

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 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.

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

JULY 24, 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 of 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. Information regarding the receivership proceedings can be accessed on the Receiver’s website at <https://www.bdo.ca/en-ca/extranets/GenesusInc>.
2. On July 4, 2024, this Honourable Court granted an Order approving, among other things the Receiver’s sale of specific assets to Genesus Genetics Technology Inc. (“**GGTI**” or the “**Purchaser**”)
3. This report constitutes the second report of the Receiver (the “**Second Report**”), and is being filed to inform the Court as to the following:
 - (a) the activities of the Receiver since the First Report dated July 1, 2024 (the “**First Report**”); and
 - (b) an offer to purchase specific assets (the “**Assets**”) of Genesus and Can-Am from GGTI.
4. Furthermore, this Second Report, along with the Confidential Supplement to the Second Report dated July 24, 2024 (the “**Confidential Supplement**”) is being filed in support of the Receiver’s motion to this Honourable Court on July 26, 2024, seeking the following:
 - (a) approval of the reworked asset purchase agreement (the “**Reworked APA**”) and the reworked transaction (the “**Reworked Transaction**”) with GGTI;

- (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 Second 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 July 22, 2024.

TERMS OF REFERENCE

- 5. In preparing this Second 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 Second 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 Second Report.
- 7. Unless otherwise stated, all monetary amounts contained in this Second Report are expressed in Canadian dollars.
- 8. Unless otherwise indicated, capitalized terms not defined in this Second Report are as defined in the Receivership Order or the First Report.

ACTIVITIES OF THE RECEIVER SINCE THE FIRST REPORT

9. Since the Date of the First Report, the Receiver has undertaken the following activities with respect to the Property:
- (a) obtained insurance for the Bagot Property which was uninsured at the time of the Receiver's appointment;
 - (b) corresponded with BFL and BrokerLink and arranged for insurance coverage on the Riverdale Barn;
 - (c) engaged appraisers to appraise all the properties owned by Genesis and Can-am (i.e., the Oakville Property, the Park Blvd. Property, the Riverdale Property, the Bagot Property, and the Bradwardine Property);
 - (d) obtained the appraisal on the Bagot Property and the Bradwardine Property;
 - (e) continued operation of the two (2) livestock facilities in an effort to maintain value while the Reworked Transaction was being negotiated;
 - (f) arranged for repairs at the Riverdale Property to remediate the roof damage (as detailed in the First Report);
 - (g) arranged for the auction of the furniture in the Park Blvd. Property;
 - (h) arranged for the auction of a surplus hog transport trailer with Ritchie Bros Auctioneers, Inc. as it was not being used by the Companies;
 - (i) attempted to close the Reworked Transaction with GGTI;
 - (j) negotiated an Reworked APA with GGTI (further detailed below); and
 - (k) prepared, reviewed, and finalized this Second Report and the Confidential Supplement.

To date none of the above referenced auctions have occurred.

PREVIOUS SALE PROCESS AND REWORKED FROM GGTI

10. As detailed in the First Report, the Companies attempted to informally complete a sale transaction during the period August 2023 to May 2024, but no transaction ever materialized.
11. As further detailed in the First Report, Canada ZF, made an offer to purchase specific assets of Genesis and Can-Am (the “**Prior APA**”); however, prior to obtaining Court approval on July 4, 2024, Canada ZF assigned the Prior APA to GGTI.
12. The transaction in respect of the Prior APA with GGTI was set to close on July 9, 2024; however, due to the lack of available funds, GGTI was unable to close the said transaction. Although the Receiver and GGTI attempted to determine if the Prior APA could still be closed in some manner subsequent to July 9, 2024, an agreement could not be reached.
13. On July 10, 2024, the Receiver issued a notice in accordance with the provisions of the Prior APA to ZF Investments and the Purchaser advising that ZF Investments and the Purchaser were in breach of their obligation to tender certain of their closing deliverables on the closing date under the Prior APA, including the purchase price, and that unless the breach was rectified, the Receiver would terminate the Prior APA and the full amount of the deposit paid thereunder would be forfeited.
14. On July 14, 2024, the Receiver was informed by counsel for GGTI, Don Collins of DLA Piper LLP, that GGTI was no longer prepared to close the Prior APA, which resulted in the forfeiture of the aggregate \$600,000 deposit.
15. On July 15, 2024, the Receiver terminated the Prior APA in accordance with its terms, and the Purchaser’s deposit was forfeited.
16. On July 15, 2024, the Receiver spoke with the Management who advised that they were trying to salvage a transaction with GGTI, but that any acquisition would need to exclude the purchase of the Riverdale Property and the Oakville Property.

