

COURT FILE NUMBER

KBG-SA-01071-2023

**COURT OF KING'S BENCH FOR SASKATCHEWAN
IN BANKRUPTCY AND INSOLVENCY**

APPLICANT

CONEXUS CREDIT UNION 2006

RESPONDENT

CROFT AGGREGATES LIMITED

IN THE MATTER OF THE RECEIVERSHIP OF CROFT AGGREGATES LIMITED

NOTICE OF APPLICATION

(Application for a Sale Approval and Vesting Order and Distribution and Discharge Order)

NOTICE TO RESPONDENTS: All recipients on the attached Service List

This application is made against you. You are a respondent. You have the right to state your side of this matter before the Court.

To do so, you must be in Court when the application is heard as shown below:

Where: Court House, 520 Spadina Crescent East
Saskatoon, Saskatchewan

VIA WEBEX

Join by computer with video and audio

Saskatoon King's Bench Virtual Room 05

<https://skcourts.webex.com/meet/STKB05>

Meeting number: 146 636 9915

Join by video system (SIP)

Dial STKB05@skcourts.webex.com

You can also dial 173.243.2.68 and enter meeting number: 146 636 9915

Join by phone (backup option if computer webex does not work)

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Access code: 146 636 9915

Date: April 10, 2026

Time: 9:00 am

(Read the Notice at the end of this document to see what else you can do and when you must do it.)

Remedy claimed or sought:

1. All capitalized terms otherwise not defined herein shall have the meaning ascribed to them in the First Report of the Receiver dated April 7, 2026 (the “**First Report**”) or the Receivership Order (as defined below).
2. BDO Canada Limited. (the “**Receiver**”), the Court-appointed Receiver of Croft Aggregates Limited (“**Croft Aggregates**” or the “**Company**”) pursuant to the order granted in these proceedings by the Honourable Justice P. T. Bergbusch dated September 27, 2023 (the “**Receivership Order**”) and pursuant to the order granted in these proceedings by the Honourable Justice A. R. Rothery dated January 8, 2024 (the “**Substitution Order**”) applies to this Honourable Court for the following relief:
 - (a) deeming service of the Receiver’s notice of application and supporting materials to be good, timely and sufficient;
 - (b) a Sale Approval and Vesting Order (the “**SAVO**”):
 - (i) approving the sale transaction (the “**Transaction**”) contemplated by Asset Purchase Agreement dated January 12, 2026, as amended by the First Amendment to the Asset Purchase Agreement dated February 20, 2026, and the Second Amendment to the Asset Purchase Agreement dated March 31, 2026 (collectively, the “**APA**”) between the Receiver as vendor, and True North Aggregate & Recycling Ltd., or its nominee (the “**Purchaser**”) as purchaser, a redacted copy of which is appended to the First Report, for the sale of the Company’s right, title and interest in an to the assets described in the APA (the “**Purchased Assets**”);
 - (ii) declaring the Transaction to be commercial reasonable and in the best interests of the Company and its creditors and other stakeholders;
 - (iii) authorizing and directing the Receiver to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction or for the conveyance of the Purchased Assets to the Purchaser, subject to such amendments as the Receiver and the Purchaser may agree upon;

- (iv) declaring that:
 - a. upon delivery of the Receiver's Certificate (as defined in the SAVO), all of the Company's right, title, and interest in and to the Purchased Assets described in the APA shall, save and except for the Permitted Encumbrances (as defined in the SAVO), vest absolutely in the name of the Purchaser free and clear of and from any and all security interests, liens, judgments, enforcement charges, levies, charges, or other financial or monetary claims, and all rights of others;
 - b. the Net Sale Proceeds (as defined in the SAVO) shall stand in place and stead of the Purchased Assets; and
 - c. from and after the delivery of the Receiver's Certificate to the Purchaser, all Encumbrances (as defined in the SAVO) and all rights of others shall attach to the Net Sale Proceeds with the same priority as they had with respect to the Purchased Assets immediately prior to the sale; and
- (c) a Distribution and Discharge of Receiver Order;
 - (i) approving all activities, actions, and proposed courses of action of the Receiver to date in relation to the discharge of its duties and the Receiver's Mandate pursuant to the Receivership Order, as such actions of the Receiver are more particularly described in this First Report and the Confidential Supplement, including approving the Receiver's Statement of Receipts and Disbursements for the September 27, 2023 to April 6, 2026 and the Sales Process (as defined in the First Report);
 - (ii) approving the fees and disbursements of the Receiver and its legal counsel, including the Estimated Receiver's Fees and the Estimated Legal Fees (both as defined below);
 - (iii) approving the Receiver's Holdback (as defined below) to complete the within application and to finalize the receivership proceedings;

