



COURT FILE NUMBER 2101-05682

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF ATB FINANCIAL

DEFENDANTS W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.

APPLICANT BDO CANADA LIMITED, in its capacity as receiver and manager of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.

\$50
COM
June 7, 2021
Justice Lema

DOCUMENT **APPLICATION**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT MLT AIKINS LLP
Barristers and Solicitors
2100, 222 3rd Avenue S.W.
Calgary, Alberta T2P 0B4
Phone: 403.693.5420
Fax: 403.508.4349
Attention: Ryan Zahara
File: 128056.00003

NOTICE TO RESPONDENTS: Service List attached hereto as **Schedule "A"**.

This application is made against you. You are the respondent.

You have the right to state your side of this matter before the Judge.

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

Date: June 9, 2021
Time: 2:00p.m.
Where: Edmonton Law Courts – VIA WEBEX
Before Whom: The Honourable Justice M.J. Lema

Go to the end of this document to see what else you can do and when you must do it.

Remedy Claimed or Sought:

1. Capitalized terms not otherwise defined herein shall have the meaning given to them in the First Report dated May 31, 2021 (the "**First Report**") and the Confidential Appendices to the First Report (the "**Confidential Appendices**") of BDO Canada Limited, in its capacity as the Court-appointed receiver (the "**Receiver**") of the Debtors, W.A. Grain Holdings Inc. ("**WA Holdings**"), 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions) ("**130 Alberta**"), New Leaf Essentials (West) Ltd. ("**NLE West**"), New Leaf Essentials (East) Ltd. ("**NLE East**"), and 1887612 Alberta Ltd. ("**188 Alberta**") (collectively, "**WA Grain**" or the "**Company**").
2. The Receiver respectfully seeks the following from this Honourable Court:
 - (a) an Order substantially in the form of **Schedule "B"** hereto:
 - (i) abridging, if necessary, the time for service of this Application and materials in support thereof, and an Order declaring service of same to be good and sufficient;
 - (ii) approving the proposed sale transaction of substantially all of the inventory of WA Grain (the "**Transaction**") pursuant to the terms of the Inventory Sale Agreement (the "**ISA**"), between the Receiver and Bridge Agri Partners Inc. (the "**Purchaser**"), as appended to the First Report in Confidential Appendix "2";
 - (iii) authorizing and directing the Receiver to take all steps reasonably required to carry out the terms of the ISA;
 - (iv) vesting title to the purchased Inventory (as described in the ISA) to the proposed Purchaser, or its nominee;
 - (v) granting leave to the Receiver to apply to this Court for advice and directions as may be necessary to carry out the terms of any Order granted at the within application;

- (b) an Order substantially in the form of **Schedule "C"** hereto sealing the Confidential Appendices;
- (c) an Order substantially in the form of **Schedule "D"** hereto:
 - (i) approving the proposed sales solicitation process ("**SSP**"), the proposed form of which is attached as Appendix "A" to the First Report;
 - (ii) authorizing and directing the Receiver to take all steps reasonably required to carry out the SSP;
 - (iii) approving the Receiver's request to increase the threshold permitted for the sale of assets, out of the ordinary course of business, from \$250,000 to \$500,000, with an aggregate increase from \$500,000 to \$1,500,000;
 - (iv) approving the actions of the Receiver taken in these Receivership proceedings and as outlined in the First Report;
 - (v) approving the Receiver's interim statement of receipts and disbursements;
 - (vi) approving the accounts of the Receiver and its legal counsel, MLT Aikins LLP; and
- (d) such further and other relief as the circumstances may require and as this Honourable Court shall deem appropriate.

Grounds for Making the Application:

Background

3. WA Grain's leased head office is located in Innisfail, Alberta. WA Grain bought and sold grain products through its six processing plants located in Alberta, Saskatchewan, and Prince Edward Island. WA Grain had customers in Canada, the United States, the Middle East, and Asia, among other places. WA Grain sold, among other things, green and yellow peas, chick peas, and lentils for human consumption and pet food.