17. On July 17, 2024, the Receiver was informed by the principal of GGTI that a reworked APA would be forthcoming. On July 18, 2024, the Receiver, and its counsel, MLT Aikins LLP (“**MLT Aikins**”), obtained, reviewed and required certain revisions to the Reworked APA.
18. The Reworked APA contemplates the purchase of the following assets (the “**Purchased 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) all furniture and equipment, books and records (in respect of the Purchased Assets), supplies and chattels (including any feed and fuel) located at the Oakville Property and at Genesis’ office in London, Ontario;
 - (f) all computers, cell phones and devices used by Genesis employees who work at the Oakville Premises;
 - (g) all tools and equipment (including hand and power tools), supplies and chattels (including any feed and fuel) located at the Riverdale Property and at Genesis’ Prairie Sun location
 - (h) seven (7) vehicles; and
 - (i) five (5) hog trailers.
19. Additionally, the Reworked APA includes the assignment of a number of contracts to the Purchaser. Several of the contracts require “cure costs” to be paid to vendors under said contracts, all of which are to be assumed by GGTI. The Purchaser has advised the Receiver that it is capable of performing the obligations of the Companies under the

assigned contracts. The Companies' primary obligations under the contracts is to pay for the continued services thereunder.

20. Salient terms of the Reworked 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) GGTI will remove the livestock at the Riverdale Property within five (5) business' days of closing, and the Receiver hold a deposit which is refundable upon the removal of the herd;
- (c) GGTI will clean the Riverdale Property within fifteen (15) business' days of closing, and the Receiver hold a deposit which is refundable upon the cleaning of the Riverdale Property;
- (d) initial deposit will occur one (1) business day after execution of the Reworked APA (due July 25, 2024); and
- (e) the closing date will be the same day as that of the date of the granting of the approval and vesting order and the assignment order;

21. The Receiver recommends that the Reworked APA and the Reworked 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 Reworked APA exceeds the expected realizations from an orderly liquidation of the Assets;
- (d) in the circumstances, the Receiver is of the view that the Purchase Price (as defined in the Reworked APA) is fair and commercially reasonable;

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

PLAN FOR REMAINING ASSETS

23. After completion of the sale to GGTI, the Receiver intends to take the following steps on the remaining assets:
- (a) continue collection of accounts receivable;
 - (b) list the Bagot Property, Park Blvd. Property, and Bradwardine Property for sale;
 - (c) auction any remaining miscellaneous furniture, fixtures, and equipment;
 - (d) continue the review of the scientific research and experimental design claims in Can-Am and Genesis;
 - (e) solicit any interest in the shares of Genesis Life Science and Genesis Sarl; and

- (f) solicit any interest in the various royalty agreements held by the Companies.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

24. The Receiver has prepared a Statement of Receipts and Disbursements for the period June 11, 2024, to July 22, 2024, for the Companies, attached hereto as **Appendix B**. Total receipts were \$1,882,263 (excluding the Reworked Transaction deposit which has not yet been received) and total disbursements were \$786,277, resulting in \$786,277 being held in trust by the Receiver.
25. As at the date of this Second Report, in accordance with paragraph 22 of the Receivership Order, the Receiver borrowed \$500,000 from the Court authorized Borrowing Facility to fund the receivership proceedings.

RECOMMENDATIONS

26. The Receiver is seeking the following from this Honourable Court:
- (a) approval for the Reworked APA and the Reworked Transaction;
 - (b) sealing of the Confidential Supplement in the Court file;
 - (c) approval of the Receiver's activities and conduct as outlined in this Second Report;
and
 - (d) any further direction or relief the Court wishes to provide to the Receiver.

All of which is respectfully submitted at Winnipeg, Manitoba, this 24th day of July 2024.

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 - Reworked Asset Purchase Agreement (Redacted)

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement dated as of the 23rd day of July, 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 –

GENESUS GENETIC TECHNOLOGY 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.

“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.

“Cleaning Deposit” has the meaning set out in Section 3.3(c).

“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, July 26, 2024 or such other date as the Parties agree to in writing.

“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).

“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.

“Livestock Removal Deadline” has the meaning set out in Section 4.8.

“Livestock Removal Deposit” has the meaning set out in Section 3.3(b).

“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 August 30, 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.

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

“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, Credit for Revenues Etc.

