



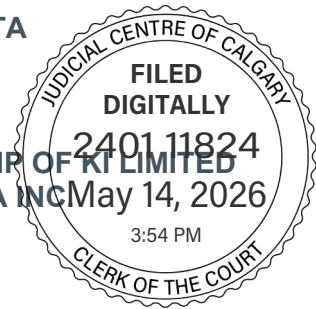
COURT FILE NUMBER **2401-11824**

COURT **COURT OF KING’S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDING **IN THE MATTER OF THE RECEIVERSHIP OF KT LIMITED PARTNERSHIP AND 2302353 ALBERTA INC**

DOCUMENT **FIRST REPORT OF THE RECEIVER
MAY 14, 2026**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **RECEIVER
KSV Restructuring Inc.
1165, 324 – 8th Avenue SW
Calgary, Alberta
T2P 2Z2**

Attention: Jason Knight
Telephone: (587) 287-2605
Facsimile: (416) 932-6266
Email: jknight@ksvadvisory.com

RECEIVER’S COUNSEL
Fasken Martineau DuMoulin LLP
350 – 7th Avenue SW, Suite 3400
Calgary, Alberta
T2P 3N9

Attention: Robyn Gurofsky
Telephone: (403) 261 9469
Facsimile: (403) 261 5351
E-Mail: rgurofsky@fasken.com

Contents	Page
1.0 Introduction	1
1.1 Purposes of this Report.....	3
1.2 Scope and Terms of Reference	3
1.3 Currency	4
1.4 Court Materials	4
2.0 Background.....	4
2.1 Quarries.....	5
3.0 Vandervalk Quarry Matters.....	5
4.0 Assignment Agreement	8
5.0 Objection to the Assignment Agreement Distribution	9
6.0 Conclusion	9

Appendices	Tab
Receivership Order dated September 5, 2024.....	A
Approval and Vesting Order dated September 5, 2024.....	B
Discharge Order dated September 5, 2024	C
Proposed Receiver’s Report dated August 24, 2024	D
Supplement to Proposed Receiver’s Report dated September 3, 2024	E
Assignment and Novation Agreement dated May 1, 2026	F
Alberta Environment and Protected Areas’ Email dated December 16, 2025.....	G

1.0 Introduction

1. On September 5, 2024, the Court of King's Bench of Alberta (the "**Court**") granted an order (the "**Receivership Order**") pursuant to an application by Canadian Imperial Bank of Commerce ("**CIBC**") under, among others, subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), appointing KSV Restructuring Inc. ("**KSV**") as the receiver and manager (the "**Receiver**") of the assets, undertaking and property (collectively, the "**Property**") of KI Limited Partnership (formerly Korite International Limited Partnership) ("**KILP**") and 2302353 Alberta Inc. (formerly Korite International GP Inc.) ("**230 Alberta**", and together with KILP, the "**Debtors**").
2. The primary purpose of the receivership proceedings was to complete a sale of KILP's business and assets on an expedited and cost-effective basis. Accordingly, after the granting of the Receivership Order, CIBC sought and obtained:
 - a) an approval and vesting order (the "**AVO**"), among other things:
 - i. approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement, between KILP and Buffalo Rock Mining Co. Ltd. (the "**Purchaser**") dated August 23, 2024, as amended pursuant to an amending agreement dated August 29, 2024 (the "**APA**");
 - ii. vesting of all the Debtors' rights, title and interest in and to the purchased assets under the APA, in the name of the Purchaser, free and clear of all claims, subject only to permitted encumbrances, following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the AVO (the "**Receiver's Certificate**"); and
 - iii. authorizing and directing KILP, or the Receiver on behalf of KILP, to take such further steps, as necessary, to complete the Transaction; and
 - b) an ancillary and discharge order (the "**Discharge Order**"), among other things:
 - i. approving and ratifying the Receiver's activities and authorizing the Receiver to complete the Concluding Activities (as defined in the Discharge Order);

