

## TERMS AND CONDITIONS OF SALE

### Terms and Conditions

1. MNP Ltd., in its capacity as Receiver and Manager (the “**Receiver**”) of the assets of LAH Sourcing Ltd. (the “**Company**”) will consider written offers to purchase or liquidate (the “**Offers**”) for the Company’s right, title and interest, if any, in the inventory assets of the Company (collectively, the “**Assets**”).
2. All Offers must be submitted by completing the attached form of Offer to Purchase or Liquidate (Appendix B) and must be received by the Receiver via email at [Greg.Ibbott@mnp.ca](mailto:Greg.Ibbott@mnp.ca) by **no later than 12:00 p.m., Vancouver Time, on Monday, October 16, 2023**. However, nothing herein prevents the acceptance of any Offer to Purchase prior to that time. Offers received that are not on the attached form may, at the sole discretion of the Receiver, be rejected by the Receiver.
3. It is a Term and Condition of the sale that the Assets are being offered for sale on an “as is” and “where is” and “without recourse” basis. Without limiting the generality of the foregoing, the Receiver makes no representations, warranties, inducement or condition as to title, size, description, fitness for purpose or intended use (environmental or otherwise), quantity, number, defect (patent or latent), collectability, merchantability, condition or quality of the Assets or in respect of any other matter or thing whatsoever, either stated or implied. Each party making an offer (the “**Offeror**”) shall be deemed to have relied entirely upon his own inspection and investigation of the Assets. Any and all conditions or warranties at law or in equity in favour of the Offeror in respect of the Assets are expressly disclaimed by the Receiver and waived by the Offeror.
4. The Receiver, at its discretion, may waive or vary any or all of the Terms and Conditions of Sale or withdraw this invitation for Offers.

### Transaction Process

5. The Receiver reserves the right and shall be at liberty, at any time, at its sole discretion, to set a minimum purchase price for the Assets and, in such case, shall inform the Offeror of such minimum purchase price.
6. The Receiver reserves the right to amend or terminate the sales process, or to withdraw or amend any of the Assets, at any time, at its sole discretion. With respect to any withdrawal or amendment, the sole obligation of the Receiver to the Offeror shall be to inform the Offeror of the withdrawal or amendment. With respect to the termination of the sales process, the sole obligation of the Receiver to the Offeror shall be to return any deposit without interest or deduction.

### Offers to Purchase

7. Offers must be accompanied by a bank wire payable to “MNP Ltd., in Trust” (wire instructions attached hereto as Schedule 1) in an amount equal to 10% of the gross purchase price offered for the Assets, plus all applicable taxes, which deposit will be subject to the terms of paragraphs 8 and 9 herein.
8. Acceptance of any Offers shall result in an agreement by the successful Offeror (the “**Purchaser**”) to execute and deliver a form of Asset Purchase Agreement which shall be provided by the Receiver to the Purchaser on or before October 16, 2023.

9. If the Offers is accepted, the wire accompanying the Offers shall be deemed a non-refundable cash deposit. If the contemplated sale is completed, the deposit will be applied without interest, against the purchase price. If the contemplated sale is not completed by the Purchaser by reason of the Purchaser's default, the deposit shall be retained on account of liquidated damages by the Receiver and the Receiver shall be entitled to pursue all of its rights and remedies against the Purchaser.
10. Wires accompanying Offers that are not accepted by the Receiver shall be returned, without interest thereon, to the Offeror, addressed to the Offeror at the address set forth in its Offer to Purchase, as soon as possible.
11. Upon receipt by the Receiver of any Offers, no person shall be entitled to retract, withdraw, vary or amend the Offers prior to acceptance or rejection thereof, without the prior written consent of the Receiver.
12. The submission of an Offers to the Receiver shall constitute an acknowledgement and an acceptance by the Offeror of the terms of the Invitation for Offers including these Terms and Conditions of Sale.
13. Upon receipt by the Receiver, the Offers must remain open for acceptance and irrevocable until a successful bid ("**Successful Bid**") is approved by the Supreme Court of British Columbia (the "**Court**") as soon as possible.
14. The Offers may not be conditional on obtaining financing or any internal approval, or on the outcome or review of due diligence, and may not have any other contingency or condition precedent to closing, other than Court approval.
15. The Offers may not provide for, or entitle the Offeror to any break-up fee, expense reimbursement or similar type of payment.
16. The highest or any of the Offers may not necessarily be accepted and the Receiver reserves the right to reject any and all Offers.
17. The Receiver has the right to go back to any of the Offerors in order to clarify or seek further information in respect of any of the Offers received, or their ability to conclude the transaction, and may set a further deadline for the submissions of any amended or subsequent Offers prior to the selection of a Successful Bid.
18. The Offerors acknowledge and agree that, by participating in this sales process, they ought to present their best offer to the Receiver by the Offer Deadline, and that they will have no right to increase or augment their offer, including by way of presenting a further competing bid, after the Offer Deadline, including at the application for Court approval of the Successful Bid, except as the Court may otherwise permit or request.
19. The Offerors acknowledge and agree that acceptance of any Offer to Purchase shall result in a binding agreement by the successful Offeror (the "**Purchaser**") to purchase the Assets.

## **Closing**

20. The Purchaser shall pay to the Receiver the purchase price, agreed upon expenses, plus all applicable federal and provincial taxes, duties and registration fees, unless the applicable exemption certificates are presented to the Receiver on or before the agreed upon closing date, which closing date shall be 10 business days (or as jointly agreed) from the date of Court approval (the "**Closing Date**").

