bid; and (B) for subsequent rounds, a higher or otherwise better offer than the Leading Bid; in each case by at least the Minimum Incremental Overbid.
- l. Each bid at the Auction must exceed the Starting Bid or the Leading Bid, as the case may be, by at least the Minimum Incremental Overbid. A Subsequent Bid, increased by at least the Minimum Incremental Overbid, may be increased through any of:
 - i. in the case of the Stalking Horse Bidder, the further reduction of Senior Debt, if applicable; or
 - ii. in the case of any Subsequent Bid, including a bid by the Stalking Horse Bidder, the payment of additional cash or additional tangible monetary value of an equivalent amount;
- m. After the first round of bidding and between each subsequent round of bidding, the Receiver shall announce the bid, or combination of bids, (including the aggregate value, including assumed liabilities, if any, and material terms thereof) that it believes to be the highest or otherwise best offer(s) (the "**Leading Bid**"). A round of bidding will conclude

after each Auction Bidder has had the opportunity to submit a Subsequent Bid with full knowledge of the Leading Bid in that round.

- n. The Stalking Horse Bidder shall be permitted, in its sole discretion, to submit Subsequent Bids, provided however, that such Subsequent Bids are made in accordance with these Auction rules.
 - o. To the extent not previously provided (which shall be determined by the Receiver), an Auction Bidder submitting a Subsequent Bid must submit, at the Receiver's discretion, as part of its Subsequent Bid, written evidence (in the form of financial disclosure or credit-quality support information reasonably acceptable to the Receiver), demonstrating such Auction Bidder's financial wherewithal and ability to close the transaction proposed by the Subsequent Bid. If the Stalking Horse Bidder submits a Subsequent Bid, this paragraph shall only apply to the Stalking Horse Bidder if the cash portion of the Purchase Price in the Stalking Horse Bidder's Subsequent Bid is in excess of the cash portion of the Purchase Price in the Stalking Horse APA.
 - p. The Receiver reserves the right to make one or more adjournments in the Auction of not more than 24 hours each, to among other things:
 - i. facilitate discussions between the Receiver and the Auction Bidders;
 - ii. allow individual Auction Bidders to consider how they wish to proceed;
 - iii. consider and determine the current highest and best offer(s) at any given time in the Auction; and
 - iv. give Auction Bidders the opportunity to provide the Receiver with such additional evidence as the Receiver, in its discretion, may require, to demonstrate the Auction Bidder (including, as may be applicable, the Stalking Horse Bidder) has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Leading Bid amount.
 - q. If, in any round of bidding, no new Subsequent Bid is made, the Auction shall be closed.
 - r. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Receiver.
 - s. No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
38. At the end of the Auction, the Receiver shall select the winning bid, or combination of winning bids, in its discretion (the "**Winning Bid**"). The Receiver will negotiate a definitive agreement in

respect of the Winning Bid, in accordance with the provisions hereof, and the Winning Bid shall thereafter be the “**Successful Bid(s)**” (the person(s) who made the Successful Bid(s), being the “**Successful Bidder(s)**”). If the Stalking Horse Bidder is not a Successful Bidder, the Receiver shall pay to the Stalking Horse Bidder the Expense Reimbursement and Transaction Fee out of the proceeds of the closing of the Successful Bid(s).

39. Notwithstanding anything in this SISP to the contrary, if an Auction is conducted, the Qualified Bidder with the second highest or otherwise best Qualified Bid at the Auction, as determined by the Receiver, will be designated as the backup bidder (the “**Backup Bidder**”); provided that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide a Minimum Incremental Overbid in the Auction.
40. The Backup Bidder shall be required to keep its initial Qualified Bid, or if the Backup Bidder submitted one or more Minimum Incremental Overbids at the Auction, the Backup Bidder’s final Minimum Incremental Overbid (the “**Backup Bid**”), open until the earlier of: i) two Business Days after the date of closing of the Successful Bid; and ii) the Outside Date.

