

**THE KING'S BENCH
WINNIPEG CENTRE**

**IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY
ACT*, R.S.C. 1985 c.B-3, AS AMENDED AND SECTION 55
OF *THE KING'S BENCH ACT*, C.C.S.M. c.C280**

BETWEEN:

BANK OF MONTREAL

Applicant,

-and-

GENESUS INC., CAN-AM GENETICS INC., AND GENESUS GENETICS INC.

Respondent.

**FIRST REPORT OF BDO CANADA LIMITED,
IN ITS CAPACITY AS COURT APPOINTED RECEIVER OF
GENESUS INC., CAN-AM GENETICS INC., AND GENESUS GENETICS INC.**

JULY 2, 2024

RECEIVER

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INTRODUCTION

1. On June 11, 2024, Bank of Montreal (“**BMO**” or the “**Applicant**”) made an application to the Court of King’s Bench for Manitoba (the “**Court**”) seeking an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the “**BIA**”), to appoint BDO Canada Limited (“**BDO**”) as receiver and manager (the “**Receiver**”), without security, of all the assets, undertakings, and properties (the “**Property**”) of Genesus Inc. (“**Genesus**”), Can-Am Genetics Inc. (“**Can-Am**”), and Genesus Genetics Inc. (“**GGI**”) (collectively the “**Debtors**” or the “**Companies**”) acquired for or used in relation to the business carried on by the Companies. On June 11, 2024 (the “**Date of Receivership**”), the Honourable Justice Chartier granted an order (the “**Receivership Order**”) appointing BDO as Receiver in respect of the Property. A copy of the Receivership Order is attached hereto as **Appendix A** and other information regarding the receivership proceedings can be accessed on the Receiver’s website at <https://www.bdo.ca/en-ca/extranets/GenesusInc>.
2. The Receiver’s powers are detailed in Paragraph 3 of the Receivership Order which provides, *inter alia*, for the following:
 - (a) To take and maintain possession of the Property;
 - (b) To sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business;
 - (c) With respect of the Property which is livestock, to sell all or some of the livestock to slaughterhouses at market prices, without the further approval of this Court;
 - (d) With respect of Property which is not livestock, to sell any or all of the Property, without the further approval of the Court, in a transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000;

- (e) Apply for any vesting order or other 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; and
 - (f) 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 \$500,000 or such greater amount as the Court may by further Order authorize (the “**Borrowing Facility**”).
3. This report constitutes the first report of the Receiver (the “**First Report**”), and is being filed to inform the Court as to the following:
- (a) The activities of the Receiver since the Date of Receivership;
 - (b) Details of the Companies’ assets and liabilities including charges, security interests, and encumbrances registered against the Property;
 - (c) A summary of the Companies’ efforts to sell the business prior to the Date of Receivership; and
 - (d) An offer to purchase specific assets (the “**Assets**”) of Genesis and Can-Am from Canada ZF Investments Inc. (“**Canada ZF**” or the “**Purchaser**”).
4. Furthermore, this First Report, along with the Confidential Supplement to the First Report dated July 1, 2024 (the “**Confidential Supplement**”) is being filed in support of the Receiver’s motion to this Honourable Court on July 4, 2024, seeking the following:
- (a) Approval of the asset purchase agreement (the “**APA**”) and the transaction (the “**Transaction**”) with Canada ZF;
 - (b) An Order sealing the Confidential Supplement in the Court file given the commercial sensitivity of the information detailed therein; and

- (c) Approval of the First Report, and the reported actions of the Receiver since the Date of Receivership in respect of administering these receivership proceedings, including the approval of the Receiver's statement of receipts and disbursements for the period ended June 28, 2024.

TERMS OF REFERENCE

5. In preparing this First Report, the Receiver has relied upon unaudited financial information, the books and records of the Companies, and discussions with former management of the Companies ("**Management**"), interested parties, and the stakeholders of the Companies.
6. The financial information of the Companies has not been audited, reviewed or otherwise verified by the Receiver as to its accuracy or completeness, nor has it necessarily been prepared in accordance with generally accepted accounting principles and the reader is cautioned that this First Report may not disclose all significant matters about the Companies. Additionally, none of the Receiver's procedures were intended to disclose defalcations or other irregularities. If the Receiver were to perform additional procedures or to undertake an audit examination of the financial statements in accordance with generally accepted auditing standards, additional matters may have come to the Receiver's attention. Accordingly, the Receiver does not express an opinion nor does it provide any other form of assurance on the financial or other information presented herein. The Receiver may refine or alter its observations as further information is obtained or brought to its attention after the date of this First Report.
7. Unless otherwise stated, all monetary amounts contained in this First Report are expressed in Canadian dollars.
8. Capitalized terms used in this First Report but not defined herein are as defined in the Receivership Order.

BACKGROUND

9. Genesis is a private company incorporated under the laws of the Province of Manitoba on

April 1, 2018. The directors are Robert Kemp (“**Mr. Kemp**”), James Long (“**Mr. Long**”), Michael Van Schepdael (“**Mr. M. Van Schepdael**”), and Daniel Van Schepdael (“**Mr. D. Van Schepdael**”). Genesis sells a range of swine genetics products and services, including breeding stock, semen, and technical support services to hog producers. Genesis specializes in hyper-prolific gilts, which produce litters of twenty (20) or more piglets compared to the industry average of eight (8) to twelve (12) piglets produced from other hog genotypes. The Companies’ gilts are produced from the world’s largest registered purebred herd. Genesis is headquartered in Oakville, Manitoba and holds ownership interests in various entities worldwide.

10. Can-Am is a private company incorporated under the laws of the Province of Manitoba on December 31, 1998. The directors are Mr. Kemp, Mr. Long, Mr. D. Van Schepdael, and Mr. M. Van Schepdael. Can-Am provides Genesis with purebred swine for commercial production, along with various research and development activities focused on improving herd health and productivities. Can-Am is headquartered in Oakville, Manitoba and is wholly owned by Genesis.
11. GGI is a US subsidiary of Genesis and is wholly owned by 10012514 Manitoba Limited (“**514 Manitoba**”). Mr. Long, Mr. Kemp, Mr. M. Van Schepdael, and Mr. D. Van Schepdael own 514 Manitoba. GGI was headquartered in Sioux Falls, South Dakota, with operations similar in scope to Genesis in terms of commercial hog production. However, based on discussions with Management, GGI operations have been wound down with all assets being sold, and only five (5) employees remain (three (3) sales agents, one (1) genetic researcher, and one (1) office person).

12. For ease of reference the below chart describes the Manitoba operations of the Companies. Capitalized Terms not defined are defined hereafter.

Debtor	Property	Owned or Leased	Operator	Nature of Operations
Genesis	Designed Genetic Ltd. (the “DGL Property”)	Leased	Genesis	5,423 sows, boars, & piglets
	Oakville Property	Owned	N/A	Office property
	Park Blvd. Property	Owned	N/A	Residential property
Can-Am	Riverdale Property	Owned	Can-Am	2,500 sows, boars, & piglets
	Bagot Property	Owned	N/A	No operations
	Bradwardine Property	Owned	N/A	Residential property
	Prairie Blossom	Leased	PBH	722 sows & piglets
	The Boar Station	Leased	TBS	130 Boars
GGI	None identified			

13. The Companies’ revenues were primarily generated from the sale of breeding stock, culls, and barrows; artificial insemination; contract royalties; and technical/genetic fees.
14. BMO is the principal secured lender to the Companies in respect of the Property and holds various first ranking security positions as against the Property. Farm Credit Canada (“FCC”) holds a first mortgage over a residential property located in Winnipeg, Manitoba (the “Park Blvd. Property”), and also has a general security agreement. Based on discussions with BMO and FCC, as at the Date of Receivership, BMO is owed approximately \$6.3 million (plus legal fees, costs, and expenses) and FCC is owed approximately \$1.0 million (plus legal fees, costs, and expenses).

Possession and Control of the Property

15. On the Date of Receivership, the Receiver attended at the Premises (as defined below) and took steps to take possession and control of the Companies and the Property, which included changing certain of the locks and ensuring that the Premises were secure. The Receiver terminated all of the Companies' employees effective June 15, 2024, and engaged certain of the former employees on a contract basis thereafter in contemplation of an orderly winddown of operations, and to assist with the administration of the receivership proceedings, care of the herd, and for ongoing monitoring of the Premises.
16. Although Management had represented to the Receiver that the Companies had insurance coverage in place on the Date of the Receivership, upon contacting BFL Canada Risk and Insurance Services Inc. ("**BFL**"), the Companies' insurance broker, the Receiver was advised that the Companies' insurance policy had lapsed in 2023 in respect of the Riverdale Property, the Bagot Property, , the Oakville Property (as defined below), and the swine herd. Accordingly, immediately following its appointment, the Receiver reached out to three (3) insurance agents, BFL, Firstbrook, Cassie & Anderson Ltd. ("**FCA**"), and Brokerlink Inc. ("**Brokerlink**") to attempt to arrange for property and liability insurance coverage. As at the date of this First Report, the Receiver is still corresponding with BFL and FCA in respect of ongoing insurance coverage.
17. On June 17, 2024, the Receiver was made aware that the Riverdale Property (defined below) incurred roof damage as a result of inclement weather. Initially the Receiver was informed that the damage was relatively minor and could be easily repaired; however, on June 27, 2024, it was determined that the section damaged were missing trusses and would require replacement.

ACTIVITIES OF THE RECEIVER

18. Since the Date of Receivership, the Receiver has undertaken the following activities with respect to the Property:
 - (a) attended onsite at the Park Blvd. Property on the Date of Receivership to meet with

Mr. Long and to take possession and control of the Park Blvd. Property;

- (b) arranged for certain of the locks to be changed at the Riverdale Property, the Bagot Property, and the Oakville Property (all as defined below) (collectively with the Park Blvd., the “**Premises**”);
- (c) terminated all employees of the Companies, and made arrangements with certain former employees to assist the Receiver on an as needed basis;
- (d) corresponded with BFL, FCA, and BrokerLink to arrange for new insurance coverage for the Property and Premises as the Companies previous policy had lapsed prior to the Date of Receivership;
- (e) arranged for the redirection of mail;
- (f) completed statutory reporting and notice requirements under the BIA, attached hereto as **Appendix B**;
- (g) corresponded with third parties who asserted an interest in certain Property located on the Premises, and released the Receiver’s interest therein as appropriate;
- (h) commenced the administration of the Wage Earner Protection Program (“**WEPP**”) for former employees;
- (i) corresponded with auctioneers and prospective parties who had previously expressed an interest in the Property, to assist with developing a sales process for the Companies’ assets, which included the liquidation of the herd and the listing of the real property in the event that the APA could not be agreed upon or the Transaction is not approved;
- (j) negotiated the APA with Canada ZF; and
- (k) prepared, reviewed, and finalized this First Report and the Confidential Supplement.

OPERATIONS

19. As at the Date of Receivership, the Companies had not yet ceased operations, had two (2) operating barn locations (one (1) owned (the Riverdale Property) and one (1) leased (the DGL Property)), employed approximately forty-one (42) employees (one which was on parental leave), and had approximately 10,000 swine.
20. Prior to the appointment of the Receiver, GGI operations had ceased, and the assets were sold in order to fund ongoing operations of Genesis and Can-Am, and to satisfy certain obligations of GGI in the United States.
21. The Receiver terminated all employees of the Company on June 15, 2024, and continued with operations on temporary basis as it considered alternatives for an orderly winddown of operations by the end of July 2024. The Receiver retained certain former employees on a contract basis to assist with ongoing operations, the administration of the receivership proceedings, care for the swine, and to attend at the Premises on a periodic basis to comply with attendance requirements under any insurance policy.

ASSETS

Accounts Receivable

22. As at the date of this First Report, the Receiver continues to work with the accounting staff of the Companies to review customer accounts and the accounts receivable balance. Based on discussions with the accounting staff, invoices were created in excel and were not always recorded in the Companies' accounting system. Additionally, intercompany transactions were not reconciled, and monthly bank reconciliations were not being prepared on a consistent basis.
23. As at the Date of Receivership, based on the current state of the books and records of the Companies, total accounts receivable approximated \$8.2 million (i.e., approximately \$7.7 million in Genesis, and approximately \$511,000 in Can-Am).
24. As at the date of this First Report, based on discussions with the accounting staff, information is now complete and entered into the accounting system up to December

2023. However, until fiscal 2024 is completed by the accounting staff, it will be challenging for the Receiver to pursue collection of the outstanding accounts receivable owing to the Companies.

Inventory

25. As at the date of this First Report, as set out above at paragraph 12 the Companies have swine at four (4) locations, two (2) of which are operated by third parties and two (2) of which are operated by the Companies. The table below summarizes the number of swine at each location, and the ownership of same:

Property Name	Ownership	Operator	Count
DGL Property	Designed Genetics Ltd. (“DGL”)	Genesis	5,423
Riverdale Property	Can-Am	Can-Am	2,500
Prairie Blossom	Prairie Blossom Honey Co. Limited (“PBH”)	PBH	722
The Boar Station	The Boar Station (“TBS”)	TBS	130
Total			8,775

26. As at the Date of Receivership, Genesis’ financial statements disclosed inventory with an aggregate book value of approximately \$2.3 million and Can-Am’s financial statements disclosed inventory with an aggregate book value of approximately \$951,000.

Furniture, Fixtures, and Equipment

27. As at the Date of Receivership, Genesis’ internal financial statements (as at June 13, 2024) disclosed the following net book values for furniture, fixtures, and equipment (“FFE”):

Description	Net Book Value
Computer equipment	\$16,214
Technical equipment	70,957
Barn equipment	135,844
Furniture	38,912
Vehicles	47,616
Shop equipment	12,333
Total	\$321,876

28. As at the Date of Receivership, Can-Am’s financial statements (as at June 13, 2024) disclosed the following net book values for FFE:

Asset Type	Net Book Value
Computer equipment	\$63
Technical equipment	6,148
Barn equipment	88,699
Vehicles	31,878
Office equipment	279
Total	\$127,067

29. Given that the Companies did not have detailed supporting records for FFE, on June 11, 2024, the Receiver arranged for certain former employees to attend the various Premises to compile more fulsome FFE listings.