- ii. discharging KSV as Receiver of the Debtors, effective upon the Receiver filing a certificate substantially in the form attached as Schedule “A” to the Discharge Order, confirming that the Receiver has satisfied all of its obligations under and pursuant to the terms of the orders granted in the receivership proceedings;
 - iii. releasing and holding the Receiver harmless from any and all actions or claims in any way connected with the performance of its duties and activities in the within proceedings, except those occurring as a result of fraud, gross negligence or wilful misconduct; and
 - iv. permitting the Receiver to distribute the net proceeds of sale from the Transaction (the “**Sale Proceeds**”) to CIBC, after satisfying all costs and expenses incurred during and in relation to the receivership proceedings, including the fees and costs of Tailwind Ventures (“**Tailwind**”) (i.e., the sales advisor) and the Receiver and any reclamation obligations that may be owed by the Debtors.
3. Copies of the Receivership Order, AVO, and Discharge Order are attached as **Appendices “A”, “B”, and “C”**, respectively.
4. The Transaction resulted from a sale process (the “**Sale Process**”) carried out by the Debtors, with the assistance of its sales advisor, Tailwind. A summary of the Sale Process, the APA, and the Transaction is provided in the Proposed Receiver’s Report dated August 26, 2024 (the “**Proposed Receiver’s Report**”) and the Supplement to the Proposed Receiver’s Report dated September 3, 2024 (the “**Supplemental Report**”), both filed by KSV, as proposed receiver and manager. Copies of the Proposed Receiver’s Report and the Supplemental Report (without appendices) are attached as **Appendices “D” and “E”**, respectively.
5. On September 9, 2024, the Transaction closed and the Receiver filed the Receiver’s Certificate on September 20, 2024.
6. On September 10, 2024, pursuant to the terms of the APA, the Receiver filed articles of amendment changing the Debtors’ names from “Korite International Limited Partnership” to “KI Limited Partnership” and “Korite International GP Inc.” to “2302353 Alberta Inc.”.

1.1 Purposes of this Report

1. The purposes of this report (this “**Report**”) are to:
 - a) provide background information about the Debtors and these proceedings, including in particular the reclamation obligations outstanding in connection with certain lands on which the Debtors operated a quarry, defined below as the Vandervalk Quarry;
 - b) summarize the assignment and novation agreement among: (i) the Receiver; (ii) Vandervalk Farms Ltd. (“**Vandervalk Farms**”), Aaron Nauta Ltd., and 1362179 Alberta Ltd. (collectively, the “**Landowner**”); and (iii) Cody Church (“**Mr. Church**”), the previous director of the Debtors, dated May 1, 2026 (the “**Assignment Agreement**”) intended to address the reclamation obligations on the Quarry Lands;
 - c) provide notice to the Debtors’ creditors of the Receiver’s intention to transfer to Vandervalk Farms, for and on behalf of the Landowner, approximately \$751,872, representing the remaining Sale Proceeds currently held by the Receiver, less amounts required to satisfy the amounts outstanding under the Receiver’s Charge (the “**Assignment Agreement Distribution**”), pursuant to the terms of the Assignment Agreement; and
 - d) provide creditors with an opportunity to raise any objections to the Assignment Agreement Distribution by no later than June 12, 2026.

1.2 Scope and Terms of Reference

1. In preparing this Report, the Receiver has relied upon the Debtors’ unaudited financial information and discussions with: (i) Alberta Environment and Protected Areas, the ministry in Alberta responsible for environmental protection and conservation (“**AEPA**”); (ii) Mr. Church; (iii) Stikeman Elliott LLP (“**Stikeman**”), Mr. Church’s legal counsel; (iv) Stephen Vandervalk (“**Mr. Vandervalk**”), a representative for the owners of Vandervalk Farms; and (v) CIBC.
2. The Receiver has not audited, reviewed, or otherwise verified the accuracy or completeness of the Debtors’ financial and other information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook. The Receiver expresses no opinion or other form of assurance with respect to the financial and other information presented in this Report or relied upon by the Receiver in preparing this Report. Other than the Court, any party wishing to place reliance

on the Debtors' financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

1.4 Court Materials

1. Additional background concerning the Debtors, the Sale Process, CIBC's security, and the events leading to the receivership proceedings is provided in the Proposed Receiver's Report and Supplemental Report. Court materials filed in these proceedings are available on the Receiver's website at: <https://www.ksvadvisory.com/experience/case/korite>.

2.0 Background

1. KILP is a limited partnership formed pursuant to the laws of the Province of Alberta. KILP's general partner is 230 Alberta, a corporation existing under the laws of the Province of Alberta. 230 Alberta has no active business operations, and its only assets are those held in its capacity as general partner of KILP. The sole director of 230 Alberta was Mr. Church. On November 29, 2024, at the request of Stikeman, the Receiver filed a Notice of Change of Director / Shareholder removing Mr. Church as the director of 230 Alberta effective September 4, 2024.
2. Prior to the Receivership Order, KILP operated as an independent production and distribution company focused on the mining and refining of ammolite gemstones and ammonite fossils, the finishing of ammolite gemstones into jewelry and ammonite fossils into finished specimens, and the sale of these products to both wholesale distributors and end customers.
3. CIBC is the Debtors' primary secured creditor. As at the date of the Receivership Order, the Debtors' indebtedness to CIBC totaled approximately \$4.75 million and US\$3.82 million, with interest and costs continuing to accrue.

