

**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.

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

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**SEPTEMBER 5, 2025**

**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**”) and section 55 of *The Court of King’s Bench Act*, C.C.S.M., c. C280, to appoint BDO Canada Limited (“**BDO**”) as receiver and manager (the “**Receiver**”), without security, 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, 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 Mr. Justice Chartier granted an order (the “**Receivership Order**”) appointing BDO as Receiver in respect of the Property. Information regarding the receivership proceedings can be accessed on the Receiver’s website at <https://www.bdo.ca/en-ca/extranets/GenesisInc>.
2. Various orders have been granted by the Court during the receivership proceedings approving, among other things, the following transactions:
  - (a) July 4, 2024 - the sale of specific assets (the “**GGTI Transaction**”) to Genesis Genetics Technology Inc. (“**GGTI**”), although GGTI failed to tender the balance of the purchase price, and the asset purchase agreement was terminated by the Receiver;
  - (b) July 26, 2024 - the amended asset purchase agreement with GGTI to again purchase specific assets of Genesis and Can-AM (the “**Amended GGTI APA**”), which transaction closed on July 26, 2024;
  - (c) October 8, 2024 - the sale of the Riverdale Property, which transaction closed on October 18, 2024;
  - (d) January 29, 2025 - the sale of the Park Blvd. Property, which transaction closed on February 25, 2025; and
  - (e) June 12, 2025 - the sale of the Bagot Property, which transaction closed on July 2, 2025.

3. This report constitutes the sixth report of the Receiver (the “**Sixth Report**”), and is being filed to inform this Honourable Court of the following:
  - (a) the activities of the Receiver since the Fifth Report dated June 4, 2025 (the “**Fifth Report**”);
  - (b) the Receiver’s sales efforts to date on the Oakville Property;
  - (c) the Receiver’s proposed cost allocation (the “**Cost Allocation**”) amongst the assets of the Companies;
  - (d) the Receiver’s proposed interim distributions as set out below; and
  - (e) the financial position of the receivership estate by way of an updated interim statement of receipts and disbursements for the period June 11, 2024 to August 31, 2025 (the “**Interim Statement of Receipts and Disbursements**”).
  
4. Furthermore, this Sixth Report is being filed in support of the Receiver’s motion to this Honourable Court filed on August 29, 2025, seeking the following:
  - (a) approval of the Receiver’s Cost Allocation;
  - (b) approval of the Receiver’s Proposed Distribution;
  - (c) approval of this Sixth Report and the reported actions and activities of the Receiver since the filing of the Fifth Report in respect of administering these receivership proceedings as set out herein, inclusive of the Interim Statement of Receipts and Disbursements;
  - (d) approval of the fees and disbursements of the Receiver and its legal counsel for the period of May 1, 2025 to July 31, 2025; and
  - (e) such further and other direction that the Court considers just and warranted in the circumstances

## **TERMS OF REFERENCE**

5. In preparing this Sixth 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 Sixth 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 Sixth Report.
7. Unless otherwise stated, all monetary amounts contained in this Sixth Report are expressed in Canadian dollars.
8. Capitalized terms not defined in this Sixth Report are as defined in the Receivership Order and the various other reports filed by the Receiver in these proceedings.

## **ACTIVITIES OF THE RECEIVER SINCE THE FIFTH REPORT**

9. Since the date of the Fifth Report, the Receiver has undertaken the following activities:
  - (a) continued to correspond with the Canada Revenue Agency (“**CRA**”) regarding the Companies’ scientific research and experimental development (“**SRED**”) tax credits;
  - (b) continued to collect accounts receivable;

- (c) closed the sale of the Bagot Property;
- (d) corresponded with Prairie Blossom Honey Co. Ltd. ("**Prairie Blossom**") in respect of Prairie Blossom's alleged claim against the receivership estate for certain holding costs in respect of approximately 700 sows;
- (e) continued to liaise with the realtors and further amended the listing prices for the remaining properties; and
- (f) prepared, reviewed, and finalized this Sixth Report.