Land and Buildings

30. Can-Am owns the following three (3) properties:
- (a) a barn on an approximate 80-acre parcel of land located at the legal address of PT NW-21-12-22W, and an approximate 159-acre parcel of land located at SW-21-12-22W, in Riverdale, Manitoba (collectively, the “**Riverdale Property**”);
 - (b) a barn on an approximate 39-acre parcel of land located at the legal address of Pt SE-16-11-9W, in North Norfolk, Manitoba (the “**Bagot Property**”); and
 - (c) an uninhabitable residence located in Bradwardine, Manitoba at the legal address 16/17-3-190 (the “**Bradwardine Property**”).
31. Genesis owns the following two (2) properties:
- (a) a main office location at 101 2nd Street in Oakville, Manitoba, (the “**Oakville Property**”) legally described as:
 - (i) Parcel 1: Lot 4 and the NLY 50 Feet Perp of Lot 5 Block 1 Plan 226 PLTO in NW1/4 18-11-4 WPM;
 - (ii) Parcel 2: Lots 3 and 5 Block 1 Plan 226 PLTO, EXC Firstly: out of Lot 5 the NLY 50 feet Perp and Secondly: All mines and Minerals vested in the Crown (Manitoba) by the Real Property Act in NW ¼ 18-11-4 WPM; and

(b) The Park Blvd. Property legally described as:

(i) Lot 25 & 26 Block 41 Plan 1714 Parish of St. Charles, Manitoba.

Shares in other Entities

32. Genesis is the 100% shareholder of the following two (2) entities:

(a) Genesis Life Science, a Russian based entity; and

(b) Genesis Sarl, a France based entity.

33. The Receiver is in the process of reviewing the financial statements of these entities and the possible value of same.

LIABILITIES

Secured Creditors

34. On June 11, 2024, the Receiver conducted a search of the Manitoba Personal Property Security Registry (“**MB PPR**”) in respect of the Debtors, noting the below registrations:

Creditor	Type of Claim	Amount
BMO	General security agreement	\$6.3 million
FCC	General security agreement; a mortgage	1.0 million
Total		\$7.3 million

Other MB PPR registrations are noted at paragraphs 22 and 23 of the Affidavit of Ed Barrington affirmed February 9, 2024.

35. The Receiver has requested that its independent legal counsel, MLT Aikins, complete an independent security review in respect of the Companies.

36. In addition to the above, DGI has claim an ownership interest in the livestock located at the DGI Property, or in the alternative lien rights pursuant to *The Stable Keepers Act*. The Receiver’s legal counsel is still reviewing the material provided.

Priority Claims

Wage Earner Protection Program

37. Due to the nature of the business, employees were paid their final payroll on June 14, 2024. This payment was made to ensure the Receiver maintained the cooperation of staff necessary for the immediate health and welfare of the herd.
38. Genesus had twenty-seven (27) employees. These employees are owed approximately \$68,500 in vacation pay and approximately \$95,000 in termination pay. The estimated super-priority payment under the WEPP for Genesus is approximately \$25,000.
39. Can-Am had seven (7) employees which are owed approximately \$6,000 in vacation pay and approximately \$17,440 in termination pay. The estimated super-priority payment under the WEPP for Can-Am is approximately \$6,000.
40. GGI had five (5) employees located in the United States, in addition to three (3) contract employees.

Canada Revenue Agency ("CRA")

41. Based on the payroll summaries obtained by the Receiver, the Companies appear to be current with all statutory remittances for source deductions, and the Receiver has requested that CRA complete a trust audit in respect of same.
42. The Receiver is still trying to determine any potential amounts owing for PST, GST, HST, or any other taxes collectible by the CRA or Provincial taxation authorities.

Property Taxes

43. Based on discussions with Management, property tax payments have not been made since 2022 on most of the properties. The Receiver is corresponding with the respective municipalities to obtain the necessary information to determine the amounts outstanding by property.

Unsecured Creditors

44. As at the Date of Receivership, based on the books and records of the Companies, the following amounts are owed to unsecured creditors:

- (a) Genesis – approximately \$10.6 million;
- (b) Can-Am – approximately \$1.4 million; and
- (c) GGI – approximately 4.2 million.

SALES PROCESS BY THE COMPANIES

45. On March 13, 2023, BDO was retained by BMO as financial advisor (the “**Financial Advisor**”) to provide certain financial consulting services to BMO. The Financial Advisor appointment also included assessing restructuring options available to the Companies, assisting with the preparation of cashflow projections, and interacting with various interested stakeholders.

46. After completion of the Financial Advisor services, BDO was further engaged by BMO to monitor the operations of the Companies from October 1, 2023, to January 15, 2024.

47. During the period August 2023 to May 2024 (the “**Solicitation Period**”), Management attempted to solicit interest from various parties in an attempt to culminate an asset or share sale transaction. Beginning in October 2023, BDO commenced discussions with five (5) prospective purchasers. Based on discussions with Management, nondisclosure agreements (“**NDA**s”) were signed, and financial information was shared with the four (4) parties during the Solicitation Period.

48. In August 2023, the Companies and prospective purchaser one held initial discussions about a potential acquisition. Prospective purchaser one is a large swine genetic company and is publicly traded.

49. After the initial discussion with prospective purchaser one, an NDA was entered into by both parties. The Companies provided extensive documentation (i.e., financial statements,

contracts, details regarding various parties, etc.), held various videoconference and telephone conference calls. At the end of October 2023, prospective purchaser one completed its due diligence process and determined that it was not going to pursue opportunity.

50. In October 2023, the Companies began discussions with two (2) additional competitors about a potential purchase: Prospective purchaser two, a multi-species animal breeding, genetics, and technology company; and prospective purchaser three, a leading company in pig genetics, specializing in the breeding and development of pigs tailored for efficient pork production.
51. After initial discussions with prospective purchase two and three, the Companies entered into NDAs with both parties. The Companies provided extensive documentation for both parties to begin their due diligence process
52. The Companies and prospective purchaser two met in person on multiple occasions for negotiations and on four separate occasions the Financial Advisor was part of the discussions *via* conference call. After completion of prospective purchaser two's due diligence process, prospective purchaser two completed its due diligence process and determined that it was not going to pursue opportunity.
53. The Companies and prospective purchaser three meet once in person for negotiations and on one occasion the Financial Advisor was part of the discussions *via* conference call. After completion of prospective purchaser completed its due diligence process and determined that it was not going to pursue opportunity.
54. In January 2024, prospective purchaser four, a private equity fund focusing on agriculture and sustainable production, initiated discussions about purchasing the Companies. After the initial discussion with prospective purchaser four an NDA was entered into between the parties. Once the NDA extensive documentation being supplied by the Companies, and various videoconference and telephone conference occurred. After completion of prospective purchase completed its due diligence process and determined that it was not going to pursue opportunity. In March 2024, potential purchaser five, a private equity

fund, initiated discussions about purchasing the Companies. However, these discussions did not pursue after an initial discussion with the Financial Advisor.

OFFER FROM CANADA ZF INVESTMENT LTD

55. On March 26, 2024, the Companies initiated discussions with Canada ZF. On April 8, 2024, these discussions lead to a call between legal counsel for Canada ZF and BDO to discuss how a potential sale of the Companies could occur prior to or after the appointment of a Receiver.
56. On or about May 14, 2024, a term sheet was provided to the Companies by Canada ZF. On May 21, 2024, the Companies returned a signed term sheet. The term sheet contemplated the purchase of the Companies by way of a reverse vesting order in order to complete the purchase of the shares of both Can-Am and Genesis.
57. Following its appointment, the Purchaser initiated discussions with the Receiver regarding the purchase of certain assets and shares, further discussions ensued, and the parties began negotiating a draft APA. After due diligence and further negotiations, the APA was finalized on June 28, 2024. A redacted copy of the APA is attached hereto as Appendix C, and an unredacted version of the APA is attached to the Confidential Supplement as Appendix A.
58. The APA contemplates the purchase of the following assets:
 - (a) all the swine of Can-Am and Genesis;
 - (b) various intellectual property;
 - (c) The First Power In Genetics Genesis (Canada & USA) and Genesis (Canada & USA) trademarks;
 - (d) various software and documentation;
 - (e) the Oakville Property; and
 - (f) the Riverdale Property.

59. Additionally, the APA includes the assignment of a number of contracts to the Purchaser. Several of the contracts require “cure costs” to be paid to vendors, all of which are to be assumed by Canada ZF. The Purchaser has advised the Receiver that it is capable of performing the obligations of Genesus under the assigned contracts. Genesus’ primary obligation under the contracts to be assigned under the APA is pay for services provided thereunder.
60. Salient terms of the APA are as follows:
- (a) the acquisition of the Assets will be on an “as is where is” basis, with no representations or warranties;
 - (b) initial deposit will occur one (1) business day after execution of the APA (due July 2, 2024);
 - (c) a second deposit will occur within five (5) business’ days after execution of the APA (due July 8, 2024);
 - (d) closing date to be the later of the third business day after the granting of the approval and vesting order and the assignment order; the third business day after dismissal or withdrawal of any appeal; or such other date as the parties may agree to in writing from time to time.
61. The Receiver recommends that the APA and the Transaction be approved by the Court, for the following reasons:
- (a) four (4) other interested parties contemplated the acquisition opportunity involving the Companies, and all decided not to pursue a transaction;
 - (b) certain employees will be re-employed by the Purchaser;
 - (c) the consideration to be provided under the APA exceeds the expected realizations from an orderly liquidation (an orderly liquidation would take at least a month) of the Assets;

- (d) the Transaction will eliminate the Receiver's ongoing operating costs, holding costs, all costs and risks associated with animal husbandry and hog production in general;
 - (e) BMO and FCC are supportive of the APA and the Transaction; and
 - (f) the APA and the Transaction are fair and reasonable in the circumstances, in the opinion of the Receiver.
62. Furthermore, it is the position of the Receiver that the specific information pertaining to the APA is sensitive in nature and should be sealed and kept confidential until the closing of the Transaction or further order of the Court. If this Honourable Court does not grant an order approving the APA and the Transaction as recommended by the Receiver, or if the Transaction does not close, the Receiver is concerned that efforts to re-market the assets would be impaired by disclosing the details of the APA.

PLAN FOR REMAINING ASSETS

63. After completion of the sale to Canada ZK, the Receiver intends to take the following steps on the remaining assets:
- (a) Collect the Accounts Receivable;
 - (b) Obtain appraisals and list the Bagot Property, Park Blvd. Property and Bradwardine Property for sale;
 - (c) Auction the remaining FFE;
 - (d) Continue the review of the SRED in Can-Am and Genesis;
 - (e) Look for a potential purchaser for the shares in Genesis Life Science and Genesis Sarl; and
 - (f) Look for a potential purchaser of the various royalty agreements held by the Companies.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

64. The Receiver has prepared a Statement of Receipts and Disbursements for the period June 11, 2024, to June 28, 2024, for the Companies, attached hereto as **Appendix D**. Total receipts were \$964,387 (excluding the Transaction deposit which has not yet been received) and total disbursements were \$782,686, resulting in \$181,700 being held in trust by the Receiver.

65. As at the date of this First Report, in accordance with paragraph 22 of the Receivership Order, the Receiver borrowed \$300,000 from the Court authorized Borrowing Facility to fund the receivership proceedings.

RECOMMENDATIONS

66. The Receiver is seeking the following from this Honourable Court:

- (a) approval of the Receiver's activities and conduct as outlined in this First Report;
- (b) approval for the APA and the Transaction;
- (c) sealing of the Confidential Supplement in the Court file; and
- (d) any further direction the Court wishes to provide to the Receiver.

All of which is respectfully submitted at Winnipeg, Manitoba, this 1st day of July 2024.

BDO CANADA LIMITED

In its capacity as Receiver of Genesis Inc,
Can-Arm Genetics Inc., and Genesis Genetics Inc.
and not in its personal capacity.



Per: David Lewis, CPA, CIRP, LIT
Senior Vice-President

Appendix A – Receivership Order

File No. CI 24-01-45056

**THE KING'S BENCH
Winnipeg Centre**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT R.S.C. 1985, c. B-3 AS AMENDED AND SECTION 55
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BETWEEN:

BANK OF MONTREAL,

Applicant,

-and-

GENESUS INC., CAN-AM GENETICS INC. and GENESUS GENETICS, INC.,

Respondents.

CONSENT RECEIVERSHIP ORDER

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(File No. 638/400)

THE KING'S BENCH
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ACT R.S.C. 1985, c. B-3 AS AMENDED AND SECTION 55
OF THE COURT OF KING'S BENCH ACT, C.C.S.M. c. C280

THE HONOURABLE MR.) Tuesday, the 11th day of June, 2024
JUSTICE CHARTIER)

BETWEEN:

BANK OF MONTREAL,

Applicant,

-and-

GENESUS INC., CAN-AM GENETICS INC. and GENESUS GENETICS, INC.,

Respondents.

CONSENT RECEIVERSHIP ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 55 of *The Court of King's Bench Act*, C.C.S.M. c. C280 (the "**KBA**"), appointing BDO Canada Limited as Receiver and Manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondents Genesus Inc. ("Genesus"), Can-Am Genetics Inc. ("Can-Am") and Genesus Genetics, Inc. ("GGI") (collective the "**Debtors**") relating to, acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively the "**Property**") was heard this day at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Affidavit of Ed Barrington, affirmed February 9, 2024, the Supplemental Affidavit of Ed Barrington, affirmed May 28, 2024, the Affidavit of Allan Herman affirmed May 29, 2024, and on hearing the submissions of counsel for the Applicant, counsel for the Respondents, counsel for Farm Credit Canada, counsel for BDO Canada Limited, counsel for Sea Air International Forwarders Limited, and counsel for Designed Genetics Inc., no one appearing for any other interested party although duly served as appears from the Affidavits of Service of Chantale DeBlois sworn February 13, 2024, the Affidavit of Service of Chantale DeBlois sworn May 29, 2024, and the Affidavit of Service of Chantale DeBlois, sworn June 4, 2024, and on reading the Consent of BDO Canada Limited to act as the Receiver, the Debtors consenting to this Receivership Order,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, and section 55 of the KBA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors relating to, acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that 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, in relation to the Property, 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 such 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, rents, profits, accounts and other receipts now owed or hereafter owing to the Debtors arising from the Property or any part thereof 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 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 workplace safety and health 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;
- (k) to market any or all of 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) in respect of the Property which is livestock, all or some of the livestock to slaughter houses at market prices, without the approval of this Court;
 - (ii) in respect of Property which is not livestock, or livestock not being sold to a slaughter house at market prices:
 - (1) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

- (2) 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 59(10) of *The Personal Property Security Act* (Manitoba), or section 134(1) of *The Real Property Act* (Manitoba), shall not be required.