2.1 Quarries

1. KILP mined ammolite gemstones and ammonite fossils pursuant to surface leases where it had an interest in quarries located on the following lands:
 - a) NW 1 – 7 – 22 W4M (the “**Deerfield Quarry**”); and
 - b) SW/NW 30 – 6 – 22 (the “**Vandervalk Quarry**”, and together with the Deerfield Quarry, the “**Quarries**”).
2. Pursuant to the APA, the Purchaser assumed all the Assumed Liabilities of KILP, which included all Environmental Liabilities that arise before, on, or after the Closing Date (all as defined in the APA) with respect to the Deerfield Quarry. However, the Purchaser did not assume any rights or obligations in respect of the Vandervalk Quarry.
3. Pursuant to the Receivership Order, while the Receiver took possession and control over some Property, it did not take possession or physical control over any of the Quarries. In particular, paragraph 3(a) of the Receiver Order states that the Receiver is empowered and authorized “...to take possession of and exercise control over the Property with the exception of taking possession of or exercising physical control over any ammonite fossil extraction operations, assets or sites of the Debtors (collectively, “**Extraction Sites**”)”.

3.0 Vandervalk Quarry Matters

1. On August 28 and September 3, 2024, a representative of AEPA contacted the Debtors and KSV and advised same of certain environmental reclamation obligations of KILP in respect of the Quarries pursuant to the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 (the “**EPA**”). As noted in the Supplemental Report, the potential reclamation obligations did not change the Receiver’s conclusion on the Transaction.
2. On September 17, 2024, the Receiver sent a letter to AEPA, among other things, advising that:
 - a) the Transaction closed on September 9, 2024;
 - b) pursuant to the APA, the Purchaser assumed all the Environmental Liabilities of the Deerfield Quarry, including any obligations under the EPA;

- c) the Purchaser did not acquire the Vandervalk Quarry or assume the liabilities associated with same, including any obligations under the EPA;
 - d) pursuant to paragraph 3(a) of the Receivership Order, the Receiver has not taken possession of the Vandervalk Quarry, nor does it have the authority to do so; and
 - e) the Receiver was working to better understand the reclamation work required on the Vandervalk Quarry (the “**Reclamation Work**”) to satisfy the obligations under the EPA (the “**Vandervalk EPA Obligations**”).
3. On November 12, 2024, the Receiver sent a letter to AEPA, among other things:
- a) advising that, with the assistance of the mine manager, the Receiver obtained a quote from a contractor which estimated that the costs to perform the Reclamation Work was approximately \$508,104; and
 - b) proposing that the Receiver distribute \$508,104 to AEPA (the “**AEPA Distribution**”) to satisfy the Vandervalk EPA Obligations. The Receiver offered the AEPA Distribution, given that the Receiver did not have the authority to take possession of the Vandervalk Quarry.
4. On November 21, 2024, AEPA sent a letter to the Receiver and Mr. Church rejecting the AEPA Distribution and advising that either the Receiver or the Debtors would be required to complete the Reclamation Work.
5. During a call with AEPA and Mr. Church on November 28, 2024, the Receiver:
- a) acknowledged that the Vandervalk EPA Obligations rank in priority to CIBC;
 - b) reiterated that, pursuant to the terms of the Receivership Order, the Receiver is not authorized to perform the Reclamation Work, nor did it intend to do so; and
 - c) advised that the Receiver’s obligation is limited to ensuring the proceeds generated during the receivership proceedings are distributed to the appropriate parties/creditors based on their relative priorities.