### **OAKVILLE PROPERTY UPDATE**

10. As detailed in the Receiver's first report dated July 2, 2024, Genesis owns the Oakville Property which was used as its head office, legally described as:
  - (a) 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; and
  - (b) 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.
11. On October 13, 2023, the Oakville Property was listed with Warren Neufeld of Royal LePage Portage Realty (the "**Oakville Realtor**"), for a price of \$420,000.
12. On January 20, 2024, The Oakville Realtor received an offer for the Oakville Property for \$380,000 (the "**January 20, 2024 Offer**"), however, the transaction did not close.
13. On June 18, 2024, the Receiver spoke with the Oakville Realtor about potentially re-listing the Oakville Property, as the initial listing agreement expired on April 30, 2024. Based on these discussions, in the absence of a formal listing agreement, the Oakville Realtor brought forward two (2) additional offers, although both offers were below the January 20, 2024 Offer.

14. On August 16, 2024, the Receiver obtained an appraisal of the Oakville Property from Red River Group Real Property Solutions, and on August 19, 2024, the Receiver again listed the Oakville Property with the Oakville Realtor for \$400,000.
15. On November 29, 2024, the Receiver, on the recommendation of the Oakville Realtor, reduced the list price of the Oakville Property to \$375,000.
16. On January 15, 2025, the Receiver received an offer from 6127037 Manitoba In. (“6127037”) for the Oakville Property. The Receiver entered into negotiations with 6127037, however, an agreement could not be reached.
17. On January 17, 2025, the Receiver, on the recommendation of the Oakville Realtor, again reduced the list price of the Oakville Property to \$355,000.
18. On April 25, 2028, the Receiver received a second offer from 6127037 for the Oakville Property. The Receiver entered into negotiations with 6127037, and again, an agreement could not be reached.
19. On May 28, 2025, the Receiver, on the recommendation of the Oakville Realtor, further reduced the list price of the Oakville Property to \$335,000.
20. On September 2, 2025, the Receiver received an offer from Dustin Pierce (“Mr. Pierce”) for the Oakville Property. The Receiver is currently in negotiations with Mr. Pierce as at the date of this Sixth Report.

#### **INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

21. The Receiver has prepared an Interim Statement of Receipts and Disbursements for the Companies up to and including August 31, 2025, attached hereto as **Appendix A**. Total receipts are \$6,360,789 and total disbursements are \$3,272,132, resulting in \$3,088,658 being held in trust.

## **COST ALLOCATION AND REMAINING ASSETS**

22. Currently the Park Blvd. Property proceeds account for approximately half of the total amount recovered for the Receiver to date. However, the work completed by the Receiver to realize upon the Park Blvd. Property is significantly less than half of the work completed by the Receiver in these proceedings, as the majority of the costs that have been incurred by the Receiver to date relates to dealing with the Debtors' personal property assets, including livestock.
23. As such, due to the varied nature of the Property (i.e. livestock, real property, vehicles, livestock trailers, etc.), the Receiver is of the view that an allocation of costs on a "net receipt of proceeds" basis would be prejudicial to FCC, as a disproportionate share of the administration costs would be assigned to the Park Blvd. Property. As FCC holds a first secured mortgage position over the Park Blvd. Property, the Receiver and BMO both agree that FCC's entire mortgage balance should be satisfied in full from the Park Blvd. Property proceeds, with the balance being available (but not paid at this time) to BMO pursuant to its second security position, subject to this Honourable Court's decision as to the motion filed by Sea Air International Forwarders Limited ("Sea Air") as to a declaration that BMO Mortgage No. 5583625/1 (the "**BMO Mortgage**") is void and/or otherwise unenforceable or subordinate to the claim of Sea Air (the "**Sea Air Motion**").
24. Attached as **Appendix B** are the Receiver's direct costs associated with realizing on the Park Blvd. Property which include, but are not limited to, property taxes, utilities, insurance, security, maintenance, sales commission and other necessary expenses to ensure the safety, marketability, and value preservation of the assets (collectively the "**Preservation Costs**").
25. In addition, the Receiver has the remaining assets to be realized on (with the SRED refunds potentially being the largest recoveries in the receivership):
  - (a) the Oakville Property;
  - (b) the SRED claims for Can-Am and Genesis; and

- (c) the shares of Genesis Life Science.