Approval Motion

41. The Receiver shall apply to the Court (the “**Approval Motion**”) for an order (the “**Sale Approval and Vesting Order**”) approving the Successful Bid, the Successful Additional Bid (if applicable), and the Backup Bid (if applicable), and authorizing the Receiver to enter into any and all necessary agreements with respect to the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder, as the case may be, as well as an order vesting title to the Property subject to such bid or bids in the name of the Successful Bidder, the Successful Additional Bidder, and/or the Backup Bidder as the case may be.
42. The Approval Motion will be held on a date to be set by the Receiver, through coordination with the Court. The Approval Motion may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Motion or in a notice to the Receiver’s compiled service list prior to the Approval Motion.
43. All Qualified Bids and Subsequent Bids (other than the Successful Bid, the Successful Additional Bid, and/or the Backup Bid, as the case may be) shall be deemed rejected on and as of the date and granting of the Sale Approval and Vesting Order by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

44. All Deposits shall be retained by the Receiver and invested in a non-interest bearing trust account. If there is a Successful Bid or a Successful Additional Bid, the Deposit paid by the Successful Bidder or Successful Additional Bidder, whose bid is approved at the Approval Motion, shall be applied to the purchase price to be paid by the Successful Bidder or the Successful Additional Bidder, as the case may be, upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as either a Successful Bidder or a Successful Additional Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the

Sale Approval and Vesting Order is granted by the Court. If there is no Successful Bid, all Deposits shall be returned to the bidders within five (5) Business Days of the date upon which this SISP is terminated in accordance with these procedures.

Approvals

45. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the applicable law in order to implement a successful Bid.

Confidentiality

46. Apart from as required in connection with any Auction or Approval Motion, wherein the Receiver will file a report to the Court in its discretion disclosing such information and materials as the Receiver deems warranted in its discretion, the Receiver will not publicly disclose: i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder); or ii) the terms of any bid, Sale Proposal, Investment Proposal or Qualified Bid (other than the Stalking Horse APA), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

47. At any time during the SISP, the Receiver may apply to the Court for advice and directions with respect to any aspect of the SISP or the discharge of its powers and duties.

Amendments

48. This SISP shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Receiver to the extent necessary or advisable to comply with same.
49. The Receiver may modify the SISP and the deadlines set out herein if such modification, in its discretion, will enhance the process or better achieve the objectives of the SISP.

Notices

50. Correspondence and notices, including relating to this SISP and bidding herein, may be directed to the Receiver as follows:

KPMG Inc., in its capacity as receiver and manager of
Cura-Can Health Corp. and The Clinic Network Canada Inc.

3100 - 205 5th Ave SW
Calgary, AB T2P 4B9

Attention: Huey Lee / Joe Sitholé

Email: hueylee@kpmg.ca / jsithole@kpmg.ca

with a copy to:

Cassels Brock & Blackwell LLP

Bankers Hall West
3810, 888 3rd Street SW
Calgary, AB T2P 5C5

Attention: Jeffrey Oliver

Email: joliver@cassels.com

APPENDIX "A"
To the Procedure for the Sales and Investment Solicitation Process of
Cura-Can Health Corp. and The Clinic Network Canada Inc.

TIMELINE

| Event | Date |
|--|---|
| Publication of Opportunity and SISP by Receiver and posting on website: https://home.kpmg/ca/en/home/services/advisory/deal-advisory/creditorlinks/cura-can-health-corp.html | As soon as practical following the granting of the SISP Approval Order |
| Receiver to distribute teaser to potential bidders | As soon as practical following the granting of the SISP Approval Order |
| Receiver to prepare CIM and VDR for potential bidders | As soon as practical following the granting of the SISP Approval Order |
| FINAL BID DEADLINE | April 22, 2022 |
| Notification sent to Qualified Bidders if they submitted a Qualified Bid | April 27, 2022 |
| Approval Motion of Stalking Horse APA if no Superior Offers received | As soon as practical following the Final Bid Deadline |
| Notice to Qualified Bidders who have made Superior Offers of intention to participate in Auction (if required) | April 29, 2022 |
| Qualified Bidders who have made a Super Offer to notify Receiver of intention to participate in Auction (if required) | May 4, 2022 |
| AUCTION (if required) | May 6, 2022 |
| Approval Motion for Successful Bid and/or Successful Additional Bid | As soon as practical following the Auction, or in the case of a Successful Additional Bid, the Final Bid Deadline |

Schedule 1.1(kkk)

List of Actions

1. *The Clinic Network Canada Inc. v Dr. Shikha Mittoo and Mittoo Medicine Professional Corporation* (Ontario Superior Court of Justice File No. CV-21-00660081-0000)
2. *Cura-Can Health Corporation v Animus Capital Partners Inc.* (Alberta Court of Queen's Bench File No. 2101-02785)