6. By mid-June 2025, the Receiver had not received instructions from AEPA, the Landowner, or Mr. Church as to whom the AEPA Distribution, or such further amount, should be paid. Accordingly, to conclude the receivership proceedings and have appropriate funds to complete the Reclamation Work into Court, on June 23, 2025, the Receiver obtained an updated quote from a contractor which estimated that it would cost approximately \$773,332 to complete the Reclamation Work.
7. On August 4, 2025, after being advised of the Receiver's intention to pay the remaining Sale Proceeds held by the Receiver into Court, Mr. Vandervalk advised the Receiver that the Landowner was willing to perform the Reclamation Work.
8. On August 12, 2025, the Receiver sent an email advising AEPA that:
 - a) the Landowner was willing to perform the Reclamation Work and assume the Vandervalk EPA Obligations, provided that the Landowner received the funds held by the Receiver;
 - b) as a condition of the funds being paid to the Landowner, the Receiver would require an acknowledgment from AEPA that the payment of the amount to the Landowner, and the Landowner agreeing to assume the Vandervalk EPA Obligations, would release the Debtors and the Receiver of any obligations under the EPA in connection with the Vandervalk Quarry.
9. On October 2, 2025, AEPA advised the Receiver that it agreed with the approach in principal and requested that AEPA be provided with the draft agreement for its review.
10. On December 8, 2025, after further discussions between the Receiver, Mr. Church, and Mr. Vandervalk, the Receiver provided AEPA with a draft assignment and novation agreement among the Receiver, the Landowner, AEPA, and Mr. Church.
11. On December 16, 2025, AEPA advised the Receiver that, although it agreed with the terms and approach outlined in the assignment and novation agreement, AEPA could not agree to be a signatory to the agreement.
12. On January 23, 2026, Mr. Church and Mr. Vandervalk, for and on behalf of the Landowner, advised the Receiver that they were fine to proceed with the terms of the Assignment Agreement, without AEPA being a party to same.

13. The Receiver has communicated the general terms of the Assignment Agreement to CIBC, as the first secured party and the creditor that would have otherwise been entitled to the Sale Proceeds, but for the existence of the Vandervalk EPA Obligations. The Receiver understands that CIBC does not object to the Assignment Agreement.

4.0 Assignment Agreement

1. The following is a summary of the Assignment Agreement, a copy of which is attached as **Appendix “F”**.
- a) **Assignment of Quarry Interests:** The Receiver assigns to the Landowner all of KILP’s right, title, and interest in and to the Vandervalk Quarry, including the associated leases and regulatory instruments.
 - b) **Transfer of Sale Proceeds:** Concurrently with the assignment, the Receiver will transfer to Vandervalk, on behalf of the Landowner, the Assignment Agreement Distribution.
 - c) **Assumption of Environmental Obligations:** The Landowner agrees to assume and be liable to perform all obligations relating to the Vandervalk Quarry, including the Reclamation Work required to satisfy the Vandervalk EPA Obligations, such as backfilling the Vandervalk Quarry and reseeded the lands with native vegetation.
 - d) **Recognition by Environmental Regulator:** AEPA has agreed to recognize the Landowner as the responsible party for the Vandervalk Quarry and to accept the Assignment Agreement.
 - e) **Releases:** The Landowner agrees that, from the effective date of the Assignment Agreement:
 - i. it will be the sole “person responsible” under the EPA in respect of the Vandervalk Quarry;
 - ii. KILP and Mr. Church are released from any reclamation obligations going forward; and
 - iii. the Receiver is released from all liabilities relating to the Vandervalk Quarry, acknowledging that the Receiver never took possession or physical control of the Vandervalk Quarry.

2. Again, while AEPA is not a signatory to the Assignment Agreement, it has confirmed it is in agreement with its terms pursuant to email correspondence from the AEPA to the Receiver dated December 16, 2025, a copy of which is attached as **Appendix “G”**, and has further confirmed that it will not hold the Receiver, KILP or Mr. Church liable for any of the obligations associated with the Vandervalk Quarry.

5.0 Objection to the Assignment Agreement Distribution

1. The Receiver has established a process for any objections to the Assignment Agreement Distribution to be made, and resolved.
2. Creditors who object to the Assignment Agreement Distribution must provide written notice of their objection, including the basis for such objection, to the Receiver at the contact information below no later than June 12, 2026.
3. Any objection should be delivered, via email, to:

KSV Restructuring Inc.,
Receiver of KI Limited Partnership and 2302353 Alberta Inc.
Suite 1165, 324 – 8th Avenue SW, Box 129
Calgary, Alberta T2P 2Z2
Attention: Jason Knight (jknight@ksvadvisory.com)

4. If no objections are received by June 12, 2026, the Receiver intends to proceed with the Assignment Agreement Distribution without further notice or application to the Court. If an objection is received, the Receiver may seek directions from the Court with respect to the Assignment Agreement Distribution.

6.0 Conclusion

1. The Assignment Agreement and the Assignment Agreement Distribution represent a practical mechanism for the reclamation obligations associated with the Vandervalk Quarry, to be resolved. CIBC, the secured lender that would have been entitled to the Sale Proceeds, but for the existence of the reclamation obligations, does not object to the Assignment Agreement Distribution. Finally, if there are any creditors with valid objections to such distribution, the Receiver can present the objection to the Court for resolution.