- (m) to apply for any vesting order or other 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 on 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;
- (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 assign the Debtors into bankruptcy pursuant to the *Bankruptcy and Insolvency Act*;

- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (t) to retain for the unexpired term, assign, surrender, renegotiate or terminate any lease or agreement related to the Property;
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including, without limitation, to care for, market, transport, liquidate and/or euthanize any animals as the Receiver, in its sole discretion, may deem appropriate;

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 (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its 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 to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that 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 5 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 due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that 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.

7. THIS COURT ORDERS that notwithstanding paragraphs 2 to 6 above, the Receiver shall not, nor has it, nor is it deemed by this Order to have taken possession, control of or charge over any of the Property, and the Property remains in the sole possession and control of the Debtors, unless and until the Receiver, at its sole discretion, and without further order of this Court, determines it is necessary or in the interests of the Estate of the Debtors to take possession, control of or charge over such Property.

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to

observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that 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 DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that 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 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 of 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

11. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or 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 paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry

on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall 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, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, 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 or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the current telephone numbers, facsimile numbers, internet address and domain names for the Debtors, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal 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

14. THIS COURT ORDERS that 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

15. THIS COURT ORDERS that 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*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, 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

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Sites Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba), and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, 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*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

21. THIS COURT ORDERS that 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 legal fees and disbursements, incurred at the standard 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

22. THIS COURT ORDERS that 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 **\$500,000.00** (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, liens, charges and encumbrances, statutory or otherwise, in

favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that 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.

24. THIS COURT ORDERS that 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.

25. THIS COURT ORDERS that 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.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Debtors, the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. THIS COURT ORDERS that counsel for the Receiver shall prepare and keep current a service list ("**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or email address) for service to: the Applicant; Applicant's counsel, the Debtors, the Receiver, the Receiver's counsel, and each creditor or other interested person who has sent a request, in writing,

to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by email or facsimile, and failing such election the Service List shall indicate service by email. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 27 herein. **For greater certainty, creditors and other interested Persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List, shall not be required to be further served in these proceedings.**

28. THIS COURT ORDERS that the Applicant, the Receiver, and any parties on the Service List may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver shall post a copy of any or all such materials on its website at <https://www.bdo.ca/en-ca/extranets/Genesis>. Service shall be deemed valid and sufficient if sent in this manner.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that 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.

33. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor and client basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (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.

June , 2024

**G.L.
Chartier**

Digitally signed by G.L.
Chartier
Date: 2024.06.12
12:22:51 -05'00'

JUSTICE CHARTIER

I, CATHERINE HOWDEN OF PITBLADO LLP, COUNSEL FOR THE APPLICANT HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF THE FOLLOWING PARTIES:

THE CONSENT OF JJ BURNELL, MLT AIKINS LLP, FOR THE PROPOSED RECEIVER, BDO CANADA LIMITED

THE CONSENT OF DAVID JACKSON AND CHARLES ROY, TAYLOR McCAFFREY LLP, COUNSEL FOR FARM CREDIT CANADA

THE CONSENT OF KALEV ANNIKO, FILLMORE RILEY LLP, COUNSEL FOR THE RESPONDENTS

AS DIRECTED BY THE HONOURABLE MR. JUSTICE CHARTIER.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Genesis Inc. ("Genesis"), Can-Am Genetics Inc. ("Can-Am") and Genesis Genetics, Inc. ("GGI") ("the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors and including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Honourable Mr. Justice Chartier of the Manitoba Court of King's Bench (the "**Court**") dated the 11th day of June, 2024 (the "**Order**") made in an action having Court File Number CI 24-01-45056, 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 \$ _____ which 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in 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 _____, Winnipeg, Manitoba.

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__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Appendix B – Notice and Statement of the Receiver

District of: Manitoba
Division No.: 01 - Winnipeg
Court No.: CI 24-01-45056
Estate No.: 21-081649 (GGI)
Estate No.: 21-081650 (Genesis)
Estate No.: 21-081651 (Can-Am)

FORM 87
NOTICE AND STATEMENT OF THE RECEIVER
(Subsections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act*)

IN THE MATTER OF THE RECEIVERSHIP OF
GENESUS INC., CAN-AM GENETICS INC., AND GENESUS GENETICS INC.
of town of Oakville, in the Province of Manitoba

The Receiver gives notices and declares that:

1. On the 11th day of June 2024 (the “**Date of Receivership**”), BDO Canada Limited (“**BDO**”), was appointed by the Court of King’s Bench for Manitoba (the “**Court**”) as the receiver (the “**Receiver**”) in respect of all the assets, undertakings, and properties (the “**Property**”) of Genesis Inc. (“**Genesis**”), Can-Am Genetics Inc. (“**Can-Am**”), and Genesis Genetics Inc. (“**GGI**”) (collectively, “**Genesis**” or the “**Companies**”), insolvent persons, acquired for or used in relation to the businesses carried on by the Companies, as summarized below:

Description	Genesis	Can-Am	GGI	Total Values
Accounts receivable	\$7,730,000	\$511,000	\$-	\$8,241,000
Prepays	-	102,000	-	102,000
Inventory	2,270,000	951,000	-	3,221,000
Due from related parties	1,700,000		-	1,700,000
Fix assets	<u>3,575,000</u>	<u>944,000</u>	-	<u>4,519,000</u>
Total	<u>\$15,275,000</u>	<u>\$2,508,000</u>	<u>\$-</u>	<u>17,783,000</u>

The Receiver notes that the above values are from the Companies records, and the ultimate realizable value may differ, and such difference may be material.

2. BDO became the Receiver by virtue of an order of the Court dated June 11, 2024 (the “**Order**”) which is attached hereto as **Schedule “A”**. A copy of the Order is also available on the Receiver’s website at: <https://www.bdo.ca/en-ca/extranets/GenesisInc>.
3. The Receiver took possession and control of the Property described above on the 11th day of June 2024.
4. The following information relates to the receivership:
 - (a) Head office address of insolvent persons: 101 2nd Street, Oakville, MB, R0H 0Y0
 - (b) Principal line of business: Swine genetics and production
 - (c) Location of business:
 - Genesis Head Office: 101 2nd Street, Oakville, MB R0H 0Y0
 - Genesis House: 570 Park Blvd W., Winnipeg, MB R3P 0H4
 - Can-Am Riverdale Facility, Pt NW-21-12-22W and Pt SW-21-12-22W, Manitoba
 - Can-Am North Norfolk Facility, Pt SE-16-11-9W, Manitoba

- (d) Estimated amount owed to each creditor who holds a registered security interest in the Property described above:

Creditor	Description of Security	Amount Owed
Bank of Montreal	General Security Agreement on both Genesis and Can-Am	\$6,305,686
Farm Credit Canada	Mortgage & General Security Agreement on a Genesis	1,014,098

- (e) The list of other known creditor(s) including the amount owing for Genesis, Can-Am, & GGI is summarized in **Schedule "B", Schedule "C" and Schedule "D"**, respectively.

- (f) At this time, the intended plan of action of the Receiver, to the extent that such a plan has been determined, is as follows:

- Continue to pursue a going concern transaction (the "Transaction") with a third-party that the Companies had been previously pursuing;
- If the Transaction is unsuccessful, winddown operations and realize on the Property;
- Liquidation of the hog inventory; and
- Collection of accounts receivable.

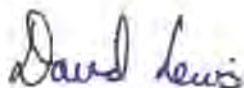
- (g) Contact person for Receiver:

- David Lewis
Tel: (780) 441-2155
Email: dlewis@bdo.ca
- Jacob Furneaux
Tel: (780) 669-7388
Email: jfurneaux@bdo.ca

Dated at the City of Edmonton in the Province of Alberta, this 14th day of June 2024.

BDO Canada Limited
in its Capacity as Court-Appointed Receiver of
Genesis Inc., Can-am Genetics Inc., and Genesis Genetics Inc.,
and not in its personal capacity

Per:



David Lewis, CA, CPA, CIRP, LIT
Senior Vice President
920, 10130 103 Street NW
Edmonton, AB T5J 3N9
Phone: (780) 441-2155 Fax: (780) 424-3222

Schedule A

File No. CI 24-01-45056

THE KING'S BENCH
Winnipeg Centre

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT R.S.C. 1985, c. B-3 AS AMENDED AND SECTION 55
OF THE COURT OF KING'S BENCH ACT, C.C.S.M. c. C280

BETWEEN:

BANK OF MONTREAL,

Applicant,

-and-

GENESUS INC., CAN-AM GENETICS INC. and GENESUS GENETICS, INC.,

Respondents.

CONSENT RECEIVERSHIP ORDER

PITBLADO LLP

2500 – 360 Main Street
Winnipeg, MB R3C 4H6

Catherine E. Howden / Madison Laval

Phone No. 204-956-0560
Fax No. 204-957-0227

(File No. 638/400)

**THE KING'S BENCH
Winnipeg Centre**

IN THE MATTER OF: THE APPOINTMENT OF A RECEIVER PURSUANT TO
SECTION 243 OF THE BANKRUPTCY AND INSOLVENCY
ACT R.S.C. 1985, c. B-3 AS AMENDED AND SECTION 55
OF THE COURT OF KING'S BENCH ACT, C.C.S.M. c. C280

THE HONOURABLE MR.)	Tuesday, the 11 th day of June, 2024
)	
JUSTICE CHARTIER)	

BETWEEN:

BANK OF MONTREAL,

Applicant,

-and-

GENESUS INC., CAN-AM GENETICS INC. and GENESUS GENETICS, INC.,

Respondents.

CONSENT RECEIVERSHIP ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and Section 55 of *The Court of King's Bench Act*, C.C.S.M. c. C280 (the "**KBA**"), appointing BDO Canada Limited as Receiver and Manager (in such capacities, the "**Receiver**") without security, of all of the assets, undertakings and properties of the Respondents Genesis Inc. ("Genesis"), Can-Am Genetics Inc. ("Can-Am") and Genesis Genetics, Inc. ("GGI") (collective the "**Debtors**") relating to, acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively the "**Property**") was heard this day at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Affidavit of Ed Barrington, affirmed February 9, 2024, the Supplemental Affidavit of Ed Barrington, affirmed May 28, 2024, the Affidavit of Allan Herman affirmed May 29, 2024, and on hearing the submissions of counsel for the Applicant, counsel for the Respondents, counsel for Farm Credit Canada, counsel for BDO Canada Limited, counsel for Sea Air International Forwarders Limited, and counsel for Designed Genetics Inc., no one appearing for any other interested party although duly served as appears from the Affidavits of Service of Chantale DeBlois sworn February 13, 2024, the Affidavit of Service of Chantale DeBlois sworn May 29, 2024, and the Affidavit of Service of Chantale DeBlois, sworn June 4, 2024, and on reading the Consent of BDO Canada Limited to act as the Receiver, the Debtors consenting to this Receivership Order,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA, and section 55 of the KBA, BDO Canada Limited is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors relating to, acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**").

RECEIVER'S POWERS

3. THIS COURT ORDERS that 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, in relation to the Property, 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 such 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, rents, profits, accounts and other receipts now owed or hereafter owing to the Debtors arising from the Property or any part thereof 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 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 workplace safety and health 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;
- (k) to market any or all of 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) in respect of the Property which is livestock, all or some of the livestock to slaughter houses at market prices, without the approval of this Court;
 - (ii) in respect of Property which is not livestock, or livestock not being sold to a slaughter house at market prices:
 - (1) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and

- (2) 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 59(10) of *The Personal Property Security Act* (Manitoba), or section 134(1) of *The Real Property Act* (Manitoba), shall not be required.

- (m) to apply for any vesting order or other 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 on 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;
- (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 assign the Debtors into bankruptcy pursuant to the *Bankruptcy and Insolvency Act*;

- (s) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (t) to retain for the unexpired term, assign, surrender, renegotiate or terminate any lease or agreement related to the Property;
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations, including, without limitation, to care for, market, transport, liquidate and/or euthanize any animals as the Receiver, in its sole discretion, may deem appropriate;

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 (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of its 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 to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that 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 5 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 due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that 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.

7. THIS COURT ORDERS that notwithstanding paragraphs 2 to 6 above, the Receiver shall not, nor has it, nor is it deemed by this Order to have taken possession, control of or charge over any of the Property, and the Property remains in the sole possession and control of the Debtors, unless and until the Receiver, at its sole discretion, and without further order of this Court, determines it is necessary or in the interests of the Estate of the Debtors to take possession, control of or charge over such Property.

8. THIS COURT ORDERS that the Receiver shall provide each of the relevant landlords with notice of the Receiver's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to

observe such removal and, if the landlord disputes the Receiver's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Receiver, or by further Order of this Court upon application by the Receiver on at least two (2) days notice to such landlord and any such secured creditors.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that 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 DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that 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 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 of 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

11. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or 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 paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry

on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. THIS COURT ORDERS that no Person shall 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, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, 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 or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the current telephone numbers, facsimile numbers, internet address and domain names for the Debtors, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal 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

14. THIS COURT ORDERS that 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

15. THIS COURT ORDERS that 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*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, 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

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, *The Environment Act* (Manitoba), *The Water Resources Conservation Act* (Manitoba), *The Contaminated Sites Remediation Act* (Manitoba), *The Dangerous Goods Handling and Transportation Act* (Manitoba), *The Public Health Act* (Manitoba) or *The Workplace Safety and Health Act* (Manitoba), and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, 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*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

charges unless otherwise ordered by the Court on the passing of accounts, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of this Court, but nothing herein shall fetter this Court's discretion to refer such matters to a Master of this Honourable Court.