4. 188 Alberta is a holding company owned by the Chivilo Family Trust. 188 Alberta owns 100% of WA Holdings, which is the sole shareholder of 130 Alberta, NLE West, and NLE East.
5. WA Grain owns and operates six grain processing plants in Vanguard, Saskatchewan (the "**Vanguard Plant**"); Ponteix, Saskatchewan (the "**Ponteix Plant**"); Pambrun, Saskatchewan (the "**Pambrun Plant**"); Bashaw, Alberta (the "**Bashaw Plant**"); Bowden, Alberta (the "**Bowden Plant**"); and Slemon, Prince Edward Island (the "**PEI Plant**"); together with the Vanguard Plant, the Ponteix Plant, the Pambrun Plant, the Bashaw Plant and the Bowden Plant, the "**Processing Plants**"). Other than the PEI Plant, the Processing Plants are regulated by the Canadian Grain Commission (the "**CGC**").
6. Through 130 Alberta, WA Grain held Primary Elevator Licences and Grain Dealer Licences at each Processing Plant (collectively, the "**Grain Licences**").
7. On April 19, 2021, the CGC suspended all of the Grain Licences until April 30, 2021, restricting any movement of inventory onto or off of the Processing Plants and their respective grain elevators. During this time, the CGC would make a determination to either cancel, amend, or reissue the Grain Licences following its audit of the inventory and unsettled Primary Elevator Receipts ("**PERs**") and grain receipts ("**Grain Receipts**") issued to unpaid grain producers.
8. On April 26, 2021, the Receiver was appointed the receiver and manager over all of the current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof of the Debtors as set out in the April 26, 2021 receivership order of Justice Mah of the Alberta Court of Queen's Bench (the "**Receivership Order**").

Action Plan Regarding Grain Producers

9. Shortly after its appointment, the Receiver engaged in discussions with the CGC, and on April 29, 2021, attended the required *Right to be Heard* meeting on behalf of the Company, which meeting was reconvened on April 30, 2021.

10. In preparation for the *Right to be Heard* meeting, the Receiver was asked to issue and present a Proposed Plan of Action with respect to the unpaid grain producers (the “**Producers**”) holding PERs (the “**Action Plan**”). In order to facilitate the return of inventory to the Producers holding PERs, the Receiver needed to confirm there was enough of each specific type of grain for all Producers holding a PER in order to make a distribution of that specific type of grain.
11. The Receiver could not verify the inventory on hand at each location without weighing it upon removal. As such, the Receiver proposed the following Action Plan to the CGC:
 - (a) the Receiver will not be contacting any Producers holding PERs, and will allow the CGC to continue communicating with the Producers to complete its review;
 - (b) based on its review of WA Grain’s inventory records, the Receiver determined it could not possibly distribute only nine types of grain to satisfy all Producers holding PERs for that specific type of grain, but has no proof that the inventory recorded in WA Grain’s records is accurate;
 - (c) the Receiver requested CGC to consider issuing short term Grain Licences to the Receiver in order to allow for the completion of orders on hand, and/or the sale of all of the inventory on hand to a third party; and
 - (d) the Receiver would hold the proceeds from any sale of the inventory that could potentially be the subject of a PER in trust.
12. On April 30, 2021, the CGC granted 130 Alberta, through the Receiver, short term Grain Licences allowing it to remove inventory, but not accept inventory at the Processing Plants regulated by the CGC. The CGC further stipulated, and the Receiver agreed, that the Receiver would maintain the proceeds for all inventory sold at any location, including third party locations, and elevators not regulated by the CGC, in a trust account.
13. The CGC identified all producers who had delivered inventory less than 15 days prior to the Receivership Order and instructed those producers to file a claim pursuant to section 81.2 of the *Bankruptcy and Insolvency Act* (the “**81.2 Claims**”).