2. The Receiver believes that the Assignment Agreement Distribution is consistent with the Discharge Order and intended to facilitate the stakeholder priorities established in that order.
3. Subject to any objections received by June 12, 2026, the Receiver intends to proceed with the Assignment Agreement Distribution shortly thereafter.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
IN ITS CAPACITY AS RECEIVER AND MANAGER
OF KI LIMITED PARTNERSHIP AND 2302353 ALBERTA INC.,
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**

APPENDIX A
[ATTACHED]

PP

COURT FILE NUMBER 2401-11824

COURT COURT OF KING’S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

PLAINTIFF/APPLICANT CANADIAN IMPERIAL BANK OF COMMERCE

DEFENDANTS/RESPONDENTS KORITE INTERNATIONAL LIMITED PARTNERSHIP AND KORITE INTERNATIONAL GP INC.

DOCUMENT RECEIVERSHIP ORDER



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Ryan Laity/Jennifer Pepper
 Borden Ladner Gervais LLP
 1900, 520 – 3rd Avenue SW
 Calgary, AB T2P 0R3
 Telephone: (604) 632-3544/ (604) 640-4106
 Email: rlaity@blg.com/ jpepper@blg.com
 File No. 500007/005947

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2024

NAME OF JUSTICE WHO GRANTED THIS ORDER: Honourable Justice K.M. Horner

LOCATION OF HEARING: Calgary, Alberta

UPON the Application of Canadian Imperial Bank of Commerce (“CIBC”) in respect of Korite International Limited Partnership (“Korite”) and its general partner, Korite International GP Inc. (together, the “Debtors”); AND UPON having read the Application, the Affidavit of Kadira Carter, sworn on August 26, 2024, and the Affidavit of Service; AND UPON reading the consent of KSV Restructuring Inc. (“KSV”) to act as receiver (the “Receiver”) of the Debtors; AND UPON noting the consent endorsed hereon of the Debtors; AND UPON hearing counsel for CIBC, counsel of the proposed Receiver, and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and deemed good and sufficient and this application is properly returnable today.

APPOINTMENT

2. Pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”), and sections 13(2) of the *Judicature Act*, RSA 2000, c. J-2, 99(a) of the *Business Corporations Act*, RSA 2000, c. B-9, and 65(7) of the *Personal Property Security Act*, RSA 2000, c. P-7, KSV is hereby appointed Receiver, without security, of all of the Debtors’ current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the “**Property**”).

RECEIVER’S POWERS

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property with the exception of taking possession of or exercising physical control over any ammonite fossil extraction operations, assets or sites of the Debtors (collectively, “**Extraction Sites**”), and any and all proceeds, receipts and disbursements arising out of or from the Property, and for greater clarity, while the Receiver shall have limited powers with respect to the Property as it relates to the Extraction Sites as more particularly set out herein, the Receiver shall not have the power to take possession of or exercise physical control over the Extraction Sites;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (c) with the exception of the Extraction Sites, to manage, operate and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;

- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors, including from any Extraction Sites, and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to or by the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (k) to market any or all the Property, inclusive of the Extraction Sites, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:

- i. without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and
- ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required;

- (m) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtor and not in its personal capacity
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) assign the Debtors into bankruptcy pursuant to the BIA, to become the trustee in bankruptcy of the Debtors and to take all steps reasonably required to carry out its role as trustee in bankruptcy of the Debtors should the Receiver deem it appropriate in the circumstances to do so, and
- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

4. Notwithstanding any other provision of this Order, nothing herein shall require the Receiver: (i) to take possession of or exercise physical control over the Extraction Sites; or (ii) to manage or operate the Extraction Sites, and the Receiver shall not be deemed to have taken any of the actions or steps referred to in this paragraph 4 solely as a consequences of having taken some of the steps authorized pursuant to paragraph 3.

DUTY TO PROVIDE ACCESS AND CO-OPERATIONS TO THE RECEIVER

5. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being “**Persons**” and each being a “**Person**”) shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property (excluding Property subject to liens the validity of which is dependent on maintaining possession) to the Receiver upon the Receiver's request.
6. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information

of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

7. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. No proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

9. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might

otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the Debtors or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. "**Regulatory Body**" means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

NO EXERCISE OF RIGHTS OF REMEDIES

10. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:
- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
 - (b) prevent the filing of any registration to preserve or perfect a security interest;
 - (c) prevent the registration of a claim for lien; or
 - (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.
11. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

NO INTERFERENCE WITH THE RECEIVER

12. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Receiver, or leave of this Court.

CONTINUATION OF SERVICES

13. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

EMPLOYEES

15. Subject to employees’ rights to terminate their employment, all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 (“**WEPPA**”).

16. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATIONS ON ENVIRONMENTAL LIABILITIES

17. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
- i. before the Receiver's appointment; or
 - ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,

- i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause (ii) below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
- ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
- iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

LIMITATION ON THE RECEIVER'S LIABILITY

18. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

RECEIVER'S ACCOUNTS

19. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$100,000 as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and

the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.

20. The Receiver and its legal counsel shall pass their accounts from time to time.
21. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed **\$100,000** (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.
23. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
24. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
25. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

26. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

ALLOCATION

27. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

GENERAL

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.
30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.
31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction 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 orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

33. The Plaintiff shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

FILING

35. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.ksvadvisory.com/experience/case/korite> (the “**Receiver’s Website**”) and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
36. 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 or otherwise served with notice of 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; and
 - (b) posting a copy of this Order on the Receiver’s Website,
- and service on any other person is hereby dispensed with.

37. 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.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that **KSV Restructuring Inc.**, the receiver (the "**Receiver**") of all of the assets, undertakings and properties of **Korite International Limited Partnership, and its general partner, Korite International GP Inc.** appointed by Order of the Court of King's Bench of Alberta in Bankruptcy and Insolvency (the "**Court**") dated the 5th day of September, 2024 (the "**Order**") made in action number [●], has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$[●], being part of the total principal sum of \$[●] that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [**daily**] [**monthly not in advance on the [●] day of each month**] after the date hereof at a notional rate per annum equal to the rate of [●] per cent above the prime commercial lending rate of [●] from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at [●].
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the [●] day of [●], 2024.

KSV RESTRUCTURING INC. solely in its capacity as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

APPENDIX B
[ATTACHED]

COURT FILE NUMBER 2401-11824
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF **CANADIAN IMPERIAL BANK OF
COMMERCE**
DEFENDANTS **KORITE INTERNATIONAL LIMITED
PARTNERSHIP AND KORITE
INTERNATIONAL GP INC.**
DOCUMENT **APPROVAL AND VESTING ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Ryan Laity/Jennifer Pepper
Borden Ladner Gervais LLP
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3
Telephone: (604) 632-3544/ (604) 640-4106
Email: rlaity@blg.com/ jpepper@blg.com
File No. 500007/005947

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2024
NAME OF JUSTICE WHO MADE THIS ORDER: Honourable Justice K.M. Horner
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of Canadian Imperial Bank of Commerce (“CIBC”) in its capacity as secured creditor of Korite International Limited Partnership (“Korite LP”) and Korite International GP Inc. (together, the “Debtors”) for an order approving the sale transaction (the “Transaction”) contemplated by an asset purchase agreement dated August 23, 2024 (as may be amended, the “Sale Agreement”) between Korite LP and Buffalo Rock Mining Co. Ltd. (the “Purchaser”), and appended to the Proposed Receiver’s Report (as defined below), and vesting in the Purchaser (or its nominee) the Debtors’ right, title and interest in and to the assets described in the Sale Agreement (the “Purchased Assets”);

AND UPON HAVING READ the Receivership Order dated September 5, 2024 (the “Receivership Order”), the Proposed Receiver’s Report dated August 26, 2024 (the “Proposed Receiver’s Report”), filed by KSV Restructuring Inc. (“KSV”), in its capacity as the proposed court-appointed receiver of the Debtors (in such capacity, the “Proposed Receiver” and once appointed, the “Receiver”), the Affidavit of Kadira Carter, sworn on August 26, 2024 and the Affidavit of Service;



AND UPON HAVING HEARD the submissions of counsel for CIBC, counsel for the Proposed Receiver, counsel for the Purchaser, and any other counsel or 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 Korite LP 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 (or its nominee), including but not limited to concluding the Transaction on behalf of Korite LP (in its capacity as Receiver), subject to the terms and conditions of the Sale Agreement. The Receiver shall not be liable for any action taken by the Debtors or their representatives in connection with the Sale Agreement that is specifically contemplated in the Sale Agreement as taken by the Debtors or any one of them, and not taken by the Receiver.

VESTING OF PROPERTY

3. Upon delivery of a Receiver's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Receiver's Closing Certificate**"), all of the Debtors' right, title and interest in and to the Purchased Assets listed in **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), 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 "C"** 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 "D"** (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, in the province of Alberta or any other province (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 its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Title for the Lands (as defined in **Schedule "E"** hereto) shall and is hereby authorized, requested and directed to discharge and expunge the Encumbrances listed in Schedule "C" to this Order and discharge and expunge any Claims including Encumbrances (but excluding Permitted Encumbrances) which may be registered after the date of the Sale Agreement against the Certificate of Title to the Lands; and
- (b) the Registrar of the Alberta Personal Property Registry shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Debtors in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

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. Upon delivery of the Receiver's Closing Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Debtors and not in its personal capacity.
8. 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. 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.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code*, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Debtors.
10. 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, including accounts receivable, 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 its nominee).