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. In addition to the foregoing, the Purchaser shall be entitled to all revenues, if any, arising from the Business accrued from 12:01 am CT on July 22, 2024 until the Closing Time, and such revenue shall be (i) credited to the Purchaser immediately upon and subject to Closing and (ii) paid by the Vendor to the Purchaser by no later than three Business Days following Closing or upon receipt, whichever is later. For certainty, if Closing does not occur, the Purchaser shall have no entitlement to any such revenues.

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 agreement with the payee of such Cure Costs, as approved by the Assignment Order; and (ii) where such Assigned Contract is not assigned pursuant to an Assignment Order but is assigned by the Vendor to the Purchaser, 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 payable by the Purchaser 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.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

- (a) The purchase price payable by the Purchaser for the Purchased Assets shall be **\$1,500,000.00 (One Million Five Hundred Thousand dollars)**, 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, barn rent, feed, fuel, artificial insemination costs and other reasonable ancillaries calculated from 12:01 am CT on the day following the Closing Date in accordance with this Agreement.
- (c) The Purchase Price shall be exclusive of the Cure Costs and the adjustments specified in Sections 2.2 and 3.1(b)) 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) Purchase Price Deposit. No later than one Business Day following execution of this Agreement, the Purchaser shall pay a deposit in the amount of [REDACTED] (the “**Purchase Price Deposit**”) which, subject to Section 3.3, shall be held in trust by the Vendor’s Solicitors and credited against the Purchase Price at Closing.
- (b) Cash Purchase Price. An amount equal to the remaining Purchase Price less the Purchase Price Deposit, 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 or after 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 Deposits

- (a) Purchase Price Deposit. If Closing occurs in accordance with the terms and conditions of this Agreement, the Purchase Price Deposit shall be credited against the Purchase Price, in partial satisfaction of the Purchaser’s obligation to pay the Purchase Price at Closing.
- (b) Livestock Removal Deposit. At the Closing Time, the Purchaser shall pay to the Vendor’s Solicitors, in trust, a deposit in the amount of [REDACTED] to ensure all livestock are moved in accordance with Section 4.8 below (the “**Livestock Removal Deposit**”), provided that:
 - (i) if there are livestock remaining after the expiry of the Livestock Removal Deadline, an amount of [REDACTED] shall be deducted from the Livestock Removal Deposit for each day’s delay thereafter until, as applicable:
 - (A) the date on which all livestock have been removed, following which the Receiver shall refund the Purchaser any remaining Livestock Removal Deposit within three Business Days from such date; or
 - (B) the entirety of the Livestock Removal Deposit has been deducted in accordance with subsection 3.3(b) herein, following which the Vendor may dispose of all remaining livestock at the Purchaser’s expense which may include destruction or sale of such livestock (with such sale proceeds being to the account of the Vendor to cover all of its removal costs and the remainder, if any, payable to Purchaser); or
 - (ii) if all livestock have been removed by or before the Livestock Removal Deadline, the Vendor shall refund the Livestock Removal Deposit to the Purchaser within three Business Days from the date on which the livestock have been removed.
- (c) Cleaning Deposit. At the Closing Time, the Purchaser shall pay to the Vendor’s Solicitors, in trust, a deposit in the amount of [REDACTED] to ensure compliance with Section 4.9 below (the “**Cleaning Deposit**”). Within three Business Days following the date (which for certainty, must be during the Cleaning Period) on which the Purchaser completes the cleaning obligations in Section 4.9 to the satisfaction of Vendor, acting reasonably, the Vendor shall refund the Cleaning Deposit to the Purchaser. If the Purchaser does not meet

its cleaning obligations by the expiry of the Cleaning Period, to the satisfaction of Vendor, acting reasonably, the Vendor shall be entitled to engage one or more third parties to clean the premises and may deduct all relevant costs from the Cleaning Deposit and shall return any remainder to the Purchaser, if any, promptly following completion of such cleaning.

- (d) Termination. If this Agreement is terminated:
- (i) pursuant to Sections 6.1, 6.2 or 8.1(b), the Purchase Price Deposit shall be returned to the Purchaser; or
 - (ii) for any other reason, the Purchase Price 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 Purchase Price Deposit, the Parties agree that the amount of the Purchase Price Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and shall constitute the sole remedy of the Vendor, limited to the amount of the Purchase Price Deposit and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Purchase Price Deposit as a result of Closing not occurring. The Purchaser hereby waives any Claim or defence that the amount of the Purchase Price 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 conditional on Closing and made as of the relevant dates set out herein, and the Purchase Price will be adjusted accordingly.
- (b) A Statement of Adjustments will be delivered to the Purchaser by the Vendor at least two (2) 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.