14. The deadline for producers to file an 81.2 Claim was May 26, 2021. All producers identified by the CGC filed their 81.2 Claim by this date. The Receiver received thirty-four 81.2 Claims, and has not yet made a determination on the validity or the priority of the 81.2 Claims. The Receiver will review all 81.2 Claims and will seek direction from this Honourable Court in due course as to the priorities of the 81.2 Claims, which included producers holding PERs and producers holding Grain Receipts.

Increase to Transaction Limit

15. Pursuant to Paragraph 3(l) of the Receivership Order, the Receiver is empowered and authorized to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, to a maximum of any transaction not exceeding \$250,000 with the aggregate consideration for all such transactions not to exceed \$500,000 (the "**Transaction Limit**").
16. Due to the distance between third party storage facilities and the PEI Plant from the rest of the Processing Plants in Alberta and Saskatchewan, this inventory could not be sold with the inventory located at the Processing Plants in Alberta and Saskatchewan.
17. As grain products are traded in large volumes, the Receiver respectfully requests an increase to the Transaction Limit to allow it to more efficiently close the sale of certain inventory not located in the Processing Plants.
18. The Receiver requests an increase from \$250,000 to \$500,000, per transaction, with an aggregate increase from \$500,000 to \$1,500,000 for all transactions. This would allow the Receiver to deal with high-volume inventory at third party locations in a timely and cost-efficient manner.

Approval of ISA

19. The Receiver was initially contacted by four parties interested in purchasing all of the inventory at the Processing Plants in Alberta and Saskatchewan (the "**Inventory**"). Given the interest level and the nature of the Inventory, the Receiver concluded it was in the best interest of the estate to not include the Inventory in the formal proposed SSP, but rather

offer the Inventory for sale through an informal process to those who had contacted the Receiver ("**Inventory Sale**"). The proposed SSP, described in further detail below, will presumably not conclude until mid to late summer 2021. By late summer, a new harvest would be available and the Inventory at the Processing Plants would be deemed old and lose substantial value.

20. The Receiver set a deadline for the identified parties to submit offers for the Inventory Sale, along with their proposed plans to remove the grain. By the deadline date, seven complete offers were received for the Inventory Sale. These offers included pricing, a grain removal plan with timing, and details for grading and weight reductions, if applicable, upon removal.
21. The Receiver found the overall plan and price of the Purchaser, Bridge Agri Partners Inc., to be the best offer for the Inventory. The agreement between the parties, the ISA, has been initiated with the understanding that it is subject to this Court's approval. A summary of the offers received, along with a copy of the ISA, are appended in Confidential Appendices "1" and "2", respectively.
22. Based on discussions with the Purchaser, the ISA currently contains the following terms:
 - (a) the Receiver will make WA Grain's facilities at the Processing Plant available to the Purchaser for removal of the Inventory to a location of the Purchaser's choice;
 - (b) the Purchaser shall be responsible for managing the removal of the Inventory, at its sole expense;
 - (c) payment for the Inventory will be concurrent with the removal of the Inventory on a shipment by shipment basis, and within seven days of each shipment;
 - (d) price adjustment clauses have been incorporated to address weight discrepancies only, as there will be no reduction for grade discrepancies;
 - (e) the Receiver will have a representative present at each Processing Plant to assist with access to the Processing Plant; and

(f) full removal of the Inventory at all Alberta and Saskatchewan Processing Plants is anticipated to be concluded by July 31, 2021.

23. The Receiver is of the view that the transaction with the Purchaser is a sale out of the ordinary course, as it is for all of the Inventory at the Alberta and Saskatchewan Processing Plants. The ISA, as proposed, is acceptable to the Receiver as it is commercially reasonable and monetizes the Inventory, which is perishable, at good value in a single transaction.

Sealing Order

24. The Receiver seeks a Sealing Order until further order of the Court with respect to the Confidential Appendices, as they contain commercially sensitive information, the release of which prior to the completion of the transaction would prejudice the stakeholders of WA Grain if the contemplated transaction did not close.