11. The Purchaser (or its nominee) shall be entitled to enter into and upon, 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.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Receiver.
13. 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 its nominee).
14. 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 its nominee) all human resources and payroll information in the Debtors' records pertaining to the Debtors' past and current employees. The Purchaser (or its nominee) 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

15. 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*, R.S.C. 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 its nominee) 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.

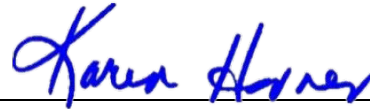
- 16. The Receiver, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
- 17. 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.
- 18. 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; and

(iv) the Purchaser or the Purchaser's solicitors; and

(b) Posting a copy of this Order on the Receiver's website at:
<https://www.ksvadvisory.com/experience/case/korite>,

and service on any other person is hereby dispensed with.

19. 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.

A handwritten signature in blue ink, reading "Karen Honey", is written above a horizontal line.

Justice of the Court of King's Bench of Alberta

SCHEDULE “A”

FORM OF RECEIVER’S CERTIFICATE

Clerk’s Stamp

COURT FILE NUMBER	
COURT	COURT OF KING’S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
PLAINTIFF	CANADIAN IMPERIAL BANK OF COMMERCE
DEFENDANTS	KORITE INTERNATIONAL LIMITED PARTNERSHIP AND KORITE INTERNATIONAL GP INC.
DOCUMENT	RECEIVER’S CERTIFICATE
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	Ryan Laity/Jennifer Pepper Borden Ladner Gervais LLP 1900, 520 – 3rd Avenue SW Calgary, AB T2P 0R3 Telephone: (604)632-3544/(604)640-4106 Email: rlaity@blg.com/ jpepper@blg.com File No. 500007/005947

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.M. Horner of the Court of King’s Bench of Alberta, Judicial District of Calgary (the “**Court**”) dated September 5, 2024, KSV Restructuring Inc. was appointed as the receiver (the “**Receiver**”) of all the assets, undertaking and property of Korite International Limited Partnership (“**Korite LP**”) and its general partner, Korite International GP Inc. (together, the “**Debtors**”).
- B. Pursuant to an Order of the Court dated September 5, 2024, the Court approved the asset purchase agreement dated August 23, 2024 (as may be amended, the “**Sale Agreement**”) between Korite LP and Buffalo Rock Mining Co. Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser (or its nominee) of the Debtors’ 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 its nominee) of a certificate confirming (i) the payment by the Purchaser (or its nominee) 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 its nominee); and (iii) the Sale 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 its nominee) 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 the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser (or its nominee); and
3. The Sale Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at **[Time]** on **[Date]**.

KSV RESTRUCTURING INC., solely in its capacity as Receiver of the Debtors and not in its personal capacity:

Per: _____

Name:

Title:

SCHEDULE “B”

PURCHASED ASSETS

The Purchased Assets means those “Purchased Assets” as defined in the Sale Agreement, which for reference purposes includes the following (all capitalized terms are as defined in the Sale Agreement):

- (a) all Accounts Receivables (along with any claims in respect thereof);
- (b) all Prepaid Expenses;
- (c) all Assumed Contracts (including, without limitation, all right, title and interest of any Debtor pursuant to: (i) the sales/consignment agreement between Korite LP and Monarch Jewels; (ii) the shopping promotion agreement between Korite LP and HF Group Media Corp.; (iii) the sales representative agreement between Korite LP and The Ignition Brandery, Inc.; and (iv) the onboard media advertising contract between Korite LP and Onboard Media;
- (d) the Mining Property;
- (e) the Leased Real Property;
- (f) all Equipment;
- (g) all Inventory;
- (h) all Intellectual Property;
- (i) all Books and Records;
- (j) all rights under non-disclosure and confidentiality, non-compete, or non-solicitation agreements with employees and agents of the Debtors or with Third Parties to the extent related to the Purchased Assets;
- (k) any claims, refunds, causes of action, rights of recovery, rights of set-off, subrogation and rights of recoupment of the Debtors related to any of the Purchased Assets;
- (l) all rights of the Debtors under or pursuant to all warranties, representations and guarantees made by suppliers, manufacturers and contractors to the extent relating to products sold, or

services provided, to the Debtors or to the extent affecting any Purchased Assets other than any warranties, representations and guarantees pertaining to any Excluded Assets;

- (m) the Historical Resources Act Exemptions, to the extent transferrable to the Purchaser; and
- (n) all goodwill and other intangible assets associated with the Business and the Purchased Assets, including customer and supplier lists;

in each case, for greater certainty, excluding the Excluded Assets.