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 Moving Livestock

The Purchaser shall move all livestock identified in Schedule "A" from Genesis' Prairie Sun premises and from Prairie Blossom Honey Co. Ltd.'s premises to other premises owned by third parties by no later than five Business Days following Closing (the "**Livestock Removal Deadline**").

4.9 Cleaning of Prairie Sun Barn Premises

The Purchaser shall ensure that the main barn at Genesis' Prairie Sun premises is cleaned to an extent satisfactory to the Vendor, acting reasonably, by no later than 15 days following Closing (the "**Cleaning Period**").

4.10 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 statement of adjustment for the Purchased Assets in accordance with Section 3.6(b);
- (c) the Bill of Sale, duly executed by the Vendor;
- (d) the Assignment and Assumption Agreement, duly executed by the Vendor;
- (e) an assignment of trademarks in relation to the trademarks described at Schedule "A", duly executed by the Vendor;
- (f) 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;
- (g) all keys to the common areas of buildings located on the property included in the Purchased Assets;
- (h) the election referred to in Section 3.4 of this Agreement, if applicable;
- (i) the Receiver's Certificate, in accordance with the terms of this Agreement; and

- (j) 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 Vendor 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) signed copies of any agreements related to the deferral of the payment of Cure Costs past Closing, as applicable;
- (h) the election referred to in Section 3.4 of this Agreement, if applicable; and
- (i) 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 Post-Closing Deliveries

The Vendor shall, as soon as reasonably practicable following Closing, deliver to the Purchaser copies of the following documents on receipt by the Vendor:

- (a) a signed copy of the Approval and Vesting Order, as issued and entered by the Court; and
- (b) a signed copy of any Assignment Order, if applicable, as issued and entered by the Court.

5.5 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 by no later than July 26, 2024, or such other date as the Parties agree to in writing.
- (b) Assignment Order. The Court shall, if applicable, have pronounced the Assignment Order by no later than July 26, 2024 or such other date as the Parties agree to in writing.
- (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-fulfilment 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:

GENESUS GENETIC TECHNOLOGY 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. For greater certainty, the Parties confirm that the original Asset Purchase Agreement among the Parties dated June 28, 2024 has been terminated and is of no further force and effect, and Purchaser acknowledges and agrees that all Deposits (as defined therein) paid thereunder have been forfeited to the Vendor.

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: Senior Vice President

**GENESUS GENETIC TECHNOLOGY
INC.**

Per: Carly
Authorized Signatory

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

Rights to and Ownership of Names

To the extent not already included in the Intellectual Property being acquired, the words “Genesus” and “Can-am”, and all forms, variations or derivatives of “Genesus” or “Can-am” used by Genesus, whether alone or in combination with other words or materials, and whether as a trademark, trade name, business name, corporate name, or otherwise.

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. Miscellaneous Assets:

All furniture, equipment (including all computers and servers), Books and Records, supplies and chattels (including any feed and fuel) located at the Oakville, MB Main Office.

All computers, cell phones and devices used by Genesus employees who work at the Oakville, MB Main Office.

All of the following located at Genesus' office in London, Ontario: all furniture, equipment (including all computers and servers), Books and Records, supplies and chattels (including any feed and fuel) .

All of the following located at Genesus' Riverdale/Prairie Sun Location: all tools and equipment (including all hand and power tools), supplies and chattels (including any feed and fuel).

The following 5 trailers:

	Year	Brand		VIN	
T11	2010	Alum Line	7x24' Double deck	1A9LG2424A2241991	CLC 224
T12	2008	Wilson	PSDCL-408 53'	1W1UJSYJ88D535742	SX4 774
T13	2007	Wilson		1W1UJSY87D533701	TB1017
T14	2009	Wilson	PSDCL-408P 53'	1W1UFSXK49D536934	TC5 327
TQ2	2012	Wilson		1W16533A6C5542167	SY4 274

The following 7 used vehicles:

1. 2010 Chevrolet Suburban - VIN 1GNSKKE36BR367007
2. 2014 Chevy Impala - VIN 2G1125S30E9279135
3. 2014 Ford Edge - VIN 2FMDK3JC1EBA63311
4. 2017 Chevrolet Impala - VIN 2G1105SA1H9196810
5. 2017 Chevrolet Impala - VIN 1G1105SA4HU210069
6. 2017 Chevrolet Impala - VIN 1G1105SAXHU183461
7. 2018 Chevrolet Impala - VIN 2G1105S38J9176111