Approval of the SSP

25. The proposed SSP is attached in Appendix "A" to the First Report.

26. The proposed form of SSP will facilitate the sale of the remaining assets of WA Grain and will be conducted with the assistance of the Receiver's Transaction Advisory Services group, acting as a sales agent ("**Sales Agent**"). The Sales Agent has extensive knowledge of these types of assets, and will assist the Receiver with selling the remaining assets.

27. The SSP contemplates the Sales Agent developing a list of known potential bidders, communicating and meeting with interested parties, preparing and distributing marketing materials, and managing a data room of due diligence materials.

28. The proposed SSP includes three phases expected to take approximately three months: a marketing phase, a phase to review all received letters of intent, and a final phase to obtain Court-approval and close all documents.

Approval of Activities of the Receiver to Date

29. All of the actions of the Receiver and its legal counsel in the course of the administration of the receivership of the Debtors are reasonable and appropriate in the circumstances.
30. The Receiver relies on such further and other grounds in support of its Application as counsel may advise and this Honourable Court may permit.

Material or Evidence To Be Relied Upon:

- (a) The First Report of the Receiver dated May 31, 2021;
- (b) The Confidential Appendices to the First Report of the Receiver dated May 31, 2021;
- (c) The Receivership Order granted by Justice Mah on April 26, 2021;
- (d) All pleadings, affidavits and other materials filed in this action;
- (e) The inherent jurisdiction of this Honourable Court to control its own process; and
- (f) Such further and other material as counsel may advise and this Honourable Court may permit.

Applicable Rules:

- (a) Rules 6.47 (a), (d), (e) and (f), 11.27 and 13.5 of the *Alberta Rules of Court*.

Applicable Acts and Regulations:

- (a) The *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended.

How the Application is Proposed to be Heard or Considered:

- (a) Via WebEX before the Honourable Justice M.J. Lema.

WARNING TO THE RESPONDENT:

If you do not come to Court either in person or by your lawyer, the Court may give the applicant(s) what they want in your absence. You will be bound by any order that the Court

makes. If you want to take part in this application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of the form. If you intend to rely on an affidavit or other evidence when the application is heard or considered, you must reply by giving reasonable notice of the material to the applicant.

SCHEDULE "A"

COURT FILE NUMBER: 2101-05682

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE: CALGARY

PLAINTIFF ATB FINANCIAL

DEFENDANTS W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (O/A WA GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.

DOCUMENT

SERVICE LIST

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT:

MLT AIKINS LLP
 Barristers & Solicitors
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 Attention: Ryan Zahara/Kaitlin Ward
 Phone: 403.693.5420/403.693.4311
 Facsimile: 403.508.4349
 File: 0128056.00003

Updated May 31, 2021

Party	Role
<p>BDO CANADA LIMITED 620, 903 8th Avenue SW Calgary, AB T2P 0-7</p> <p>Marc Kelly makelly@bdo.ca</p> <p>Anna Koroneos akoroneos@bdo.ca</p>	<p><i>Counsel for Receiver</i></p> <p>MLT AIKINS LLP 2100 Livingston Place 222 3 Ave SW Calgary, AB T2P 0B4</p> <p>Ryan Zahara rzahara@mltaikins.com</p> <p>Kaitlin Ward kward@mltaikins.com</p> <p>Joy Mutuku jmutuku@mltaikins.com</p>