21. THIS COURT ORDERS that 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 legal fees and disbursements, incurred at the standard 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

22. THIS COURT ORDERS that 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 **\$500,000.00** (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, liens, charges and encumbrances, statutory or otherwise, in

favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that 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.

24. THIS COURT ORDERS that 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.

25. THIS COURT ORDERS that 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.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the Applicant and the Receiver be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the Debtors, the Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or notice by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

27. THIS COURT ORDERS that counsel for the Receiver shall prepare and keep current a service list ("**Service List**") containing the name and contact information (which may include the address, telephone number and facsimile number or email address) for service to: the Applicant; Applicant's counsel, the Debtors, the Receiver, the Receiver's counsel, and each creditor or other interested person who has sent a request, in writing,

to counsel for the Receiver to be added to the Service List. The Service List shall indicate whether each person on the Service List has elected to be served by email or facsimile, and failing such election the Service List shall indicate service by email. The Service List shall be posted on the website of the Receiver at the address indicated in paragraph 27 herein. **For greater certainty, creditors and other interested Persons who have received notice of this Order and who do not send a request, in writing, to counsel for the Receiver to be added to the Service List, shall not be required to be further served in these proceedings.**

28. THIS COURT ORDERS that the Applicant, the Receiver, and any parties on the Service List may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver shall post a copy of any or all such materials on its website at <https://www.bdo.ca/en-ca/extranets/Genesis>. Service shall be deemed valid and sufficient if sent in this manner.

GENERAL

29. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

30. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

31. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

32. THIS COURT ORDERS that 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.

33. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a solicitor and client basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

34. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (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.

June , 2024

**G.L.
Chartier**

Digitally signed by G.L.
Chartier
Date: 2024.06.12
12:22:51 -05'00'

JUSTICE CHARTIER

I, CATHERINE HOWDEN OF PITBLADO LLP, COUNSEL FOR THE APPLICANT HEREBY CERTIFY THAT I HAVE RECEIVED THE CONSENTS AS TO FORM OF THE FOLLOWING PARTIES:

THE CONSENT OF JJ BURNELL, MLT AIKINS LLP, FOR THE PROPOSED RECEIVER, BDO CANADA LIMITED

THE CONSENT OF DAVID JACKSON AND CHARLES ROY, TAYLOR McCAFFREY LLP, COUNSEL FOR FARM CREDIT CANADA

THE CONSENT OF KALEV ANNIKO, FILLMORE RILEY LLP, COUNSEL FOR THE RESPONDENTS

AS DIRECTED BY THE HONOURABLE MR. JUSTICE CHARTIER.

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that BDO Canada Limited, the receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Genesis Inc. ("Genesis"), Can-Am Genetics Inc. ("Can-Am") and Genesis Genetics, Inc. ("GGI") ("the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors and including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Honourable Mr. Justice Chartier of the Manitoba Court of King's Bench (the "**Court**") dated the 11th day of June, 2024 (the "**Order**") made in an action having Court File Number CI 24-01-45056, 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 \$ _____ which 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in 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 _____, Winnipeg, Manitoba.

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__.

BDO Canada Limited, solely in its capacity
as Receiver of the Property, and not in its
personal capacity

Per: _____

Name:

Title:

Schedule B

Genesis Inc.

Other Known Creditors

Name	Balance
Prairie Blossom	1,500,000.00
Ernst & Young LLP	1,027,273.53
Norquay Colony	1,006,095.36
Cypress Colony Farms SK - usd	668,829.09
Van Schepdael Farms	612,292.70
Neogen Canada	469,595.30
Designed Genetics Inc.	421,000.00
Martin Farms Ltd.	380,563.97
BRIDGEHOUSE FARMS	371,428.24
La Tor De La Quar, S.L.	321,695.94
Sea Air CANADIAN FUNDS	315,686.35
Ruchlaw Produce	304,003.43
Minister of Finance- VET	207,874.79
Estate of Joe VanSchepdael	150,000.00
Ferme Durand Farms Ltd	137,340.00
Intradco - CAD	137,002.00
Canadian Livestock Records	127,074.41
Waldemar Nunheisser	111,407.14
SIGA Farm Software	102,636.25
Van Aert Farms	102,375.00
swineweb.com	96,050.00
Stevermer Farm	88,930.84
Canadian Food Inspection Agency	78,163.28
Bill Vaags Ltd.	77,128.30
Alex Brontsch	76,431.77
Schippers Canada Ltd.	74,212.89
Synergy Swine	72,898.91
Yang Yu (Potato)	63,658.98
City of Winnipeg	60,295.90
Airport Colony	60,271.44
Canadian Pork Council	51,082.50
Animal & Plant Health Agency	48,775.10
Deloitte	46,099.33
Dan Van Schepdael	45,000.00
University of Guelph	42,204.59
Norquay Colony - Cdn Stock	36,972.22
Manitoba Public Insurance	34,000.00
Heartland CPAs	33,375.00
Homestead Consumers Coop	32,493.83
RHCS I.T. Services	31,454.30
Gu Yaping (WENYAN TAN) CANADA	30,124.94
Data to Decisions Limited	29,900.00
Blue Water Wash	29,511.85

Schedule B

Genesis Inc.

Other Known Creditors

Name	Balance
Albert Iwanow	29,454.75
RAK Genetics Consulting	28,625.96
Alexander Werle	28,329.61
AriVac	27,592.83
CINCO VILLAS	26,968.29
Checkfarm	26,007.94
MLT Aikins LLP	25,843.80
Manitoba Pork Council	24,029.86
University of Alberta	23,437.50
Mercedes Vega Gonzalez	23,097.40
Yolanda	22,403.45
Fillmore Riley, LLP	21,825.23
ProLine Pork Marketing	21,787.30
Larkmead Vets	20,363.77
New Standard Ag	19,306.53
Garth Pig Practice Ltd.	18,150.48
Edwiin Hong	17,922.97
HAPPY PIGS	17,749.67
Jim Long	17,494.53
Mitacs Inc.	15,750.00
PigGen Canada	15,500.00
Mike Brooks	15,251.25
Clarence Froese	14,700.00
Hamiota Municipality	13,398.53
Wilhelm Freiberg	12,349.03
Alberta Pork	12,311.25
Zoetis Canada Inc.	12,094.98
Biotronics, Inc.	12,016.00
PBX Truck Service	11,616.11
Marta Castro	11,000.00
Inspired Nutrient	10,200.00
NEWKO DISTRIBUTION LTD	9,962.93
Jose Ramon Alvaro	9,604.71
Kane Veterinary Supplies Ltd.	9,566.80
Commodity Professionals	9,450.00
Anger Ventures Ltd	9,249.39
Prairie Diagnostic Services	8,848.33
YAPING, CHINA ACCOUNT IN CAD	8,478.45
Branson's TBHS	8,343.08
Wageningen Livestock Research	8,115.00
Intact Insurance Company	7,975.38
Prairie Hog Country	7,639.80
R.M. of Portage La Prairie	7,473.70

Schedule B

Genesis Inc.

Other Known Creditors

Name	Balance
Protech Diesel	7,413.00
Positive Action Publications	7,226.96
Yxia	7,000.00
SRUC	6,989.25
Swine It Holdings LLC	6,979.00
Steve's Livestock Transport	6,870.60
Simon Oxby	6,469.50
Manitoba Hydro	6,399.27
Rawlings Home Hardware	6,144.85
Kintetsu World Express (Canada) Inc	6,144.63
Bergmann Farms Ltd.	6,072.20
Auto City Garage	5,636.52
United States Treasury	5,179.17
Industrial Alliance Insurance & Financial Services	5,000.00
Encore Business Solutions	4,851.04
Biovet Inc	4,728.39
Morden Veterinary Clinic	4,503.27
The Duzan Agency, Inc.	4,452.76
Petro-Canada	4,337.83
Hutterian Bretheren Little Bow	4,061.62
HU SONG	3,175.00
Purolator Courier Ltd.	3,154.49
Kal Tire	3,125.65
Fountain Tire	3,118.75
Penner Farm Services - Blumenort	3,016.08
Streicher Transport Inc.	3,011.30
Edward Gilder	2,916.00
TNT Plumbing & Heating	2,895.20
Murray Chevrolet	2,887.30
HiggsGene Solutions Inc.	2,849.70
Hokofarm	2,787.20
Canada Revenue Agency	2,641.06
PostMedia Network INC.	2,335.54
Connect on Farm	2,310.00
Canadian Livestock MB Vet Corp	2,193.11
Woodworth Chrysler Dodge	1,868.67
GOTO Technologies Canada Ltd.	1,729.95
Shred-it	1,727.96
First Insurance Funding of Canada	1,663.62
Cypress Colony	1,555.59
Craig Dunn Motor City	1,447.00
Metzger Veterinary Services	1,330.24
Hutterian Broadband Network Inc.	1,260.00

Schedule B

Genesis Inc.

Other Known Creditors

Name	Balance
EastGen Incorporated	1,211.61
Janzen Chevrolet Buick GMC	1,171.16
The Brethren Services Holding Corp.	1,130.00
EAST 40 PACKERS	1,078.48
Eddy's Septic Service	945.00
Linde Canada	848.46
New Era Grafix Inc.	840.72
Darling International	839.35
Ricoh Canada Inc.	773.93
MESEYTON CONSTRUCTION LTD	703.50
Selkirk GMC	658.93
CARTIER ENVIRONMENTAL SERVICES INC.	617.20
Willowdale Seeds	567.00
Howell Mechanical Co. Ltd.	543.77
Durand Seeds Inc	541.80
VWR International Co	541.08
Prairie Roots Contracting	525.00
Independent Hog Farmers	500.00
Parkland Tree Care Ltd.	498.75
Jim Delorme	495.65
ADT Security Services Canada	491.40
Ledingham	485.25
James Valley Colony	467.25
Skeans	464.57
C. Burton Enterprises Ltd.	437.92
Brandon Computers	435.68
Barickman Swinebooks Ltd	425.05
Reliable Scale Corporation	414.83
KK Penner Tire Centres Inc.	412.89
InnoTech	397.00
McCarthy Tetrault	341.25
Quintex Services Ltd.	309.59
Whyte's Lumber Ltd.	286.07
Washex	276.12
SDS Security	268.80
C.U.T.C. Inc.	247.47
Staples Business Advantage	245.46
Clearview Consumers Co-op Ltd	214.73
Riverside Express, LLC	200.00
BELL Canada	193.64
Provincial Court of Saskatchewan	184.00
Prairie Livestock Veterinarians	149.79
ABC Fire & Safety Equipment Ltd	148.74

Schedule B

Genesis Inc.

Other Known Creditors

Name	Balance
Star Drug Testing Services	139.65
FedEx	132.82
Ingram's Plumbing & Heating	131.25
Minister of Finance CDN	130.68
Canadian Tire	112.18
Murray GMC	90.45
DHL	61.85
Detroit International Bridge Company	57.50
Hutterian Brethren Book Centre	32.18
Shell Super Splash	30.00
Buckingham Ag	24.84
Export Development Canada	1.00
Mike Van Schepdael - Expenses	1.00
Minitube Canada Ltd	1.00
Nero Global Tracking	1.00
New Rosedale Feedmill	1.00
Rogers	1.00
Shaw Cable	1.00
Siskinds	1.00
Sollio Agriculture Livestock Div.	1.00
Spencer Long	1.00
TD Visa cards (5 accounts)	1.00
	<u>10,609,438.62</u>

Schedule C

Can-Am Genetics Inc. Other Known Creditors

Name	Balance
Sollio Agriculture Livestock Div.	735,601.02
Ernst & Young	449,301.44
Penner Farm Services - Brandon	38,040.41
High Country Swine Inc.	24,460.75
New Standard Ag	21,578.23
RM of St. Andrews	18,843.71
Riverdale Municipality	17,647.57
Superior Propane Inc.	14,176.42
Penfor Construction	10,971.46
LRB Electric	10,968.09
Horizon Livestock & Poultry Supply	8,661.08
Eddy's Septic Service	6,426.00
Heartland CPAs	5,600.00
Rawlings Home Hardware	4,855.49
AriVac	4,682.08
Donald & Kehler Law Office	4,646.76
Workers Compensation Board of Manitoba	3,932.51
Gill's Plumbing & Heating	2,146.76
Connect on Farm	2,021.25
Grand Valley Mechanical Ltd.	1,686.20
RAK Genetic Consulting	1,536.15
Jyga Technologies Inc.	1,197.24
UnPlug	1,018.50
Prairie Roots Contracting	629.38
Fortified Nutrition	590.70
TONE AG CONSULTING LTD.(TAC)	576.61
World of Water - Brandon	552.60
Independent Hog Farmers Co-op Inc	525.00
The Garage Door Depot	516.40
RM of North Norfolk	486.62
South Central Plumbing Heating	457.24
Zander Auto Electric	419.97
UPS Canada	344.30
INNOVATIVE VETERINARY SERVICES MB	273.50
Poulin's Pest Control	204.76
Xplornet Internet Services	180.89
AAA Alarm Systems	21.59
	<u>1,395,778.68</u>

Schedule D

Genesis Genetics Inc.