## **PROPOSED INTERIM DISTRIBUTION**

- 26. As noted in the Receiver's Fifth Report, both FCC and BMO have valid and enforceable security, with FCC and BMO having the first and second in time registrations against the Park Blvd. Property, respectively. Additionally, BMO has valid and enforceable security on all other assets of the Companies. In both circumstances, subject to this Honourable Court granting the relief claimed in the Sea Air Motion
- 27. As noted above, the net receipts available for distribution are approximately \$3,088,658. The Receiver is proposing an interim distribution (the "**Interim Distribution**") as follows:
  - (a) payment to Service Canada to satisfy the WEPP priority claims of Can-Am and Genesis of \$5,271 and \$21,512, respectively (the "**Service Canada Payments**");
  - (b) payment to CRA to satisfy the GST priority claim of Genesis of \$64,461 (the "**CRA Payment**");
  - (c) payment to FCC to satisfy its secured claim by way of its first mortgage on the Park Blvd. Property of \$1,136,974 (the "**FCC Payment**");
  - (d) payment to BMO of \$1,250,000 on account of its first priority general security agreement registration filed in the Manitoba Personal Property Registry (the "**BMO Payment**"); and
  - (e) a holdback of \$701,684, which includes retention of \$277,894 from the Park Blvd. Property to potentially address the Sea Air Claim, for ongoing administration of the receivership proceedings (the "**Receiver's Holdback**").
- 28. The Service Canada Payments are based on a statement of account dated April 2, 2025.
- 29. The CRA Payment is based on discussions the Receiver has had with CRA, and review of the Companies' CRA online portals and statements of account. The Receiver understands

that Genesis has an approximate corporate tax refund of \$612,000 for the 2020 (?) tax year that will be offset by CRA, as all outstanding corporate tax returns have been filed, reducing the GST priority claim to the CRA Payment.

30. The FCC Payment is based on FCC's priority mortgage over the Park Blvd. Property and has been calculated based on FCC's payout statement dated September 4, 2025 (which detailed a balance owing of \$1,141,454.20), plus per diem interest of \$176.24. As noted above, approximately \$277,894 in net sales proceeds from the Park Blvd. Property will remain with the Receiver subsequent to the FCC Payment.
31. The BMO Payment is based on a May 26, 2025 payout statement from BMO, which detailed an amount owing of \$6,930,555 (with a per diem interest of \$1,559).
32. The Receiver's Holdback will be used to cover ongoing holding costs, costs associated with the Sea Air matter, professional fees, and to conclude the administration of the receivership proceedings.
33. The Receiver is of the view that the Interim Distribution is fair and reasonable in the circumstances and respectfully requests that the Interim Distribution be approved by the Court.

#### **PROFESSIONAL FEES**

34. Attached as **Appendix C** is a summary of the invoices of the Receiver for fees and disbursements incurred during the course of the proceedings for the period May 1, 2025 to July 31, 2025. BDO's accounts total \$60,194 in fees and disbursements, inclusive of GST.
35. The fees charged by the BDO are based on the amount of professional time required at hourly billing rates, which vary depending upon the experience level and location of professionals involved. The average blended hourly rate charged by BDO in these proceedings for invoices issued to date is \$342 per hour. The rates charged by BDO are the standard rates and charges for engagements of this nature and are comparable to the rates charged for the provision of services by other professional firms providing specialized financial advisory services.

36. The Receiver is of the view that its fees and disbursements are fair and reasonable in the circumstances and have been duly rendered in response to the required and necessary duties of the Receiver in accordance with the provisions of the Receivership Order.
37. Attached as **Appendix D** is a summary of the invoices of the Receiver's legal counsel, MLT Aikins LLP, Fillmore Riley LLP, and D'Arcy & Deacon LLP for fees and disbursements incurred during the course of the proceedings for the period June 1, 2025 to July 31, 2025. The accounts total \$34,539 in fees and disbursements, inclusive of PST and GST.
38. The Receiver has reviewed the invoices rendered by its legal counsel and finds them reasonable and validly incurred in accordance with the provisions of the Receivership Order.
39. Copies of the invoices of the Receiver's legal counsel, which outline the dates the work was completed, the description of the work completed, the length of time taken to complete the work, and the names and rates of the individuals who completed the work, can be made available to the Court upon request.