21. Without limitation, all of the purchased Assets shall be as they exist at the time of closing. The Purchaser acknowledges and agrees that the Receiver shall not be required to inspect the purchased Assets or any part thereof and the Purchaser shall be deemed at its own expense to have relied entirely on its own inspection and investigation. The Purchaser acknowledges that no warranties or conditions, expressed or implied, pursuant to applicable legislation in other jurisdictions apply hereto and all of the same are hereby waived by the Purchaser.
22. Prior to closing, the purchased Assets shall be and remain in the possession of and at the risk of the Receiver and the Receiver will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Receiver and the Purchaser as their respective interests may appear. After closing, the purchased Assets shall be at the risk of the Purchaser. In the event of substantial damage to the purchased Assets occurring on or before closing, the Purchaser may either have the proceeds of the insurance and complete the transaction of purchase and sale or may cancel the transaction of purchase and sale and have all monies theretofore paid, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not material, the Purchaser shall be obliged to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.

### **Purchaser's Representations, Responsibilities and Indemnifications**

23. The Purchaser shall assume, at its cost, complete responsibility for compliance with all municipal, provincial and federal laws insofar as the same apply to the purchased Assets and the use thereof by the Purchaser. It shall be the Purchaser's sole responsibility to obtain, and pay the cost of obtaining, any consents, permits, licenses or other authorizations necessary or desirable for the transfer to the Purchaser of the Company's right, title and interest, if any, in the purchased Assets.
24. The Purchaser represents and warrants that
- a) It is a corporation duly incorporated, organized and subsisting under the laws of Canada, British Columbia, or another province of Canada;
  - b) It has the corporate power and authority to enter into agreements, and all necessary actions and approvals will be taken or obtained by the Purchaser to authorize the creation, execution, delivery and performance of agreements will be duly executed and delivered by the Purchaser and is enforceable against the Purchaser in accordance with its terms; and
  - c) It is not a non-Canadian for the purpose of the Investment Canada Act (Canada) and it is not a non-resident of Canada within the meaning of the Income Tax Act (Canada).
25. The Purchaser shall indemnify the Receiver and hold the Receiver harmless against and from all losses, costs, damages and expenses which the Receiver may sustain, incur or become liable for by reason of or arising from any operations of the Purchaser in relation to the Assets, including without limitation, any clean up, decommissioning, restoration or remediation of the Assets which may be required of the Receiver pursuant to any environmental laws as a result of the operations of the Purchaser.

## **Receiver's Rights, Responsibilities, and Obligations**

26. MNP Ltd. is acting solely in its capacity as Receiver and Manager of LAH Sourcing Ltd., and not in its personal or corporate capacity, and its liabilities hereunder, if any, or under any Offers, or sale contemplated hereby, will be solely in its capacity as Receiver and it shall have no personal or corporate liability of any kind, whether in contract or in tort or otherwise.
27. By submitting any Offers, each Offeror agrees that it will not bring any claim, demand or action, whether arising in contract or tort against the Receiver or its employees, directors, officers, advisors or representatives for any matter relating directly or indirectly to the Offers for Purchase or the marketing of the Assets and waives all claims against the Receiver and its employees, directors, officers, advisors and representatives for any compensation whatsoever in relation to the Offers or the marketing of the Assets including any claims for lost profits in the event that the Receiver rejects their Offers, accepts any non-compliant Offers or otherwise breaches any term of the Invitation to Offer.
28. The obligation of the Receiver to complete the transaction of purchase and sale is subject to the satisfaction of, among other things, the following terms and conditions at or prior to the Closing Date, which conditions are for the sole benefit of the Receiver and which may be waived by the Receiver:
  - a) The representations and warranties of the Purchaser herein are true and accurate as of the Closing Date;
  - b) No action or proceeding at law or in equity shall be pending or threatened by any person, form, governmental authority, regulatory body or agency, to enjoin, restrict, stay, or prohibit the purchase and sale of the purchased Assets;
  - c) The purchased Assets shall not have been removed from the control of the Receiver by any means or process; and
  - d) No party shall have taken any action to redeem any of the purchased Assets; and
  - e) An order of the Court approving the Successful Bid has been pronounced.
29. The Receiver may continue to use the name of the Company in the administration of its duties or in the sale of any remaining Assets.

## **General**

30. This Terms and Conditions of Sale sets forth the entire terms and conditions of sale and there are no representations, warranties or conditions collateral hereto affecting the purchase of the Assets.
31. Time shall be of the essence.
32. The Terms and Conditions of Sale shall be construed and enforced in accordance with the laws of British Columbia and British Columbia contract.
33. Neither the Terms and Conditions of Sale, nor any of the rights or obligations hereunder shall be assigned by the Purchaser without the prior written consent of the Receiver. Subject to the foregoing, the Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.

## Notices

34. Any Offers, notices, requests, demands or other communications to be given pursuant to this process shall be in writing and shall be emailed as follows:

To the Purchaser:

At the address set forth in the Offer to Purchase

To the Receiver:

MNP Ltd., Attention: Greg Ibbott, at email [Greg.Ibbott@mp.ca](mailto:Greg.Ibbott@mp.ca).

35. Notices shall be on the date of the email, or if on a holiday the next business day thereafter.

Dated at Vancouver, British Columbia this 22<sup>nd</sup> day of September, 2023.

**MNP Ltd.**  
**In its capacity as Receiver and Manager of**  
**LAH Sourcing Ltd.**  
**and not in its personal capacity**