Other Known Creditors

Name	Balance
Torridian Mills	1,647,942.80
Illini Swine, Inc.	572,864.54
Torridian Agrico, LLC	439,835.19
Grassland Colony	324,818.17
Diamond Z	126,706.10
Swine Services Unlimited Inc.	113,918.67
Sunset Hutterian Brethren, Inc	104,475.63
Central Farm Service	95,721.54
KD Trucking LLC	80,945.00
ACP, LLC	77,186.53
Brad Stevermer	72,084.84
Widmer Farm	58,824.86
G&J Swine	52,319.60
Jerry Widmer	47,500.00
Clay Housholder	43,933.20
Global Ag Media	42,000.00
DSM Nutrition Products	29,400.00
Gary Koch Trucking, Inc.	29,177.00
United Animal Health Inc.	23,995.83
National Swine Registry	15,600.00
KANSAS STATE UNIVERSITY	15,000.00
Sioux-Preme Packing Co.	14,696.09
INET AI Inc.	14,320.50
Whole Hog A.I. Unit	13,297.18
Dahl Brothers	12,627.54
Provimi	11,648.92
Veterinary Diagnostic Laboratory	10,602.08
Ernst & Young LLP	9,449.63
Ostler Transport Inc.	8,663.95
Big Stone A.I.	8,325.00
Marke Semen	7,400.00
World Pork Expo	7,021.25
Dustar Truck & Trailer Washout	5,887.73
Stellpflug Farm	5,681.10
Circle H Headquarters LLC	5,426.79
Swine Vet Center, P.A.	5,391.30
Heartland CPAs	5,375.00
Bahr trucking LLC	4,057.50
AUTO-OWNERS INSURANCE	3,869.59
Truck Wash LLC	3,243.25

Schedule D

Genesis Genetics Inc.

Other Known Creditors

Name	Balance
Cumberland Valley Analytical Services	3,105.85
G & R Truck Wash	2,506.41
Commercial Concepts AI, INC	2,498.98
SD State University	2,086.22
Diversified Management Co	1,901.33
Allan Bentley	1,702.89
Lo-Mill Farms, LLC	1,700.00
BFL CANADA	1,567.31
Ceridian Powerpay - DAYFORCE US. INC.	1,565.55
Passion for Pigs	1,522.23
Bovidoc Veterinary Services, LLC	1,450.00
Rachel Schulte DVM, LLC	1,230.25
Colorado Swine Data LLC	1,224.42
Better Nutrition, Inc.	1,055.96
Jonny Dodge Chrysler Jeep	831.59
Minnesota Revenue	753.97
T & J Trucking of Balaton LLC	752.50
RASi	680.00
Ostler Sires	602.90
Crexendo	525.39
Stone Creek Veterinary Service and Consultation	500.19
Riverside Express, LLC	500.00
Highview AI	465.00
Neogen	382.00
Lamar Animal Medical Center	313.00
Verizon Wireless	309.64
TransAmerica Life Insurance Company	272.32
SD Pork Producers Council	217.72
Dick Irvin Inc.	195.00
Nebraska Vet Services	170.69
NACM Heartland Unit, Inc.	123.83
Chad Bierman	89.36
Crete Veterinary Clinic	24.00
Carthage Veterinary Services	5.22
Britton Veterinary Clinic	3.52
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	4,204,069.14
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Appendix C - Asset Purchase Agreement (Redacted)

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of the 28th day of June, 2024 (the “**Effective Date**”) among:

BDO CANADA LIMITED, in its capacity as court-appointed receiver of **GENESUS INC., CAN-AM GENETICS INC.** and **GENESUS GENETICS, INC.** and not in its personal or corporate capacity

(the “**Vendor**”)

– and –

CANADA ZF INVESTMENTS INC.

(the “**Purchaser**”)

WHEREAS pursuant to the Order of the Honourable Justice Chartier of the Manitoba Court of King's Bench (the “**Court**”) made June 11, 2024 in File No. CI24-01-45056 (the “**Receivership Proceedings**”), BDO Canada Ltd. (the “**Receiver**”) was appointed receiver and manager of Genesus Inc. (“**Genesus**”), Can-Am Genetics Inc. (“**Can-Am**”) and Genesus Genetics, Inc. (“**Genesus Genetics**” and collectively with Genesus and Can-Am, the “**Debtors**”).

AND WHEREAS on the terms set out herein, the Vendor has agreed to sell, transfer and assign to the Purchaser, and the Purchaser has agreed to purchase, accept and assume from the Vendor, all of the right, title, interest and obligation of the Vendor, Genesus and Can-Am in and to the Purchased Assets and Assumed Liabilities, subject to and in accordance with the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the “**Parties**”, and each, a “**Party**”) hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Affiliate**” has the meaning given to the term “affiliate” in *The Corporations Act* (Manitoba).

“**Agreement**” means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, and “Article” and “Section” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any (a) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority, and (c) policies, practices, standards, guidelines and protocols

having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Approval and Vesting Order” means an order by the Court, in substantially the same form as the Manitoba Approval and Vesting Order (Standard Form Order), among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title, interest and obligation of the Vendor, Genesus and Can-Am in and to the Purchased Assets, free and clear from any Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities, in accordance with the terms of this Agreement.

“Assigned Contracts” means those Contracts set out and listed in Schedule “C”, subject to Section 2.4. For certainty, the Assigned Contracts do not include the Excluded Contracts.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits, interests and obligations in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

“Assignment Order” means an Order of the Court made in form and substance satisfactory to the Parties, each acting reasonably, assigning to the Purchaser the Vendor’s right, benefit and interest in and to any of the Assigned Contracts for which any necessary consent to assign has not been obtained, in form and substance satisfactory to the Parties, acting reasonably.

“Assumed Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “D”; (b) all Liabilities relating to the Purchased Assets arising on or after the Closing Time; and (c) all Liabilities which relate to the Assigned Contracts; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing other than the Cure Costs (which for certainty are the responsibility of the Purchaser). For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

“Authorization” means any authorization, approval, consent, concession, exemption, licence, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“Bill of Sale” means a general conveyance and bill of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits, and interests in, to and under the Purchased Assets.

“Books and Records” means the Vendor's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), which are in the possession of the Vendor and are relevant to the Assigned Contracts or the Purchased Assets, including but not limited to (i) all accounting records and (ii) lists of all Genesus and Can-Am customers and suppliers and all related customer information, invoices and work orders.

“Business” means Genesus’ and Can-Am’s swine breeding and related genetic services business.

having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“Approval and Vesting Order” means an order by the Court, in substantially the same form as the Manitoba Approval and Vesting Order (Standard Form Order), among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title, interest and obligation of the Vendor, Genesus and Can-Am in and to the Purchased Assets, free and clear from any Encumbrances other than the Permitted Encumbrances and the Assumed Liabilities, in accordance with the terms of this Agreement.

“Assigned Contracts” means those Contracts set out and listed in Schedule “C”, subject to Section 2.4. For certainty, the Assigned Contracts do not include the Excluded Contracts.

“Assignment and Assumption Agreement” means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits, interests and obligations in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under or in respect of the Assigned Contracts.

“Assignment Order” means an Order of the Court made in form and substance satisfactory to the Parties, each acting reasonably, assigning to the Purchaser the Vendor’s right, benefit and interest in and to any of the Assigned Contracts for which any necessary consent to assign has not been obtained, in form and substance satisfactory to the Parties, acting reasonably.

“Assumed Liabilities” means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule “D”; (b) all Liabilities relating to the Purchased Assets arising on or after the Closing Time; and (c) all Liabilities which relate to the Assigned Contracts including the Cure Costs; in each case solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing. For certainty, the Assumed Liabilities do not include the Excluded Liabilities.

“Authorization” means any authorization, approval, consent, concession, exemption, licence, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“Bill of Sale” means a general conveyance and bill of sale, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits, and interests in, to and under the Purchased Assets.

“Books and Records” means the Vendor's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), which are in the possession of the Vendor and are relevant to the Assigned Contracts or the Purchased Assets, including but not limited to (i) all accounting records and (ii) lists of all Genesus and Can-Am customers and suppliers and all related customer information, invoices and work orders.

“Business” means Genesus’ and Can-Am’s swine breeding and related genetic services business.

“Business Day” means a day on which banks are open for business in Winnipeg, Manitoba and Vancouver British Columbia, but does not include a Saturday, Sunday or statutory holiday in the Province of Manitoba or British Columbia.

“Cash Purchase Price” has the meaning set out in Section 3.2(b).

“Claims” means claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, arbitrations, information or other similar processes, assessments or reassessments, judgments, debts, indebtedness, liabilities, obligations, guarantees, warranties, expenses, costs, damages or losses, contingent or otherwise (whether contractual, statutory, or otherwise), of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether arising by subrogation, set-off, right of indemnification or otherwise), whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing and any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“Closing” means the completion of the purchase and sale of the Purchased Assets and assumption of the Assumed Liabilities in accordance with the provisions of this Agreement.

“Closing Date” means, subject to the terms hereof, the date that is the later of (a) the third Business Day after the date the Approval and Vesting Order and the Assignment Order (if applicable) are granted by the Court; (b) the date that is the third Business Day following the final resolution, dismissal or withdrawal of an appeal properly brought by a party with standing to appeal the Approval and Vesting Order and/or the Assignment Order (if applicable); or (c) such other date as the Parties may agree to writing from time to time.

“Closing Time” means 12:01 a.m. (Winnipeg 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.

“Continuing Employees” means Target Employees who accept offers of employment from the Purchaser.

“Contracts” means all pending and executory contracts, agreements, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures, understandings, arrangements and all other legally binding arrangements (whether oral or written) to which any of the Vendor or the Debtors is a party or by which any of the Vendor or the Debtors is bound or in which any of the Vendor or the Debtors has, or will at Closing have, any rights or by which any of its property or assets are or may be affected.

“Court” has the meaning set out in the recitals hereto.

“Cure Costs” means (a) with respect to any Assigned Contract for which a required consent to assignment has not been obtained and is to be assigned to the Purchaser in accordance with the terms of the Assignment Order, the amounts, if any, required to be paid to remedy all of the Vendor’s monetary defaults existing as at the Closing Date under the applicable Assigned Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Assigned

Contract, but not more than the monetary defaults); and (b) with respect to any Assigned Contract to be assigned on consent, where consent is required, the amount, if any, required to be paid to a counterparty to secure its consent to the assignment of the applicable Assigned Contract by any of the Vendor to the Purchaser (which amount shall be set out on the form of contractual consent agreed to by the applicable Vendor and the counterparty to such Assigned Contract and approved by the Receiver, provided that such amount shall not be more than the monetary defaults under such contract).

“Deposit” has the meaning ascribed thereto in Section 3.2(a) hereof.

“Effective Date” has the meaning set out in the preamble to this Agreement.

“Encumbrance” means any legal notation, charge, lien, interest or other encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any security interest, lien, Claim, charge, right of retention, deemed trust, judgment, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of creating a security interest in, against or affecting the Purchased Assets (including any conditional sale or title retention agreement, or any capital or financing lease).

“ETA” means the *Excise Tax Act*, RSC 1985, c E-15 and the regulations thereunder.

“Excluded Assets” means all of right, title and interest of any the Vendor and the Debtors in the properties, rights, assets and undertakings that are not identified as Purchased Assets.

“Excluded Contracts” means all Contracts that are not identified as Assigned Contracts.

“Excluded Liabilities” means all Liabilities of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether arising by subrogation, set-off, right of indemnification or otherwise) of or against any of the Vendor and the Debtors that are not Assumed Liabilities.

“Governmental Authority” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“GST” means all goods and services tax and harmonized sales tax imposed under Part IX of the ETA.

“Interim Period” means the period between the Effective Date and the Closing Date.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, legal, beneficial or equitable, present or future, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements

of such Person, and includes, without limiting the generality of the foregoing, any debt, dues, guarantee, surety, indemnity obligation or other obligation.

“Organizational Documents” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“Outside Date” means July 28, 2024 or such earlier or later date as the Parties may agree upon in writing.

“Parties” has the meaning set out in the recitals hereto.

“Party” has the meaning set out in the recitals hereto.

“Permitted Encumbrances” means those interests, exceptions, reservations and conditions provided under Section 58 of *The Real Property Act* (Manitoba), and those listed in Schedule “B”.

“Person” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity.

“Personal Information” means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer, supplier or natural person who is natural person or a natural person who is a shareholder or employee of the Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual.

“Purchase Price” has the meaning set out in Section 3.1.

“Purchased Assets” means all of the right, title and interest of the Vendor, Genesus and Can-Am in and to the properties, rights, assets and undertakings owned and used by or held by Genesus and Can-Am for use in, or in respect of the operation of, the Business and which are described in Schedule “A” (and for greater certainty excluding the Excluded Assets). For certainty, the Purchased Assets shall not include any right, title or interest in or to any credits attributable to Genesus or Can-Am under the Scientific Research and Experimental Development program of Canada Revenue Agency

“Purchaser’s Solicitors” means DLA Piper (Canada) LLP.

“Receiver” has the meaning set out in the recitals hereto.

“Receiver’s Certificate” has the meaning set out in Section 6.1(e).

“Sanctions” has the meaning ascribed in Section 7.2(i) hereof.

“Target Employees” means the employees of the Debtors whom the Purchaser wishes to retain and offer employment post-Closing.

“Taxes” means, with respect to any Person, all national, federal, provincial, local or other taxes, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described

in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person, and includes, without limitation, property taxes, income taxes, branch taxes, profit taxes, capital gains taxes, gross receipt taxes, windfall profit taxes, value added taxes, severance taxes, ad valorem taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, transmission fees, withholding or similar taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/PST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority.

“Transaction” means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Assets.

“Transfer Taxes” means all applicable Taxes, including any applicable GST/PST/HST, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording, transfer or transmission fees payable in connection with the instruments of transfer provided for in this Agreement.

“Vendor’s Solicitors” means MLT Aikins LLP.

1.1 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.2 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.3 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendor, Receiver, or the Purchaser, or any Affiliates thereof.

1.4 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.5 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.6 Schedules

The following schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

<u>Schedule "A"</u>	-	Purchased Assets
<u>Schedule "B"</u>	-	Permitted Encumbrances
<u>Schedule "C"</u>	-	Assigned Contracts
<u>Schedule "D"</u>	-	Assumed Liabilities

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement will apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

1.7 Interpretation if Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Purchased Assets and assumed the Assumed Liabilities shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2 PURCHASE OF ASSETS AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Purchased Assets

Subject to the terms and conditions of this Agreement, effective as of the Closing Time, the Vendor shall sell, assign and transfer the Purchased Assets and Assumed Liabilities to the Purchaser, and the Purchaser shall purchase, accept, assume and receive from the Vendor, all of the Purchased Assets and Assumed Liabilities. For certainty, the Purchased Assets: (a) shall be free and clear of all Encumbrances that are not Permitted Encumbrances and (b) do not include the Excluded Assets.