<p>W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (O/A WA GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., 1887612 ALBERTA LTD.</p> <p>Chris Chivilo chris@chivilo@wagrain.ca</p>	<p><i>Counsel for W.A. Grain Holdings Inc., 1309497 Alberta Ltd. (o/a WA Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., New Leaf Essentials (East) Ltd., 1887612 Alberta Ltd.</i></p> <p>MHR Law 1, 5401-49 Avenue Olds, AB T4H 1G3</p> <p>Dan Harder danh@mhrlaw.ca corporate@mhrlaw.ca</p>
<p>NEW LEAF ESSENTIALS (EAST) LTD. 4 Slemon Park Dr. Slemon Park, Prince Edward Island C0B 2A0</p> <p>Chris Chivilo Chris.chivilo@wagrain.ca</p>	
<p>ATB FINANCIAL 600, 585 8th Avenue SW Calgary, AB T2P 1G1</p> <p>Dawn Walby dwalby@atb.com</p> <p>Chris Dumont cdumont@atb.com</p>	<p><i>Counsel for ATB Financial</i></p> <p>FASKEN MARTINEAU DUMOULIN LLP 3400, 350 7th Avenue SW Calgary, AB T2P 3N9</p> <p>Travis Lysak tlysak@fasken.com</p> <p>Mihai Tomos mtomos@fasken.com</p>
<p>AVRIO SUBORDINATED DEBT LIMITED PARTNERSHIP II</p>	<p><i>Counsel for Avrio Subordinated Debt Limited Partnership III</i></p> <p>MCCARTHY TETRAULT LLP 4000, 421 7th Avenue SW Calgary, AB T2P 4K7</p> <p>Walter Macleod wmacleod@mccarthy.ca</p>

<p>CWB NATIONAL LEASING INC. 1525 Buffalo Place Winnipeg, MB R3T 1L9</p> <p>Fax: 204-954-9099</p>	
<p>FARM CREDIT CANADA 2nd Floor, 12040 – 149 Street NW Edmonton, AB T5V 1P2</p> <p>Fax: 780-495-5665</p>	<p><i>Counsel for Farm Credit Canada</i></p> <p>MILLER THOMSON LLP 3000, 700-9th Avenue SW Calgary, AB T2P 3V4</p> <p>Nicole T. Taylor-Smith ntaylorsmith@millerthomson.com</p>
<p>MERIDIAN ONECAP CREDIT CORP. Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2</p>	
<p>PRINCE EDWARD ISLAND CENTURY 2000 FUND INC. 94 Euston Street PO Box 1176 Charlottetown PEI C1A 7M8</p> <p>Attention: Jamie Aitkin jdoyle@gov.pe.ca</p> <p>Attention: Jason Doyle jaaiken@gov.pe.ca</p>	<p><i>Counsel for Prince Edward Island Century 2000 Fund Inc.</i></p> <p>Stewart McKelvey LLP 65 Grafton St Charlottetown, PE C1A 1K8</p> <p>Attention: Gary G. Demeulenaere, Q.C gdemeulenaere@stewartmckelvey.com</p>
<p>THE GUARANTEE COMPANY OF NORTH AMERICA 402-260 Hearst Way Kanata, ON K2L 3H1</p> <p>Attention: Vice President, Credit Solutions</p>	
<p>CANADA REVENUE AGENCY 220 4th Avenue SE Calgary, Alberta T2G 0L1</p> <p>Fax: 403-264-5843</p>	

<p>DEPARTMENT OF JUSTICE CANADA 300 Epcor Tower, 10423 – 101 St NW Edmonton AB T5H 0E7 Email: alb.fc@justice.gc.ca</p> <p>Fax: 780-495-3319</p>	
<p>CANADIAN GRAIN COMMISSION / GOVERNMENT OF CANADA Head, Licensing, Industry Services</p> <p>Attention: Lorena Morales lorena.morales@grainscanada.gc.ca</p>	
<p>INTACT INSURANCE COMPANY 1200 St. Laurent Blvd., Unit 004A P.O. Box 22 Ottawa, Ontario K1K 3B8</p> <p>Jay Rampersad jay.rampersad@intact.net</p>	

SCHEDULE "B"

COURT FILE NUMBER	2101-05682
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
APPLICANT	BDO CANADA LIMITED, in its capacity as receiver and manager of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
DOCUMENT	APPROVAL AND VESTING ORDER (Sale by Receiver)
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420 Fax: 403.508.4349 Attention: Ryan Zahara File: 128056.00003