## **RECOMMENDATIONS**

40. For the reasons outlined above, the Receiver respectfully requests that this Honourable Court provide an Order:
  - (a) approving the Receiver's Cost Allocation;
  - (b) approving the Receiver's Interim Distribution;
  - (c) approving this Sixth Report and the reported actions and activities of the Receiver since the filing of the Fifth Report in respect of administering these receivership proceedings as set out herein, inclusive of the Interim Statement of Receipts and Disbursements;
  - (d) approving the fees and disbursements of the Receiver and its legal counsel for the period from May 1, 2025 to July 31, 2025; and

- (e) providing such further and other direction that the Court considers just and warranted in the circumstances.

All of which is respectfully submitted at Winnipeg, Manitoba, this 5<sup>th</sup> day of September 2025.

**BDO CANADA LIMITED**

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



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

**Appendix A – Statement of Receipts and Disbursements for the period June 11, 2024 to August 31, 2025**

**Genesis Inc., Can-Am Genetics Inc., and Genesis Genetics Inc.**  
**Statement of Receipts and Disbursements**  
**For the Period of June 11, 2024 to August 31, 2025**

<b>Receipts</b>	<b>US\$</b>	<b>CDN\$</b>
Sale of real property	\$ -	\$ 2,572,500
Sale of livestock	213,313	1,305,290
Transfers	-	619,560
Forfeited deposit	-	600,000
Receiver's borrowings	-	500,000
Accounts receivable	-	214,900
Motor vehicles	-	165,000
Foreign exchange gain	-	111,570
Sale of equipment	-	100,619
Interest	-	47,148
Cash on hand	25,533	43,203
Insurance refund	-	40,597
Insurance claim	-	16,128
Intellectual property	-	15,000
Insurance proceeds	-	9,556
Royalties and other services	-	4,519
Furniture	-	250
Agriculture and Agri Food Canada	-	204
Manitoba Finance	-	65
<b>Total Receipts</b>	<b>\$ 238,847</b>	<b>6,366,109</b>
<b>Disbursements</b>		
Repayment of receiver's certificate	-	500,000
Receiver's fees	-	478,110
Legal fees and disbursements	-	423,943
Feed	-	374,112
Wages	19,751	165,132
Transportation	-	160,776
Property taxes	-	157,325
Commission	-	100,921
Accounting services	-	94,252
Insurance	1,273	93,934
Repairs and maintenance	-	89,906
Consultants	-	80,051
GST	-	73,517
Hog purchases	-	62,383
Rent	-	60,861
AI stud costs	-	60,482
Utilities	-	49,997
Transfer to CDN\$ account	186,000	40,500
PST	-	36,453
Miscellaneous	-	32,158
Government fees	-	25,112
Fuel	2,519	22,747
Appraisal fees	-	16,261

**Genesis Inc., Can-Am Genetics Inc., and Genesis Genetics Inc.**  
**Statement of Receipts and Disbursements**  
**For the Period of June 11, 2024 to August 31, 2025**

<b>Disbursements</b>		
Truck wash	-	15,450
Travel	-	13,509
Software	-	12,952
Computer services	-	10,936
Testing	-	8,511
Interest on loans	-	6,540
Veterinary fees	-	6,047
Tags	-	5,529
Telephone	-	3,975
Barn supplies and medicine	-	3,926
HST	-	3,747
Mileage	-	3,129
Credit card fees and interest	-	2,891
Postage	-	2,121
Auctioneer commission	-	2,050
Site cleanup	-	2,030
Internet	-	1,374
Bank fees	260	1,229
Deemed Trust Claim	-	1,067
Security	-	1,035
Lab testing	-	1,000
Municipal taxes	-	912
Change locks	-	520
Payroll services	-	433
Snow removal	-	370
Ascend fee	-	325
OR fees	-	241
Search	-	74
Court fees	-	70
Provincial taxes	-	65
Transfer to Receivers account	29,044	-
<b>Total Disbursements</b>	<b>\$ 238,847</b>	<b>3,310,992</b>