2.2 Assumption of Assumed Liabilities

At the Closing Time, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Purchaser shall not assume any Liabilities hereunder other than the Assumed Liabilities, except as required under Applicable Law.

2.3 Assignment of Contracts

- (a) Cure Costs. To the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall: (i) where such Assigned Contract is assigned pursuant to an Assignment Order, pay all such Cure Costs in accordance with the Assignment Order; and (ii) where such Assigned Contract is not assigned pursuant to an Assignment Order, pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Cash Purchase Price received by the Vendor for the Purchased Assets.
- (b) Assignment. At the Closing Time, on and subject to the terms and conditions of this Agreement (including Section 2.3(c) below), the Approval and Vesting Order and the

Assignment Order (if applicable), all of the rights, benefits, interests and obligations of the Vendor, Genesus and Can-Am, as the case may be, in, to and under the Assigned Contracts shall be assigned to the Purchaser, the consideration for which is included in the Purchase Price.

- (c) Where Consent Required. Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign any Assigned Contract to the extent such Assigned Contract is not assignable under Applicable Law, or the terms of the applicable Assigned Contract provide that it is not assignable without the consent of another Person, unless such consent has been obtained or the assignment is subject to an Assignment Order.
- (d) No Adjustment. For greater certainty, and subject to section 6.2 - Purchaser's Conditions of Closing of this Agreement, if the consent of any Person is required to assign an Assigned Contract, but such consent is not obtained prior to Closing and such Contract is not assigned pursuant to an Assignment Order, such Contract shall not form part of the Assigned Contracts and: (i) neither Party shall be considered to be in breach of this Agreement; (ii) the failure to assign or otherwise transfer such Assigned Contract shall not be a condition to Closing; (iii) the Purchase Price shall not be subject to any adjustment; and (iv) the Closing shall not be delayed.

2.4 Further Asset Identification and Acquisition

Notwithstanding the foregoing, during the period from the Effective Date to a date which is no later than 10 days after the Effective Date, the Vendor shall permit the Purchaser to identify and submit to the Vendor:

- (a) additional agreements which the Purchaser wishes to add to the Purchased Assets as Assigned Contracts (the “**Additional Contracts**”), and for greater certainty there shall be no adjustment to the Purchase Price in connection with any such Additional Contracts; and
- (b) subject to Section 2.4(a), prior to the issuance of the Approval and Vesting Order, the Purchaser may identify certain other shares and/or assets of certain subsidiaries of Genesus which the Purchaser wishes to add to the Purchased Assets (the “**Additional Assets**”), which may be added to the Purchased Assets provided that an agreement can be reached between the Parties acting in good faith on an appropriate increase to the Purchase Price to reflect such Additional Assets.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be [REDACTED], subject to adjustment as provided in this Agreement (the “**Purchase Price**”). For certainty, the Purchase Price shall be exclusive of applicable Taxes.
- (b) The Purchase Price shall be adjusted to proportionally allocate between the Parties all Taxes, local improvement charges, utilities, pre-paid rent and interest in accordance with Sections 3.6(a) and 3.6(b) of this Agreement.

- (c) The adjustments shall be for the Vendor's account as to both revenue and expenses up to 12:01 a.m. on the Closing Date, and thereafter for the Purchaser's account.
- (d) The Purchase Price shall be exclusive of the Cure Costs and the adjustments specified in Sections 3.6(a) and 3.6(b) of this Agreement.

3.2 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price, at the Closing Time, in accordance with the following:

- (a) Deposit. No later than one Business Day after the Parties have each executed and delivered this Agreement, the Purchaser shall pay an initial deposit in the amount of [REDACTED] (the "**Initial Deposit**") which shall be held in trust by the Receiver and credited against the Purchase Price at Closing. No later than five Business Days after the Parties have each executed and delivered this Agreement, the Purchaser shall pay a second deposit in the amount of [REDACTED] (the "**Second Deposit**") which shall also be held in trust by the Receiver and credited against the Purchase Price at Closing. The Initial Deposit and the Second Deposit, totalling [REDACTED] are collectively referred to as the "**Deposit**".
- (b) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Deposit and the Holdback Amount, plus any Transfer Taxes (the "**Cash Purchase Price**"), as adjusted pursuant to Sections 3.6(a) and 3.6(b) shall be paid by the Purchaser to the Vendor via certified cheque, bank draft or wire transfer or immediately available funds at the Closing Time.
- (c) Cure Costs. The Cure Costs shall be paid by the Purchaser to the applicable counterparties at Closing in accordance with the terms of any applicable agreements reached between the Purchaser and such counterparties with respect to such Cure Costs.
- (d) Assumed Liabilities. An amount equal to the amount of the remaining Assumed Liabilities which the Purchaser shall assume on the Closing Date, and which shall be satisfied by the Purchaser becoming liable for and performing the Assumed Liabilities.

3.3 Deposit

- (a) If Closing occurs in accordance with the terms and conditions of this Agreement, the Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser's obligation to pay the Purchase Price at Closing.
- (b) If this Agreement is terminated:
 - (i) pursuant to Sections 6.1, 6.2 or 8.1(b), the Deposit shall be returned to the Purchaser; or
 - (ii) for any other reason, the Deposit shall be forfeited by the Purchaser and retained by the Vendor; and
 - (iii) in the event of termination of this Agreement under Section 8.1 pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The

Purchaser hereby waives any Claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

3.4 Allocation of the Purchase Price

The Vendor and the Purchaser agree to allocate the Purchase Price to the Purchased Assets held by the Vendor for tax purposes in a manner to be agreed to by the Parties, each acting reasonably, at least three (3) days before Closing, and to report the sale and purchase of the Purchased Assets for all federal, provincial and local tax purposes in a manner consistent with such allocation.

3.5 Section 167 Tax Election.

If available and requested by the Purchaser on Closing, the Vendor and the Purchaser shall execute jointly an election under Section 167 of the ETA to have the sale of the Purchased Assets take place on a GST-free basis under Part IX of the ETA. The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation.

3.6 Adjustments

- (a) Adjustments for the Purchased Assets shall be made as of the Closing Date and the Purchase Price will be adjusted accordingly. Except as otherwise provided in this Agreement, the Vendor will be responsible for all expenses and will be entitled to all revenues accrued with respect to the Purchased Assets for the period ending on the day before the Closing Date and, for the period from and including the Closing Date, the Purchaser will be responsible for all expenses and will be entitled to all revenues accruing with respect to the Purchased Assets. All real property taxes and local improvement levies that are not being recovered under the Assigned Contracts, shall be adjusted as at the Closing Date for the calendar year of sale.
- (b) A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least five (5) Business Days prior to the Closing Date and shall have annexed to it details of the calculations used to arrive at all debits and credits on the Statement of Adjustments. The Vendor will give the Purchaser and its representatives copies of all working papers and back-up materials requested by the Purchaser in writing, acting reasonably, in order to verify the Statement of Adjustments.
- (c) Notwithstanding the foregoing, with respect to the livestock assets described at Schedule "A", within 5 Business Days following Closing, the Purchaser and the Vendor shall each be permitted to carry out a physical count of the livestock (however for greater certainty if both the Purchaser and the Vendor choose to carry out such a count, they shall do so at the same time and check and compare results so that they agree on the numbers obtained). If as a result of such physical count the Purchaser identifies any shortfall in the number of livestock for any "Inventory description" category in Schedule "A" as against the total number of livestock for such "Inventory description" category as set out in Schedule "A" (the "**Shortfall Amount**"), the Purchaser shall notify the Vendor of such Shortfall Amount or Amounts by no later than 10 Business Days following Closing, and the cash Purchase Price shall be adjusted as follows: the Shortfall Amount for each "Inventory description" category shall be multiplied by the cash amount indicated under the heading "market value per head" or "value if sold as meat" (as applicable) for each applicable "Inventory description" category set out in Schedule "A". The aggregate product so obtained for all "Inventory description" categories shall be referred to as the "**Shortfall Adjustment Amount**". At Closing, the Purchaser's solicitors shall hold back from the Purchase Price and deposit into escrow [REDACTED] the "**Holdback Amount**"). The purpose of the

Holdback Amount shall be to cover any amounts which the Vendor owes the Purchaser pursuant to this Section 3.6(c). If the Shortfall Adjustment Amount exceeds any Excess Adjustment Amount calculated pursuant to Section 3.6(d), the difference shall be the “**Net Shortfall Adjustment Amount**.” The Purchaser’s solicitors shall pay the Net Shortfall Adjustment Amount (if any) to the Purchaser from the Holdback Amount by no later than 15 Business days following Closing (the “**Adjustment Deadline**”). Once any such amounts have been paid to the Purchaser and as soon as practicable after the Adjustment Deadline, the Purchaser’s solicitors shall deliver any remaining balance of the Holdback Amount to the Vendor pursuant to a joint direction of the Purchaser and the Vendor. Notwithstanding any of the foregoing, the Purchaser’s solicitors at any time shall have the sole and unfettered discretion to pay the Holdback Amount (or any remaining balance of the Holdback Amount, as the case may be), together with any accrued interest, into the Court of King’s Bench of Manitoba or any other court of competent jurisdiction (the “**Court**”) and upon any such payment into Court, the Purchaser’s solicitors shall be released from any liability or obligations with respect to the Holdback Amount or any remaining balance of the Holdback Amount.

- (d) In addition to the foregoing, if as a result of such physical count the Vendor identifies any excess amount in the number of livestock for any “Inventory description” category in Schedule “A” as against the total number of livestock for such “Inventory description” category as set out in Schedule “A” (the “**Excess Amount**”), the Vendor shall notify the Purchaser of such Excess Amount or Amounts by no later than 10 Business Days following Closing, and the cash Purchase Price shall be adjusted as follows: the Excess Amount for each “Inventory description” category shall be multiplied by the cash amount indicated under the heading “market value per head” or “value if sold as meat” (as applicable) for each applicable “Inventory description” category set out in Schedule “A”. The aggregate product so obtained for all “Inventory description” categories shall be referred to as the “**Excess Adjustment Amount**”. If the Excess Adjustment Amount exceeds any Shortfall Adjustment Amount calculated pursuant to Section 3.6(c), the difference shall be the “**Net Excess Adjustment Amount**.” The Purchaser shall pay the Net Excess Adjustment Amount (if any) to the Vendor by no later than the Adjustment Deadline.

ARTICLE 4 COVENANTS

4.1 Closing Date

- (a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing.
- (b) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions, as applicable, required under any Applicable Law to effect the Closing.

4.2 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), the Vendor shall, unless consented to by the Purchaser, continue to maintain the Purchased Assets in substantially the same manner as conducted on the Effective Date and in compliance with Applicable Laws in all material respects. In addition to the foregoing and for greater certainty, immediately upon the execution of this Agreement and during the Interim Period the Vendor shall instruct Genesus staff to resume artificially inseminating livestock in the ordinary course of

business and shall take all reasonable steps to ensure that such artificial insemination operations continue in the ordinary course of business.

4.3 Access During Interim Period

During the Interim Period, the Vendor shall, subject to any confidentiality, privacy or safety restrictions, give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Purchased Assets as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Purchased Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and which are included in the data room; and (b) the Purchaser and its representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Vendor's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Vendor's operations and the Vendor shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

4.4 Employees

- (a) At least three Business Days prior to the expected Closing Date, the Purchaser shall provide the Vendor with its list of Target Employees to whom the Purchaser proposes to make offers of employment.
- (b) No later than two Business Days prior to the expected Closing Date, the Purchaser shall offer employment in writing to each of the Target Employees.
- (c) The employment of any employees of the Debtors who are not Continuing Employees shall be terminated as at the Closing Date. The Purchaser will only assume those liabilities in respect of the employment of the Continuing Employees that arise or are incurred or accrue following the Closing Date, including premiums for employment insurance, workers' compensation, and statutory withholding obligations.

4.5 Assigned Contracts

- (a) The Purchaser will request any consents necessary to permit the assignment to the Purchaser of the Assigned Contracts. The Vendor will provide its reasonable cooperation to assist the Purchaser to obtain such consents, including providing financial and other information of the Vendor requested by the Purchaser or party to such Assigned Contract. For certainty, the Purchaser will be responsible for payment of Cure Costs in respect of any Assigned Contracts in accordance with this Agreement.
- (b) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent, approval or Assignment Order has not been obtained or which as a matter of Applicable Law or by its terms is not assignable.

4.6 Insurance Matters

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice of the Vendor and the Vendor in the ordinary course of business.

4.7 Risk of Loss

The Purchased Assets shall be at the risk of the Vendor until Closing. If, between the date hereof and Closing, any of the Purchased Assets are destroyed, lost or materially damaged (each a “**Casualty**”), the Purchaser shall still complete the purchase of the Purchased Assets on an “as is, where is” basis without any adjustment to the Purchase Price payable hereunder and take an assignment from the Vendor of all insurance proceeds payable to the Vendor in respect of the Casualty. For greater certainty, in no event shall the aggregate total of the insurance proceeds assigned to the Purchaser in accordance with this Section and the fair market value of Purchased Assets exceed the Purchase Price.

4.8 Indemnity

The Purchaser hereby indemnifies the Vendor, including the Receiver (in its personal and corporate capacity), Genesis and Can-Am and their respective representatives, and saves them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any Transfer Taxes (including penalties and interest) which may be assessed against any of the Vendor, including, notwithstanding anything to the contrary in this Agreement, any Taxes which may be assessed against any of the Vendor in the event that any election made pursuant to Section 3.5 challenged by the relevant Tax authority as being inapplicable to the transactions under this Agreement, or as a result of the Purchaser’s failure to file such elections within the prescribed time;
- (b) the Purchaser’s access in accordance with Section 4.3;
- (c) the Purchaser’s failure to pay when due and failure to perform and discharge the Assumed Liabilities in accordance with their terms.