DATE ON WHICH ORDER WAS PRONOUNCED:	JUNE 9, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER:	HONOURABLE JUSTICE M.J. LEMA

UPON THE APPLICATION of BDO Canada Limited, filed on May 31, 2021 (the "**Application**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including the proceeds thereof, of W.A. Grain Holdings Inc., 1309497 Alberta

Ltd. (o/a W.A. Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., New Leaf Essentials (East) Ltd., and 1887612 Alberta Ltd. (collectively, the “**Debtors**”), for an Order, among other things, approving the sale (the “**Transaction**”) of substantially all of the inventory of the Debtors pursuant to the terms of the Inventory Sale Agreement (the “**Sale Agreement**”) between the Receiver and Bridge Agri Partners Inc. (the “**Purchaser**”), as appended in the Confidential Appendices (the “**Confidential Appendices**”) to the First Report of the Receiver dated May 31, 2021 (the “**First Report**”), and transferring the right, title and interest in and to the assets described in the Sale Agreement (the “**Purchased Assets**”);

AND UPON HAVING READ the Application, the Receivership Order dated April 26, 2021 (the “**Receivership Order**”), the First Report, the Confidential Appendices to the First Report, and the Affidavit of Service of Joy Mutuku;

AND UPON HEARING the submissions of counsel for the Receiver and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application, and time for service of this application is abridged to that actually given.

Approval of Transaction

2. The Transaction is hereby approved and execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

Vesting of Property

3. Upon delivery of a Receiver's certificate to the Purchaser substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the right, title and interest in and to the Purchased Assets described in the Sales Agreement shall vest absolutely in the name of the Purchaser, free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order;
- (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
- (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
- (d) those Claims listed in **Schedule "B"** hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "C"** (collectively, "**Permitted Encumbrances**")).

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

4. Upon delivery of the Receiver's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such

Receiver's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or Assignee clear title to the Purchased Assets subject only to Permitted Encumbrances.

5. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Receiver's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
6. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Receiver of the Sale Agreement.
7. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Purchased Assets from and after delivery of the Receiver's Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Except as otherwise provided herein, unless otherwise ordered (whether before or after the date of this Order), the Receiver shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court, provided however the Receiver may apply any part of such net proceeds to repay any amounts the Receiver has borrowed for which it has issued a Receiver's Certificate pursuant to the Receivership Order.

8. Except as expressly provided for in the Sale Agreement or by section 5 of the *Alberta Employment Standards Code*, the Purchaser shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
9. Upon completion of the Transaction, the Debtors and all persons who claim by, through or under the Debtors in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser or Assignee.
10. The Purchaser or Assignee shall be entitled to hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by, through or against the Debtors.
11. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
12. The Receiver is directed to file with the Court a copy of the Receiver's Closing Certificate forthwith after delivery thereof to the Purchaser or Assignee.
13. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser or Assignee all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser or Assignee shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material

respects identical to the prior use (of such information) to which the Debtors were entitled.

Miscellaneous Matters

14. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), in respect of the Debtors, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtors; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser or Assignee pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

- 15. The Receiver, the Purchaser and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 16. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the

Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Receiver, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

17. Service of this Order shall be deemed good and sufficient by:

(a) Serving the same on:

- (i) the persons listed on the service list created in these proceedings;
- (ii) any other person served with notice of the application for this Order;
- (iii) any other parties attending or represented at the application for this Order;
- (iv) the Purchaser, or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/wagrainholdings/>

and service on any other person is hereby dispensed with.

18. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.