## **Appendix B – Cost Allocation Schedule**

Estate No.: 21-081650  
Court No.: CI 24-01-45056

**BDO CANADA LIMITED**  
**IN THE MATTER OF THE RECEIVERSHIP OF**  
**GENESUS INC., CAN-AM GENETICS INC., AND GENESUS GENETICS INC.**  
**INVOICE SUMMARY FOR THE PERIOD OF MAY 1, 2025 to JULY 31, 2025**

<b>Date</b>	<b>Invoice #</b>	<b>WIP</b>	<b>Disbursements</b>	<b>Invoice (Net)</b>	<b>GST</b>	<b>Invoice (Total)</b>
05-Jun-25	CINV3467426	27,369.00	256.56	27,625.56	1,381.28	29,006.84
03-Jul-25	CINV3494220	15,624.50	-	15,624.50	781.23	16,405.73
03-Jul-25	CINV3494326	4,416.50	-	4,416.50	220.83	4,637.33
07-Aug-25	CINV3559830	3,150.00	-	3,150.00	157.50	3,307.50
07-Aug-25	CINV3559826	9,634.50	-	9,634.50	481.73	10,116.23

<b>SUBTOTAL</b>	<b>60,194.50</b>	<b>256.56</b>	<b>60,451.06</b>	<b>3,022.55</b>	<b>63,473.61</b>
<b>PREVIOUSLY APPROVED</b>	<b>417,915.17</b>	<b>34,847.95</b>	<b>452,763.12</b>	<b>22,638.16</b>	<b>475,401.28</b>
<b>TOTAL</b>	<b>478,109.67</b>	<b>35,104.51</b>	<b>513,214.18</b>	<b>25,660.71</b>	<b>538,874.89</b>

## **Appendix C – Fees and Disbursements of the Receiver**

Estate No.: 21-081650  
Court No.: CI 24-01-45056

MLT AIKINS LLP and FILLMORE RILEY LLP  
LEGAL COUNSELS IN THE MATTER OF THE RECEIVERSHIP OF  
GENESUS INC., CAN-AM GENETICS INC., AND GENESUS GENETICS INC.  
INVOICE SUMMARY FOR THE PERIOD OF JUNE 1, 2025 to July 31, 2025

Date	Invoice #	Amount	Disbursements	Invoice (Net)	GST	PST	Invoice (Total)
<b>MLT AIKINS LLP</b>							
30-Jun-25	6581415	19,023.50	239.41	19,262.91	954.15	1,331.64	21,548.70
31-Jul-25	6589490	3,385.50	222.00	3,607.50	173.38	236.98	4,017.86
<b>FILLMORE RILEY LLP</b>							
06-Aug-25	2342759	7,142.86	-	7,142.86	357.14	500.00	8,000.00
<b>D'Arcy &amp; Deacon LLP</b>							
08-Jul-25	105789	4,987.50	-	4,987.50	249.38	349.13	4,887.50
SUBTOTAL		34,539.36	461.41	35,000.77	1,734.05	2,417.75	38,454.06
PREVIOUSLY APPROVED		379,397.13	9,544.64	388,941.77	19,264.50	26,676.45	434,882.72
TOTAL		413,936.49	10,006.05	423,942.54	20,998.55	29,094.20	473,336.78

**Appendix D – Fees and Disbursements of the Receiver’s Legal Counsel**

**Genesis Inc.**  
**Direct Costs for the Park Blvd. Property**

<b>Sale</b>	
Sale price	\$ 1,666,000
<b>Preservation costs</b>	
Property taxes	112,324
Repairs to dehumidifier	18,060
Utilities	16,462
Insurance	12,977
Wages - site visits, cleaning, etc.	8,174
Change of locks	792
<b>Total Preservation Costs</b>	<u>168,790</u>
<b>Sale costs</b>	
Commission	80,000
Appraisal fees	2,343
<b>Total Preservation and Sale Costs</b>	<u>251,132</u>
<b>Net Proceeds from Sale</b>	<u><u>\$ 1,414,868</u></u>