ARTICLE 5 CLOSING ARRANGEMENTS

5.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

5.2 Vendor Closing Deliveries

At or before the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Purchased Assets (including for greater certainty the Books and Records and the Oakville Office Items described in Schedule “A”) with delivery to occur *in situ* wherever such Purchased Assets are located at the Closing Time;

- (b) a certified true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (c) a certified true copy of any Assignment Order, if applicable, as issued and entered by the Court ;
- (d) a statement of adjustment for the Purchased Assets in accordance with Section 3.6(b);
- (e) the Bill of Sale, duly executed by the Vendor;
- (f) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (g) an assignment of trademarks in relation to the trademarks described at Schedule "A", duly executed by the Vendor;
- (h) bring-down certificate executed by a senior officer of the Vendor (without personal liability) dated as of the Closing Date, in form and substance satisfactory to the Purchaser, acting reasonably, certifying that: (i) all of the representations and warranties of the Vendor hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Vendor at or prior to Closing have been complied with or performed by the Vendor in all material respects;
- (i) all keys to the common areas of buildings located on the property included in the Purchased Assets;
- (j) the election referred to in Section 3.4 of this Agreement, if applicable;
- (k) the Receiver's Certificate, in accordance with the terms of this Agreement; and
- (l) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.3 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Receiver the following:

- (a) the Cash Purchase Price referred to in Section 3.2(b), including the payment of all Transfer Taxes (if any) required to be paid on Closing, which shall be made to the Receiver in trust;
- (b) the Bill of Sale, duly executed by the Purchaser;
- (c) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (d) an assignment of trademarks in relation to the trademarks described at Schedule "A", duly executed by the Purchaser;
- (e) satisfactory evidence of payment of Cure Costs in accordance with the terms of any applicable agreements reached between the Purchaser and the applicable counterparties pursuant to Section 3.2(c);

- (f) bring-down certificate executed by a senior officer of the Purchaser (without personal liability) dated as of the Closing Date, in form and substance satisfactory to the Vendor, acting reasonably, certifying that: (i) all of the representations and warranties of the Purchaser hereunder remain true and correct in all material respects as of the Closing Date as if made on and as of such date or, if made as of a date specified therein, as of such date; and (ii) all of the terms and conditions set out in this Agreement to be complied with or performed by the Purchaser at or prior to Closing have been complied with or performed by the Purchaser in all material respects;
- (g) the election referred to in Section 3.4 of this Agreement, if applicable; and
- (h) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

5.4 Personal Information Privacy

The Purchaser shall at all times comply with all Applicable Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to the Purchaser by the Vendor and Receiver under this Agreement. The Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Purchased Assets as contemplated in this Agreement and completing the transactions contemplated in this Agreement. The Purchaser shall safeguard all Personal Information collected from the Vendor and/or the Receiver in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. The Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Purchased Assets is not completed for any reason and shall return all Personal Information to the Vendor or destroy such Personal Information at the Vendor's request.

ARTICLE 6 CONDITIONS OF CLOSING

6.1 Mutual Conditions of Closing

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have pronounced the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) Assignment Order. The Court shall, if applicable, have pronounced the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced by a party with standing to appeal same which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (c) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority (other than the Court or other court with standing) or otherwise in effect that restrains or prohibits the completion of the Transaction.

- (d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority (other than the Court or other court with standing) to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (e) Receiver's Certificate. The Receiver shall have provided an executed certificate of the Receiver substantially in the form attached to the Approval and Vesting Order (the “**Receiver's Certificate**”) confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 6.1 is not satisfied, performed or mutually waived on or prior to the Closing Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

6.2 Purchaser's Conditions of Closing

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 5.2.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 7.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. In the event any condition set out in this Section 6.2 is not satisfied or performed by the Closing Date, the Purchaser may elect on written notice to the Vendor to terminate the Agreement.

6.3 Vendor's Conditions of Closing

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Receiver at the Closing all the documents and payments contemplated in Section 5.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 7.2 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 6.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 6.3 is not satisfied or performed by the Closing Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

6.4 Receiver's Certificate

The Parties acknowledge and agree that the Receiver shall be entitled to deliver to the Purchaser, and file with the Court, the executed Receiver's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Receiver shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Receiver may deliver the executed Receiver's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Receiver's written confirmation that all such funds have been received, the Receiver's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 7 REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants to and in favour of the Purchaser as of the date hereof and as of the Closing Time, and acknowledges that, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Authority. Subject to Court approval of this Agreement, it has the authority pursuant to the Receivership Proceedings to sell the Purchased Assets to the Purchaser on the terms and conditions of this Agreement and to apply for the Approval and Vesting Order.
- (b) Residency. The Vendor is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).

7.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Province of British Columbia as of the date hereof, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser, before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) Funding Available. The Purchaser has available sufficient funding to enable the Purchaser to consummate the purchase of the Purchased Assets on the terms set forth herein and otherwise to perform all of the Purchaser's obligations under this Agreement. For certainty, such funding shall not be conditional on either: (i) title to the Purchased Assets being transferred to the Purchaser or other third party prior to the Purchase Price being advanced to the Vendor and the Receiver's Certificate being issued; and (ii) security being registered against the Purchased Assets prior to Closing.
- (g) Excise Tax Act. The Purchaser is registered under Part IX of the *Excise Tax Act* (Canada) with registration number 78302 2429 RT0001.
- (h) Residency. The Purchaser is not a non resident of Canada within the meaning of section 116 of the *Income Tax Act* (Canada).
- (i) No Sanctions. None of the Purchaser, any of its subsidiaries or, to the knowledge of the Purchaser, any director, officer, agent, employee, Affiliate or representative of the Purchaser or any of its subsidiaries is, or is controlled or 50% or more owned by or is acting on behalf of, an individual or entity (a “**Sanctioned Person**”) currently the subject of applicable economic sanctions including those administered or enforced by the government of Canada, the United States of America, or the United Kingdom (collectively, “**Sanctions**”). None of the Purchaser or any of its subsidiaries is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions. To the Purchaser's knowledge, neither it nor any of its subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person. The Purchaser has procedures and policies in place designed to ensure compliance with Sanctions.
- (j) No Quick Sale. The Purchaser will, on Closing: (i) be a “producer” for the purposes of the *Livestock Dealers and Agents Licensing Regulation* (Manitoba); (ii) keep and maintain title to the Purchased Assets that are livestock or other regulated animals for a period of no less than thirty (30) days following the Closing Date unless it has obtained a livestock dealers licence from Manitoba Agriculture (and any other required licences, authorizations, registrations or certifications) prior to Closing; and (iii) meet all requirements of Applicable Law or Manitoba Pork necessary to acquire and own the Purchased Assets (including, if necessary, being a “registered producer” with Manitoba Pork).

7.3 “As is, Where is”

(1) Except as contemplated in Section 7.1, the Purchaser acknowledges and agrees that it is purchasing the Purchased Assets and assuming the Assumed Liabilities on an “as is, where is” basis and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Purchased Assets, Assumed Liabilities and all other relevant matters and has determined to proceed with the Transaction contemplated herein and will accept the same at the Closing Time in their then current state, condition, location, and amounts, subject to all Permitted Encumbrances.

(2) Except as otherwise expressly provided in Section 7.1, no representation, warranty or condition whether statutory (including under *The Sale of Goods Act* (Manitoba), *The International Sale of Goods Act* (Manitoba), the *International Sale of Goods Contracts Convention Act* (Canada) or any other Canadian (including federal, provincial or municipal) or international acts which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendor or the Receiver including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical and environmental condition), suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Purchased Assets and assume the Assumed Liabilities pursuant to this Agreement.

(3) The description of the Purchased Assets and Assumed Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendor. Except as otherwise explicitly set forth in Section 7.1 no representation, warranty or condition has been given by the Vendor or the Receiver concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Vendor or the quality, quantity or condition of the Purchased Assets) are specifically disclaimed by the Vendor.

(4) Any documents, materials and information provided by the Vendor or Receiver to the Purchaser with respect to the Purchased Assets or Assumed Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor and/or Receiver have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor and/or Receiver and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated prior to the Closing Date:

- (a) by the Vendor upon written notice to the Purchaser if:
 - (i) the Closing has not occurred by the Outside Date; or
 - (ii) the Purchaser has breached its obligations under this Agreement and has not cured such breach within two (2) Business Days of receiving notice thereof from Vendor;provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Vendor; or
- (b) by the Purchaser upon written notice to the Vendor if: (i) the Closing has not occurred by the Outside Date; or (ii) the Vendor has breached its obligations under this Agreement and has not cured such breach within five (5) Business Days of receiving notice thereof from Purchaser; provided in each case that the failure to close, as applicable, is not caused by a breach of this Agreement by the Purchaser

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of Sections 4.8 (Indemnity), 5.4 (Personal Information Privacy), 9.3 (Public Announcements) and 9.9 (Governing Law).

ARTICLE 9 GENERAL

9.1 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser is not responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Receiver) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

CANADA ZF INVESTMENTS INC.

Suite 6625 – 8181 Cambie Road
Richmond, BC V6X 3X9

Attention: Jialing Xie
Email: carolynx0224@gmail.com

with a copy (which shall not constitute notice) to:

DLA PIPER (Canada) LLP

1133 Melville St
Vancouver, BC V6E 4E5
Attention: Colin Brousson
Email: colin.brousson@dlapiper.com

(b) in the case of the Vendor, as follows:

BDO Canada Limited

900, 10130 103 Street NW
Edmonton, Alberta T5J 3N9
Attention: David Lewis
Email: dlewis@bdo.ca

with a copy (which shall not constitute notice) to:

MLT Aikins LLP

360 Main St 30th Floor
Winnipeg, MB R3C 4G1
Attention: JJ Burnell / Chris Nyberg
Email: jburnell@mltaikins.com / cnyberg@mltaikins.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Winnipeg time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Winnipeg time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Public Announcements

The Receiver shall be entitled to disclose this Agreement to the Court and parties in interest in the Receivership Proceedings, other than any information which the Purchaser advises the Receiver in writing as being confidential, and this Agreement may be posted on the Receiver's website maintained in connection with the Receivership Proceedings at: <https://www.bdo.ca/services/financial-advisory-services/business->

[restructuring-turnaround-services/current-engagements/genesus-inc-et-al](#). Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendor or any of its Affiliates under Applicable Laws, the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

9.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.5 Survival

All representations, warranties and covenants of Vendor contained in this Agreement shall merge and terminate on Closing. Notwithstanding the foregoing, the representations, warranties and covenants of the Purchaser contained herein shall not merge on Closing and shall survive and remain in full force and effect.

9.6 Benefit of Agreement

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

9.7 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Receiver and the Purchaser.

9.8 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein and each of the Parties irrevocably attorn to the exclusive jurisdiction of the Court in the Receivership Proceedings, and any appellate courts of the Province of Manitoba therefrom.

9.10 Assignment

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Receiver, provided that: (a) such assignee is a related party or subsidiary of the Purchaser; (b) the Purchaser provides prior notice of such assignment to the Receiver; and (c) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder; and the Purchaser may assign the benefits of this Agreement to a lender or lenders as security for obligations owed to it or them, all without the consent of (but upon notice to) the Vendor and the Receiver.

9.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

9.14 Receiver's Capacity

In addition to all of the protections granted to the Receiver under the Receivership Order or any other order of the Court in these Receivership Proceedings, the Purchaser acknowledges and agrees that the Receiver, acting in its capacity as court-appointed receiver and not in its corporate or personal capacity, will have no Liability to the Purchaser in connection with this Agreement or the Transaction contemplated herein.

9.15 Electronic Signatures

Each Party agrees that the electronic signatures, whether digital or encrypted, of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

**BDO CANADA LIMITED, IN ITS
CAPACITY AS COURT-APPOINTED
RECEIVER OF GENESUS INC., CAN-AM
GENETICS INC. AND GENESUS
GENETICS, INC. AND NOT IN ITS
PERSONAL OR CORPORATE CAPACITY**

Per: David Lewis

Name: David Lewis

Title:

CANADA ZF INVESTMENTS INC.

Per: 

Name:

Title:

SCHEDULE “A”

PURCHASED ASSETS

A. Livestock (figures as at June 19, 2024)

See attached Excel spreadsheet provided by BDO/Genesis on June 22, 2024.

B. Intellectual Property

The intellectual property (IP) is contained within Genesis Inc. and is of three types, (a) proprietary software/data handling pipelines, (b) databases (phenotypic, genotypic and pedigree) and (c) trade secrets. Proprietary software/data handling pipelines deal with collection of data on-farm, transfer of data to the “cloud” databases, data editing and quality control, manipulation, computation and reporting of the data and software to determine breeding goals and economic weighting for the selection indexes. The databases are of three types, phenotypic which is all data collected on live pigs or pig carcasses, genotypic which include the genetic information on a pig’s DNA and pedigree which is a detailed genealogy of each pig and includes up to 20 generations of information on some pigs. All databases include information from all herds enrolled in the genetic program, are proprietary to Genesis and are not available to individual herds. The power of the across herd databases is that they provide much more valuable data sets compared to the individual herds. The pedigree linkages across herds benefit the individual herds because the information on related individuals in other herds increase the accuracy of the genetic evaluations on animals in the individual herds. Accuracy of the genetic evaluation is a key driver of genetic improvement. The trade secrets include the animal breeding/quantitative genetic procedures, genetic, statistical, and economic models, results, and application of knowledge gained through research and development and expertise developed over several years of industry experience. Below is a summary of items in each IP category.

Proprietary Software/Data Handling Procedures

1. MaxGen on-farm herd and genetic management software.
2. Data pipeline(s) to edit, manage and merge pedigree, phenotype, and genotype data.
3. Applications for mating, selection and reporting to herds.
4. Web-based applications to:
 - a. Load genotypic and external pig data not collected in herd/management software.
 - b. Group reports of phenotypes, breeding values, inbreeding, etc.
 - c. Create individual animal performance certificates.
 - d. Conduct quality control of phenotypic, genotypic and pedigree data.
 - e. Extract raw data for R&D purposes.
5. Economic profitability model to determine economically important traits to be included in the breeding goals.
6. Application to compute parameters and create quarterly reports for herds.

Databases

1. Phenotypic databases collected since 1995. The total number of phenotypes is over 10.6 million and come from all herds enrolled in our genetic services program.
 - a. Litter phenotypes > 6.2 million
 - b. Pig live weights >1.5 million
 - c. Live animal ultrasound measures >2.8 million
 - d. Grow-finish feed intake > 33, 000.