[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	2415	887520
Can Am	PSN	Manitoba	Finisher Barrows	Agricultural Inventory	437	2225	972325
Can Am	PSN	Manitoba	Finisher Boars	Agricultural Inventory	578	2415	1395690
Can Am	PSN	Manitoba	Finisher Gilts	Agricultural Inventory	777	2415	1876553
Can Am	PSN	Manitoba	Piglets	Agricultural Inventory	340	2200	748000
					2500		3977518

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	\$115	\$90,230
Genesis Inc.	DGI	Manitoba	Finisher Barrows	Agricultural Inventory	509	\$115	\$58,535
Genesis Inc.	DGI	Manitoba	Finisher Boars	Agricultural Inventory	308	\$115	\$35,420
Genesis Inc.	DGI	Manitoba	Finisher Gilts	Agricultural Inventory	1921	\$115	\$220,915
Genesis Inc.	DGI	Manitoba	Herd Boars	Agricultural Inventory	26	\$115	\$2,990
Genesis Inc.	DGI	Manitoba	Nursery Barrows	Agricultural Inventory	494	\$115	\$56,810
Genesis Inc.	DGI	Manitoba	Nursery Boars	Agricultural Inventory	160	\$115	\$18,400
Genesis Inc.	DGI	Manitoba	Nursery Gilts	Agricultural Inventory	634	\$115	\$72,910
Genesis Inc.	DGI	Manitoba	Piglets	Agricultural Inventory	589	\$115	\$67,635
					5423		
							\$1,105,570

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

Company Ownership		Site Name	Location	Inventory description	Inventory Type	Quantity	Value if sold as meat	Total \$ value if sold as meat	Total Value if sold to clients (semem sales)
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

\$1,105,520

\$577,420

\$6,500

\$302,050

\$2,051,500

SCHEDULE "B"
PERMITTED ENCUMBRANCES

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. Pen Space Contract No 1602 dated October 4, 2016 between Genesis and Total Swine Genetics (TSG) Inc..
8. Semen Supply Agreement dated March, 2017 (executed on October 17, 2017) between Genesis and Magnum Swine Genetics Inc..
9. Letter of Understanding dated October 26, 2006 between Genesis and Big Stone A.I. Inc..
10. Custom Collection Agreement dated July 28, 2020 between Genesis and CCA.
11. Customer Collection Agreement dated February 1, 2018 between Genesis and Ostler.
12. Custom Collection Agreement dated September 2, 2018 between Genesis and Marke Semen Service.
13. Marketing Agreement dated October 5th, 2017 between Genesis and Genesis UK Limited.
14. Marketing Agreement dated August 1st, 2022 between Genesis and Glenmarshal Sires Ltd (“**Glenmarshal**”).
15. Boar Stud Production & Buy-Back Agreement dated May 1, 2020 between Genesis and Glenmarshal.
16. Marketing and Product Use Agreement dated April 1, 2021 among Genesis, Genesis Deutschland GmbH, and Genesis Belgie BV.

SCHEDULE "D"
ASSUMED LIABILITIES

NIL

**Appendix B - Statement of Receipts and Disbursements for the Period June 11, 2024, to
July 22, 2024**

Genesis Inc., Can-Am Genetics Inc., and Genesis Genetics Inc.
Statement of Receipts and Disbursements
For the Period of June 11, 2024 to July 22, 2024

Receipts	US\$	CDN\$
Forfeited deposit	\$ -	\$ 600,000
Receiver's borrowings	-	500,000
Sale of livestock	273,593	297,020
Transfer from US\$ account	-	250,500
Accounts receivable	-	94,330
Foreign exchange gain	-	91,406
Cash on hand	26,521	36,900
Insurance refund		11,706
Interest		401
Total Receipts	300,114	1,882,263
Disbursements		
Feed	-	374,112
Transportation	5,500	138,176
Consultants	-	107,565
Insurance	1,273	94,263
Wages	19,751	90,839
AI stud costs	-	60,482
Hog purchases	-	55,431
Rent	-	45,833
Government fees	-	22,112
Truck wash	-	15,450
GST	-	13,146
Fuel	2,249	12,910
Repairs	-	10,728
Software	-	10,000
Testing	-	8,511
Miscellaneous	-	6,250
Veterinary fees	-	6,047
Computer services	-	5,563
Accounting services	-	4,063
Barn supplies and medicine	-	3,760
Appraisal fees	-	3,705
Mileage	-	3,129
Bank fees	203	1,171
PST	-	1,005
Internet	-	609
HST	-	528
Change locks	-	520
OR fees	-	80
Transfer to CDN\$ account	250,500	-
Total Disbursements	279,476	1,095,986
Funds Held in Trust as at July 22, 2024	\$ 20,639	\$ 786,277