The Honourable Justice M.J. Lema
Justice Of The Court Of Queen's Bench Of Alberta

Schedule "A" – Receiver's Certificate

COURT FILE NUMBER	2101-05682
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
APPLICANT	BDO CANADA LIMITED, in its capacity as receiver and manager of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
DOCUMENT	Receiver's Certificate
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420 Fax: 403.508.4349 Attention: Ryan Zahara File: 128056.00003

RECITALS

- A. Pursuant to an Order of the Honourable Justice D.R. Mah of the Court of Queen's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated April 26, 2021, BDO Canada Limited was appointed as the receiver (the "**Receiver**") of the undertakings, property and assets of W.A. Grain Holdings Inc., 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., New Leaf Essentials (East) Ltd., and 1887612 Alberta Ltd. (collectively, the "**Debtors**").

- B. Pursuant to an Order of the Court dated June 9, 2021, the Court approved the purchase and sale agreement (the "**Sale Agreement**") between the Receiver and Bridge Agri Partners Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser, or its assignee or nominee ("**Assignee**"), all of the Debtor's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser or Assignee of a certificate confirming (i) the payment by the Purchaser or Assignee of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser or Assignee; and (iii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser or Assignee has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 12 of the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser or Assignee, as applicable; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

BDO CANDA LIMITED, in its capacity as Receiver of the undertakings, property and assets of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD., and not in its personal capacity.

Per: _____
Name:
Title:

Schedule "B" – Encumbrances

Not Applicable

Schedule "C" – Permitted Encumbrances

Not applicable

SCHEDULE "C"

COURT FILE NUMBER	2101-05682
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
APPLICANT	BDO CANADA LIMITED, in its capacity as receiver and manager of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
DOCUMENT	SEALING ORDER
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420 Fax: 403.508.4349 Attention: Ryan Zahara File: 128056.00003

DATE ON WHICH ORDER WAS PRONOUNCED:	JUNE 9, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER:	HONOURABLE JUSTICE M.J. LEMA

UPON THE APPLICATION of BDO Canada Limited, filed on May 31, 2021 (the "**Application**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including the proceeds thereof, of W.A. Grain Holdings Inc., 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., New Leaf Essentials (East) Ltd., and 1887612 Alberta Ltd. (collectively, the "**Debtors**") for an Order, among other things, approving the sale transaction (the "**Transaction**") and sealing certain confidential

information related to the Transaction, as appended in the Confidential Appendices (the "**Confidential Appendices**") to the First Report of the Receiver dated May 31, 2021 (the "**First Report**");

AND UPON HAVING READ the Application, the Receivership Order dated April 26, 2021, the First Report, the Confidential Appendices to the First Report, and the Affidavit of Service of Joy Mutuku; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

1. The Confidential Appendices are hereby sealed on the Court file in accordance with paragraphs 2 and 3 below.
2. The Clerk of the Court is hereby directed to seal the Confidential Appendices on the Court file until the earlier of:
 - (a) an Order of this Court directs that the Confidential Supplement be filed in this Action; or
 - (b) closing of the Transaction and the filing of the Receiver's Certificate associated with that Transaction.
3. The Clerk of the Court is hereby directed to seal the Confidential Supplement in an envelope setting out the style of cause in the within proceedings and labelled:

THIS ENVELOPE CONTAINS CONFIDENTIAL DOCUMENTS. THESE CONFIDENTIAL DOCUMENTS ARE SEALED ON COURT FILE 2101-05682 PURSUANT TO THE ORDER ISSUED BY JUSTICE M.J. LEMA GRANTED ON JUNE 9, 2021. THESE CONFIDENTIAL DOCUMENTS ARE NOT TO BE ACCESSED BY ANY PERSON UNTIL EARLIER OF AN ORDER OF THE COURT DIRECTING THAT THESE CONFIDENTIAL DOCUMENTS BE FILED OR UNTIL AFTER THE CLOSING OF THE TRANSACTION AND THE FILING OF THE RECEIVER'S CERTIFICATE.