- e. Carcass and pork quality >135,000
- 2. Pedigree database > 3.4 million total pigs
 - a. Yorkshire pigs >1.9 million
 - b. Landrace pigs > 888,000
 - c. Duroc pigs > 617,000
- 3. Genotype database >151,000 total genotypes
 - a. Duroc >76,000
 - b. Landrace >36,000
 - c. Yorkshire > 34,000
 - d. Crossbred pigs >5,000

Trade Secrets

- 1. Breeding goals and selection indexes for each breed.
- 2. Genetic and statistical models for computation of genomic estimated breeding values.
- 3. Single Nucleotide Polymorphism (SNP) genotype panel with proprietary Genesus content.
- 4. Parameter targets and program procedures to maximise genetic improvement.
- 5. Key Performance Indicators for quarterly reporting to herds.

Application of research and development results to genetic improvement program.

Trademarks

All Trademarks owned by Genesus or any of its subsidiaries, wherever situated, including but limited to the following:

TRADEMARK	JURISDICTION	REG'N #	STATUS
<u>THE FIRST POWER IN GENETICS GENESUS</u>	Canada	TMA656161	REGISTERED Renewal: 2031-01-06
<u>GENESUS</u>	Canada	TMA651459	REGISTERED Renewal: 2030-10-26
<u>THE FIRST POWER IN GENETICS GENESUS</u>	USA	3490137	REGISTERED
GENESUS	USA	3477911	REGISTERED

Software and Documentation

With respect to the software described above, all of the following:

- (a) computer programs, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program

architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, including any software implementations of algorithms, heuristics, models and methodologies, whether in source code or object code;

- (b) testing, validation, verification and quality assurance materials;
- (c) databases, conversions, interpreters and compilations, including any data and collections of data, whether machine readable or otherwise;
- (d) descriptions, schematics, flow-charts and other work product used to design, plan, organize and develop any of the foregoing;
- (e) all documentation, including user manuals, source code annotations, and architectural and design specifications, and training materials, relating to any of the foregoing;
- (f) software development processes, practices, methods and policies recorded in permanent form, relating to any of the foregoing; and
- (g) performance metrics, sightings, bug and feature lists, build, release and change control manifests recorded in permanent form, relating to any of the foregoing.

Intellectual Property Rights

With respect to all of the intellectual property described above, any of the following anywhere in the world, whether or not filed, perfected, registered or recorded:

- (a) rights associated with works of authorship and literary property, including copyrights, database and software rights, moral rights, and mask-work rights;
- (b) trademarks, service marks, logos, trade dress, distinguishing guises, trade names, and the goodwill associated therewith;
- (c) rights relating to know-how or trade secrets, including ideas, concepts, methods, techniques, inventions (whether or not developed or reduced to practice) and other confidential or proprietary information;
- (d) patents, designs, algorithms and other industrial property rights, including any continuations, continuations-in-part, provisionals, divisions, reissues, re-examinations or extensions thereof, and any and all related inventions, invention disclosures and technological developments;
- (e) all other intellectual and industrial property rights of every kind and nature, however designated, whether arising by operation of law, contract, license or otherwise;
- (f) all applications for and renewals or extensions of such rights, and all similar or equivalent rights or forms of protection in any part of the world;

- (g) the right to claim benefits available in any country under the Paris Convention For The Protection of Industrial Property, and any like treaties or laws, and the right to claim and to the benefit of any priority dates established by any of the foregoing;
- (h) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including damages and payments for past or future infringements or misappropriations thereof; and
- (i) all causes of action and the right to sue, counterclaim and recover for past, present and future infringement, dilution, misappropriation, misuse, or unauthorized use of any of the foregoing (including the right to receive all proceeds and damages).

C. Books and Records

As provided for in this Agreement.

D. Land/Building Assets:

1. Oakville MB Main Office

Address: 101 2nd Street, Oakville RM of Portage la Prairie, MD

Legal Description:

Parcel 1: Lot 4 and the nly 50 feet perp of lot 5 block 1 plan 226 plto in nw ¼ 18-11-4WPM

Parcel 2: Lots 3 and Block 5 1 Plan 226 plto, exc firstly: out of lot 5 the nly 50 feet perp and secondly: all mines and minerals vested in the crown (Manitoba) by the real property act in NW ¼ 18-11-4 WPM

Zoning: CG – Commercial General Zone

Site Dimensions: 130 ft .x 156 ft.

Site Area : 20,280 sq. ft.

Building type : Commercial Service Building with Office, Warehouse and Wash Bay.

Building floor Area:

Office area	2,500 sq. ft.
Warehouse	1,750 sq. ft.
Wash Bay	2,150 sq. ft.
Gross Area	6,400 sq. ft.

Including all furniture, equipment (including all computers and servers), Books and Records, supplies, chattels and fixtures (collectively, the “**Oakville Office Items**”).

2. Riverdale/Prairie Sun Location

All of the below is included.

Municipality	Parcel Description	Total Acres	Arable Acres	Non-Arable Acres
Riverdale	NW21-12-22W	80	64	16
Riverdale	SW-21-12-22W	159	82	77

This site is improved with a sow, farrow to finish hog barn, which has space for approximately 350 sows. The barn is wood frame construction with concrete foundation and knee walls at the perimeter walls. The barn was constructed in 2003.

A detached 20.0’ x 25.0 shed is located immediately west of the barn’s primary entrance to act as a security gate. The barn measures 40,682 square feet. The main 600-amp electrical breaker panel. Each barn contains a climate control system which automatically operates the ventilation fans and heating.

There are a total of ten welded steel hopper bottom feed storage bins located around the barn. The bins consist of the following:

1. 1 - 70-bushel;
2. 1 - 100 bushel;
3. 1 - 150 bushel;
4. 3 – 200 bushels;
5. 1 – 240 bushels,
6. 1 – 270 bushels;
7. 1 – 530 bushels; and
8. 1 – 850 bushel bin.

Livestock’s waste is collected in the pits below before periodically being pumped to a detached concrete lagoon system. Lagoon 2,000,000 US gallons of sewage waste.

[Excel spreadsheet containing livestock inventory inserted here]

Can Am - Prairie Sun Nucleus (Riverdale)
Agricultural and Biological Inventory
As of June 18 2024

<u>Company Ownership</u>	<u>Site Name</u>	<u>Location</u>	<u>Inventory description</u>	<u>Inventory Type</u>	<u>Quantity</u>	<u>Market value per head CAD</u>	<u>Total \$ value if sold as meat</u>
Can Am	PSN	Manitoba	Breeding Sows	Biological Asset	368		
Can Am	PSN	Manitoba	Finisher Barrows	Agricultural Inventory	437		
Can Am	PSN	Manitoba	Finisher Boars	Agricultural Inventory	578		
Can Am	PSN	Manitoba	Finisher Gilts	Agricultural Inventory	777		
Can Am	PSN	Manitoba	Piglets	Agricultural Inventory	340		
					2500		

As counted by BDO on June 18 2024

All values Canadian Dollars (CAD)

Genesis Inc. DGI Inventory
Agricultural and Biological Inventory
As of June 19 2024

<u>Company Ownership</u>	<u>Site Name</u>	<u>Location</u>	<u>Inventory description</u>	<u>Inventory Type</u>	<u>Quantity</u>	<u>Market value per head CAD</u>	<u>Total \$ value if sold as meat</u>
Genesis Inc.	DGI	Manitoba	Breeding Sows	Biological Asset	782		
Genesis Inc.	DGI	Manitoba	Finisher Barrows	Agricultural Inventory	509		
Genesis Inc.	DGI	Manitoba	Finisher Boars	Agricultural Inventory	308		
Genesis Inc.	DGI	Manitoba	Finisher Gilts	Agricultural Inventory	1921		
Genesis Inc.	DGI	Manitoba	Herd Boars	Agricultural Inventory	26		
Genesis Inc.	DGI	Manitoba	Nursery Barrows	Agricultural Inventory	494		
Genesis Inc.	DGI	Manitoba	Nursery Boars	Agricultural Inventory	160		
Genesis Inc.	DGI	Manitoba	Nursery Gilts	Agricultural Inventory	634		
Genesis Inc.	DGI	Manitoba	Piglets	Agricultural Inventory	589		
					5423		

Counted by BDO personnel by June 19 2024

All values Canadian Dollars (CAD)

Prairie Blossom - Breeding Herd Only

<u>Company Ownership</u>	<u>Site Name</u>	<u>Location</u>	<u>Inventory description</u>	<u>Inventory Type</u>	<u>Quantity</u>	<u>Value if sold as meat</u>	<u>Total \$ value if sold as meat</u>	<u>Total Value if sold to clients</u>
Genesis Inc.	Prairie Blossom	Manitoba	Breeding Sows	Biological Asset	701			n/a
Genesis Inc.	Prairie Blossom	Manitoba	Breeding Boars	Biological Asset	21			n/a

All values Canadian Dollars (CAD)

Genesis Inc. A.I. Stud
Agricultural and Biological Inventory
As of June 18 2024

						<i>Total Value if sold to clients</i>		
<i>Company Ownership</i>	<i>Site Name</i>	<i>Location</i>	<i>Inventory description</i>	<i>Inventory Type</i>	<i>Quantity</i>	<i>Value if sold as meat</i>	<i>Total \$ value if sold as meat</i>	<i>(semem sales)</i>
Genesis Inc.	Boar Station	Manitoba	A.I. Boars	Biological Asset	130			

Counted by DBO June 18 2024
All values Canadian Dollars (CAD)

Total Inventory Numbers and Values

Herd Name	Ownership	Counted by:	Date Counted	Total Quantity
DGI	Genesis	BDO	June 19 2024	5423
Prairie Sun (Riverdale)	Can-Am	BDO	June 18 2024	2500
A.I. Stud	Genesis	BDO	June 18 2024	130
Prairie Blossom	Genesis	Prairie Blossom	early June 2024	722
Totals				8775

Total Market Value CAD



SCHEDULE "B"

PERMITTED ENCUMBRANCES

For Title Number: 1892437/2:

Caveat 1130601/2 (MTS Communications)

For Title Number: 1848166/2:

Caveat 1130601/2 (MTS Communications)

For Title Number: 2316076/3:

None

SCHEDULE “C”

ASSIGNED CONTRACTS

1. The Boar Station AI Service Agreement dated May 13, 2024 between Genesis and The Boar Station Ltd.
2. Barn Lease Agreement dated February 26, 2018 between Genesis and Designed Genetics Inc., with Michael Van Schepdael and James Long as Indemnitors.
3. Agreement for the Expansion of the Nucleus Herd dated May 27, 2019 between Genesis and Fairholme Colony (“Fairholm”) and the addendum attached thereto.
4. Nucleus Herd Agreement dated November 4, 2016 between Genesis and Fairholm and the attached addendum dated May 5, 2023.
5. Locally Produced Marketing and Product Use Agreement dated June 1, 2022 between Genesis and Goedgedacht Agri Estates PTY TD T/A Taaibosch Genetics.
6. Locally Produced Marketing and Product Use Agreement dated May 7, 2019 between Genesis and Golden Harvesta Inc., and the addendum attached thereto dated July 1, 2020.
7. Applied Research and Experimental Development Agreement dated October 7, 2010 between Genesis and Prairie Blossom Honey Co. Ltd. (“**Prairie Blossom**”).
8. Intellectual Property Agreement dated October 7, 2010 between Genesis and Prairie Blossom.
9. Multiplication Agreement dated October 7, 2010 between Genesis and Prairie Blossom.

SCHEDULE “D”
ASSUMED LIABILITIES

NIL


Genesis Can-Am APA June 28 2024 (FINAL EXECUTION VERSION) - signed by Canada ZF


Final Audit Report


2024-06-28


Created:	2024-06-28
By:	Chris Nyberg (cnyberg@mltaikins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAXnRLu1b2Tj7TVwLttPcMchFwsx-ClfOp


"Genesis Can-Am APA June 28 2024 (FINAL EXECUTION VERSION) - signed by Canada ZF" History


 Document created by Chris Nyberg (cnyberg@mltaikins.com)
2024-06-28 - 9:07:52 PM GMT

 Document emailed to dlewis@bdo.ca for signature
2024-06-28 - 9:08:24 PM GMT

 Email viewed by dlewis@bdo.ca
2024-06-28 - 9:21:27 PM GMT

 Signer dlewis@bdo.ca entered name at signing as David Lewis
2024-06-28 - 9:21:53 PM GMT

 Document e-signed by David Lewis (dlewis@bdo.ca)
Signature Date: 2024-06-28 - 9:21:55 PM GMT - Time Source: server

 Agreement completed.
2024-06-28 - 9:21:55 PM GMT

**Appendix D - Statement of Receipts and Disbursements for the Period June 11, 2024, to
June 28, 2024**

Genesis Inc., Can-Am Genetics Inc., and Genesis Genetics Inc.
Statement of Receipts and Disbursements
For the Period of June 11, 2024 to June 28, 2024

Receipts	US\$	CDN\$
Accounts receivable	\$ -	\$ 21,661
Cash on hand	26,521	36,900
Foreign exchange gain	-	67,543
Receiver's borrowings	-	300,000
Sale of livestock	258,812	67,450
Transfer from US\$ account	-	185,500
Total Receipts	285,333	679,054
Disbursements		
Bank fees	203	1,136
Change locks	-	520
Consultants	-	45,956
Feed	-	152,000
Fuel	1,804	9,634
Government fees	-	19,612
GST	-	1,265
Hog purchases	-	55,431
HST	-	265
Insurance	1,273	77,046
Internet	-	181
Miscellaneous	-	8,320
PST	-	274
Rent	-	18,333
Software	-	10,000
Testing	-	8,511
Transfer to CDN\$ account	185,500	-
Truck wash	-	9,000
Transportation	-	60,081
Veterinary fees	-	6,047
Wages	19,751	90,544
Total Disbursements	208,530	574,156
Funds Held in Trust as at June 28, 2024	\$ 76,803	\$ 104,898