- (iv) approving the payment of the Proposed Distributions (as defined below), after retention of the Receiver's Holdback;
- (v) approving the payment of any amounts remaining from the Receiver's Holdback to Conexus and BDC< both Conexus and BDC, as to be determined at a later date without further Court approval;
- (vi) approving the fees and disbursements of Deloitte Restructuring Inc. ("**Deloitte**"), the Receiver, and the Receiver's legal counsel for the periods September 27, 2023 to December 18, 2023, January 14, 2024 to February 2, 2026, and September 13, 2023 to January 31, 2026, respectively, and including the Estimated Receiver's Fees and the Estimated Legal Fees;
- (vii) providing that, upon the Receiver closing the Transaction contemplated by the SAVO and making the Proposed Distributions particularly described in the First Report, the Receiver shall be discharged as Receiver of the Property, provided that, notwithstanding its discharge, the Receiver shall continue to have the benefit of the provisions of all Orders made in these proceedings, including all approvals, protections, and stays of proceedings in favour of BDO Canada Limited in its capacity as Receiver;
- (viii) declaring that, based upon the evidence that is currently before this Honourable Court in regard to the Actions of the Receiver:
 - a. the Receiver has acted honestly and in good faith, and has dealt with the Property and carried out the Receiver's Mandate in a commercially reasonable manner;
 - b. the Receiver has satisfied all of its duties and obligations pursuant to the Receiver's Mandate;
 - c. the Receiver shall not be liable for any act or omission, including, without limitation, any act or omission arising from,

relating to or in connection with its discharge of the Receiver's Mandate, save and except for any liability arising out of fraud, gross negligence or willful misconduct on the part of the Receiver; and

- d. no person shall commence or continue an action or proceeding asserting a claim against the Receiver arising from, relating to or in connection with its discharge of the Receiver's Mandate without first obtaining an Order of this Honourable Court (on notice to the Receiver) granting such person leave to commence such action or proceeding, and any such action or proceeding commenced without such leave being obtained is a nullity;
 - (ix) providing that, subject to the foregoing, any claims against the Receiver in connection with the Receiver's Mandate are hereby stayed, extinguished and forever barred;
 - (i) sealing the Confidential Supplement to the First Report dated April 7, 2026 (the "**Confidential Supplement**") until the closing of the Transaction; and
- (d) such further and other relief as counsel may request and this Honourable Court may allow.

Grounds for making this application:

I. Background

- 3. The Company is a private company incorporated under the laws of the Province of Saskatchewan. At all material times, Croft Aggregates either carried on business producing and selling aggregates, or earned income from third parties extracting aggregates, from certain owned parcels of land referred to as the Croft Pit.
- 4. Conexus and BDC are the principal secured lenders to the Company in respect of the Property.

5. Pursuant to the Receivership Order, Deloitte was appointed as the receiver of the Property. Pursuant to the Substitution Order, BDO Canada Limited replaced Deloitte as the Receiver

II. Approval of Sale

6. Pursuant to section 3(a) of the Receivership Order, the Receiver is empowered 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.
7. Further, pursuant to section 3(k) of the Receivership Order, the Receiver is empowered and authorized to market any or all the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiation such terms and conditions of sale as the Receiver in its discretion may deem appropriate.
8. In exercising this power, the Receiver engaged Colliers who had previously been involved with the Croft Pit to market and list the Property for sale.
9. The Receiver and Colliers entered into an exclusive listing on October 31, 2024 (the "**Croft Pit Sales Process**"), including among others, the following terms:
 - (a) six (6) month listing period expiring on April 30, 2025 (the "**Initial Term**");
 - (b) list price of \$7.0 million;
 - (c) 3% commission; and
 - (d) any offer will be subject to Court approval.
10. During the Initial Term, and the various monthly extensions of the Colliers listing agreement over the period of May 2025 to March 2026, twenty-six (26) parties expressed an interest in the opportunity, seventeen (17) NDAs were distributed, and ten (10) NDAs were executed with the parties being provided with access to the confidential data room.
11. On January 12, 2026, the Purchaser delivered an executed copy of the APA. On February 20, 2026, the APA was amended by the First Amendment to the APA. On March 16, 2026, the Purchaser waived its financing condition, and on March 31, 2026,

the Second Amendment to the APA was executed, extending the Court Approval Date to April 30, 2026.

12. The details of the APA and the Transaction are set out in more detail in the First Report, and Confidential Supplement.
13. The Receiver is of the opinion that additional marketing of the Property will not result in significantly higher recovery, that the purchase price for the Purchased Assets is fair and reasonable, that there is a relatively high degree of certainty that the proposed Transaction will close in accordance with its terms, and that the proposed Transaction represents the best realistic realizable value in the circumstances.

III. Sealing

14. The Receiver seeks a temporary sealing order with respect to the Confidential Supplement. The Confidential Supplement contains sensitive commercial information including among other information, the purchase price and purchase allocation for the Purchased Assets, the appraisals of the Property, and the Proposed Distribution. The dissemination of this information could prejudice the Transaction or future marketing efforts should the Transaction not close.
15. The proposed sealing order is the least restrictive means to prevent disclosure of the confidential and commercially sensitive information in the Confidential Supplement.

