

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**B E T W E E N:**

**ELLIOT LAKE AND NORTH SHORE CORPORATION FOR BUSINESS DEVELOPMENT and  
EAST ALGOMA COMMUNITY FUTURES DEVELOPMENT CORPORATION/ALGOMA EST SOCIETE  
D'AIDE AU DEVELOPPEMENT DES COLLECTIVITES**

Applicants

- and -

**ALMENARA EN EL RIO INC.**

Respondent

**SUPPLEMENT TO THE FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY  
AS COURT APPOINTED RECEIVER**

**July 26, 2023**

**TABLE OF CONTENTS**

INTRODUCTION AND PURPOSE OF THIS REPORT..... 3  
Introduction ..... 3  
Purpose of this Report..... 3  
DISCLAIMER ..... 3  
ADDITIONAL FACTS ..... 4  
SUMMARY AND RECOMMENDATIONS ..... 4

## INTRODUCTION AND PURPOSE OF THIS REPORT

### Introduction

1. By Order of the Honourable R. D. Gordon of the Ontario Superior Court of Justice (the “**Court**”) dated April 28, 2023 (the “**Receivership Order**”), BDO Canada Limited (“**BDO**”) was appointed as the Court-appointed receiver (in such capacity, the “**Receiver**”) over Almenara En El Rio Inc. (“**Almenara**” or the “**Debtor**”), and all of the assets, undertakings and properties of the Debtor, including the real property known municipally as 57 Spanish Street, Spanish, ON (the “**Property**”).
2. This Supplement to the First Report Court dated July 26, 2023 (the “**Supplemental Report**”) should be read in conjunction with the Receiver’s First Report to Court dated July 24, 2023 (the “**First Report**”). All definitions and capitalized terms in the First Report remain the same in this Supplemental Report.

### Purpose of this Report

3. The purpose of the Receiver’s Supplemental Report is to provide further background information to the Court with respect to the urgency of approving the Transaction.
4. This Supplemental Report, and other all court materials and orders issued and filed in these receivership proceedings are or will be made available on the Receiver’s case website at: <https://www.bdo.ca/en-ca/extranets/AlmenaraEnElRioInc> and will remain available on the website for a period of six (6) months following the Receiver’s discharge.

### DISCLAIMER

5. This Supplemental Report is prepared solely for the use of the Court for the purpose of assisting it in making a determination whether to: (i) approve and authorize the Dubois APS and the Transaction, (ii) vest the Debtor’s right, title and interest, if any, in and to the Property free and clear of all encumbrances, except permitted encumbrances, to the Purchaser (iii) approve a distribution of funds from the proceeds of sale from the Transaction to the mortgagees, (iii) approve the actions and conduct of the Receiver and the accounts of the Receiver and its legal counsel as set out in the First Report, and (iv) approve other ancillary relief being sought.
6. Except as otherwise described in this Supplemental Report:
  - a. the Receiver has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information in a manner that would wholly or partially comply with Canadian Auditing Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and

- b. the Receiver has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
7. Unless otherwise stated, all monetary amounts contained in this Supplemental Report are expressed in Canadian dollars.

#### **ADDITIONAL FACTS**

8. The Receiver would like to apprise the court of the following facts in respect of this Receivership Proceeding that would support the urgency of approving the Transaction:
1. The marina insurance expires on August 16, 2023 and it will be difficult for the Receiver to renew the existing insurance policy with First Insurance of Canada if the Receiver's motion approving the Transaction is adjourned and the insurance expires thereby leaving the assets uninsured.
  2. The marina is located in a remote area in Spanish, ON accessible by both roadway and by water and the Marina Chatters stored in the storage buildings are at risk of theft from vagrants in the area. The Receiver has already experienced attempted break-ins to the marina buildings during the Receivership Proceeding.
  3. The Purchaser is intending on operating a campground and needs to open the campground as soon as possible to contact former patrons of the marina to return to the campsites before they find alternative campsites for the remainder of this camping season. A delay in approving the Dubois APS and the Transaction could affect the Purchaser's willingness to close the sale. If the sale does not close there will be considerable additional costs to administer this Receivership Proceeding.
  4. Almenara is insolvent and there will be no recovery available for shareholders now being the beneficiaries under the Christensen Will (the three children of Kirkland and Christensen) who the Receiver understands take no position with regard to the Receivership Proceeding.
  5. Approving the Proposed Distributions reduces the claims of the mortgagees by eliminating ongoing interest and other costs being incurred.

#### **SUMMARY AND RECOMMENDATIONS**

9. Based on the foregoing, the Receiver respectfully requests that this Court grant the relief as set out in Paragraph 57 of the First Report.

All of which is respectfully submitted this 26<sup>th</sup> day of July 2023.

BDO CANADA LIMITED,  
in its capacity as the Court-appointed Receiver of  
Almenara En El Rio Inc.

Per:



---

Name: Gary Cerrato, CIRP, LIT

Title: Senior Vice-President