The Honourable Justice M.J. Lema
Justice Of The Court Of Queen's Bench Of Alberta

SCHEDULE "D"

COURT FILE NUMBER	2101-05682
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	ATB FINANCIAL
DEFENDANTS	W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
APPLICANT	BDO CANADA LIMITED, in its capacity as receiver and manager of W.A. GRAIN HOLDINGS INC., 1309497 ALBERTA LTD. (o/a W.A. GRAIN & PULSE SOLUTIONS), NEW LEAF ESSENTIALS (WEST) LTD., NEW LEAF ESSENTIALS (EAST) LTD., and 1887612 ALBERTA LTD.
DOCUMENT	ORDER APPROVING SALE AND SOLICITATION PROCESS
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	MLT AIKINS LLP Barristers and Solicitors 2100, 222 3 rd Avenue S.W. Calgary, Alberta T2P 0B4 Phone: 403.693.5420 Fax: 403.508.4349 Attention: Ryan Zahara File: 128056.00003

DATE ON WHICH ORDER WAS PRONOUNCED:	JUNE 9, 2021
LOCATION WHERE ORDER WAS PRONOUNCED:	EDMONTON, ALBERTA
NAME OF JUSTICE WHO MADE THIS ORDER:	HONOURABLE JUSTICE M.J. LEMA

UPON THE APPLICATION of BDO Canada Limited, filed on May 31, 2021 (the "**Application**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate, including the proceeds thereof, of W.A. Grain Holdings Inc., 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., New Leaf Essentials

(East) Ltd., and 1887612 Alberta Ltd. (collectively, the “**Debtors**”) for an Order, among other things, approving the proposed Sales and Solicitation Process (“**SSP**”) in substantially the form attached in Appendix “A” to the First Report of the Receiver, dated May 31, 2021 (the “**First Report**”); increasing the transaction limit set out in paragraph 3(l) of the April 26, 2021 Receivership Order of Justice Mah (the “**Receivership Order**”); approving the Receiver’s activities to date; approving the Receiver’s Statement of Receipts and Disbursements; and granting leave to the Receiver to apply to this Court for advice and direction; **AND UPON HAVING READ** the Application, the Receivership Order dated April 26, 2021, the First Report, the Confidential Appendices to the First Report, and the Affidavit of Service of Joy Mutuku; **AND UPON IT** appearing that all interested and affected parties have been served with notice of the Application; **AND UPON HEARING** the submissions of counsel for the Receiver and all other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

1. Service of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

Approval of SSP

2. The SSP, as proposed, is hereby approved and the Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable to implement the SSP and do all things as are reasonably necessary to conduct and give full effect to the SSP and carry out its obligations thereunder.

Increase to Transaction Thresholds

3. The threshold set out in paragraph 3(l) of the Receivership Order for the sale of assets out of the ordinary course of business is hereby increased from \$250,000 to \$500,000, respecting individual transactions, and increased from \$500,000 to \$1,500,000 respecting aggregate transactions.

Actions of the Receiver

4. The Receiver's activities as set out in the First Report and Confidential Appendices, including, without limitation, the Statement of Receipts and Disbursements, are hereby ratified and approved.

Approval of Professional Fees

5. The Receiver's accounts for fees and disbursements for the period of April 26, 2021 to May 27, 2021, as set out in the First Report, are hereby approved without the necessity of a formal assessment of its accounts.
6. The accounts of the Receiver's legal counsel, MLT Aikins LLP, for its fees and disbursements for the period of April 26, 2021 to May 26, 2021, as set out in the Receiver's Report, are hereby approved without the necessity of a formal assessment of its accounts.

Service

7. Service of this Order shall be deemed good and sufficient by serving same on the persons listed on the Service List in these proceedings, and by posting a copy of this Order on the Receiver's website at: <https://www.bdo.ca/en-ca/extranets/wagrainholdings/>
8. Service of this Order on any party not listed in the Service List is hereby dispensed with.

The Honourable Justice M.J. Lema
Justice Of The Court Of Queen's Bench Of Alberta