IV. Bankruptcy Filing and Proposed Distribution

16. In accordance with paragraph 3(t) of the Receivership Order, on April 2, 2026, the Receiver assigned Croft Aggregates into bankruptcy as the Company was clearly insolvent. BDO Canada Limited has yet to be affirmed as bankruptcy trustee as the first meeting of creditors is set for April 23, 2026.
17. Prior to filing the bankruptcy assignment, in accordance with section 13.4(1) of the BIA, on March 30, 2026, the Receiver received a written opinion (the "**Security Opinion**") from its independent legal counsel, Miller Thomson LLP ("**Miller Thomson**"), opining that subject to customary assumptions and qualifications contained therein, the security granted by each of Conexus and BDC is valid and enforceable and ranks in priority to the

unsecured creditors of Croft Aggregates and any subsequently appointed Licensed Insolvency Trustee.

18. The Receiver is aware of certain deemed trusts in favour of the CRA. The Receiver intends to make a distribution to the CRA in account of certain of the deemed trusts.
19. The Receiver is recommending to this Honourable Court that the following proposed distributions (the “**Proposed Distributions**”) be made:
 - (a) \$387,893.08 to Conexus on account of the Receiver’s borrowings (with a per diem of \$46.58 after April 17, 2026);
 - (b) \$65,394.00 to Colliers on account of commissions owing on the sale of the Croft Pit;
 - (c) \$382,650.81 to CRA on account of its deemed trust claim for Payroll Account RP0001;
 - (d) \$529,379.92 to CRA on account of its deemed trust claim for Payroll Account RP0002; and
 - (e) subject to any potential reserves the Receiver determines to be necessary in order to finalize the Receivership proceedings and account for the Estimated Receiver Fees and the Estimated Legal Fees (collectively the “**Receiver’s Holdback**”), which amounts to \$170,000, the balance of the Trust Funds to be held by the Receiver and to be distributed as agreed upon amongst Conexus and BDC without further order of this Court on account of their respective securities up to the value of their respective indebtedness (the “**Conexus/BDC Sharing**”).

V. Approval of Fees and Disbursements, Approval of Actions of the Receiver, and Discharge of the Receiver

20. The Actions of the Receiver to date are detailed in the First Report. The Actions of the Receiver are appropriate, and the Receiver has acted diligently since its appointment to exercise its mandate.

21. The Receiver's Mandate will be complete upon the closing of the Transaction, and upon completing the Proposed Distribution and final distribution to Conexus and BDC as set out in the First Report.
22. The Receiver has carried out the Receiver's Mandate honestly, in good faith and in compliance with the Receivership Order and the duties imposed upon the Receiver by the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3; *The King's Bench Act*, SS 2023, c 28; *The Personal Property Security Act*, 1993, SS 1993, c P-6.2, and at common law.
23. The Receiver has substantially completed the Receiver's Mandate, such that it is appropriate that the receivership be concluded and the Receiver obtain an Order approving the fees of each of Deloitte, the BDO Canada Limited, and Miller Thomson and granting its discharge, with requisite provisions to protect the Receiver, as an officer of the Court, from liability.
24. The professional fees and disbursements of each of Deloitte and BDO Canada Limited, and those of the Receiver's counsel, Miller Thomson, as set out in the First Report are fair and reasonable in the circumstances taking into account, the nature, extent, and value of the Property and the extensive work performed to manage the Property, solicit offers for the Property, and culminate in the execution of the APA.
25. Each of Deloitte and BDO Canada Limited's professional fees and disbursements, and those of its counsel, Miller Thomson, should be approved by this Honourable Court.

Material or evidence to be relied on:

26. This Notice of Application, with proof of service;
27. First Report of the Receiver dated April 7, 2026;
28. Confidential Supplement to the First Report of the Receiver dated April 7, 2026;
29. Draft SAVO (clean and redline against Saskatchewan Template Sale Approval and Vesting Order);
30. Draft Distribution and Discharge of Receiver Order (clean and redline against Saskatchewan Template Distribution and Discharge of Receiver Order); and

31. Such further and other relief as counsel may advise and this Honourable Court may allow.

Applicable Acts and regulations:

32. *Bankruptcy and Insolvency Act*, RSC 1985, c B-3.

33. *The Personal Property Security Act, 1993*, SS 1993, c P-6.2.

34. *The King's Bench Act*, SS 2023, c 28.

DATED at Saskatoon, Saskatchewan, this 7th day of April, 2026.

MILLER THOMSON LLP

Per: 
Dustin Gillanders, counsel for the
Receiver, BDO Canada Limited.

NOTICE

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

CONTACT INFORMATION AND ADDRESS FOR SERVICE:

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