SCHEDULE “C”

CLAIMS

The Claims to be deleted and expunged from various titles comprising the Lands in connection with the Purchased Assets are as follows:

1. Caveat Re: Agreement Charging Land, registered in favour of CIBC on May 22, 2021, as instrument 211 101 566;
2. Caveat Re: Agreement Charging Land, registered in favour of CIBC on May 22, 2021, as instrument 211 101 567;
3. Caveat re: See Caveat, registered in favour of Korite Minerals Limited on August 16, 1989 as instrument 891 160 429; and
4. Caveat re: See Caveat, registered in favour of Korite Minerals Limited on August 16, 1989 as instrument 891 160 427.

SCHEDULE “D”

PERMITTED ENCUMBRANCES

The Permitted Encumbrances means those “Permitted Encumbrances” as defined in Asset Purchase Agreement.

SCHEDULE "E"

LANDS

Title No. 731 062 804

FIRST

MERIDIAN 4 RANGE 21 TOWNSHIP 7

SECTION 18

THOSE PORTIONS OF THE NORTH WEST QUARTER
WHICH LIE TO THE EAST OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED ON THE 27TH DAY OF JUNE 1893
CONTAINING 8.50 HECTARES (21 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

SECOND

MERIDIAN 4 RANGE 21 TOWNSHIP 7

SECTION 18

ALL THAT PORTION OF THE NORTH EAST QUARTER
WHICH LIES TO THE EAST OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 27 JUNE 1893.
CONTAINING 57.9 HECTARES (143 ACRES) MORE OR LESS. EXCEPTING THEREOUT THE
POTHOLE RIVER AS SHOWN ON
SAID TOWNSHIP PLAN.
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

THIRD

MERIDIAN 4 RANGE 21 TOWNSHIP 7

SECTION 18

ALL THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES TO THE EAST OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 27 JUNE 1893.
CONTAINING 7.892 HECTARES (19.50 ACRES) MORE OR LESS.
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

FOURTH

MERIDIAN 4 RANGE 21 TOWNSHIP 7

SECTION 18

ALL THAT PORTION OF THE SOUTH EAST QUARTER
WHICH LIES TO THE EAST OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 27 JUNE 1893.
CONTAINING 52.802 HECTARES (130.50 ACRES) MORE OR LESS.
EXCEPTING THEREOUT ALL MINES AND MINERALS
AND THE RIGHT TO WORK THE SAME

Title No. 159D182

FIRST

ALL MINES AND MINERALS WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 21 TOWNSHIP 7
SECTION 18

THAT PORTION OF THE NORTH EAST QUARTER
BOUNDED ON THE WEST BY THE RIGHT BANK OF ST. MARY'S RIVER AND BY THE EAST
BOUNDARY OF THE WEST HALF OF SAID SECTION,
AND ON THE NORTH BY THE LEFT BANK OF THE POT HOLE RIVER,
AS SHOWN ON THE TOWNSHIP PLAN APPROVED 27 JUNE 1893
CONTAINING 52.44 HECTARES (129.60 ACRES) MORE OR LESS
AND THE RIGHT TO WORK THE SAME

SECOND

ALL MINES AND MINERALS WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 21 TOWNSHIP 7
SECTION 18

THAT PORTION OF THE SOUTH EAST QUARTER DESCRIBED AS FOLLOWS:
COMMENCING AT THE NORTH EAST CORNER OF SAID QUARTER SECTION,
THENCE SOUTH ALONG THE EAST BOUNDARY THEREOF TO A POINT THEREON
990 FEET NORTH FROM THE SOUTH EAST CORNER THEREOF,
THENCE WEST PARALLEL WITH THE SOUTH BOUNDARY THEREOF TO ITS
INTERSECTION WITH THE RIGHT BANK OF SAID ST. MARY'S RIVER,
THENCE NORTHERLY AND WESTERLY FOLLOWING THE SINUOSITIES OF THE
RIGHT BANK OF SAID RIVER TO ITS INTERSECTION WITH THE WEST BOUNDARY OF SAID
QUARTER SECTION,
THENCE NORTH ALONG SAID WEST BOUNDARY TO ITS INTERSECTION WITH THE NORTH
BOUNDARY THEREOF,
THENCE EAST ALONG SAID NORTH BOUNDARY TO THE PLACE OF COMMENCEMENT, AS
SHOWN ON THE TOWNSHIP PLAN APPROVED 27 JUNE 1893
CONTAINING 36.55 HECTARES (90.38 ACRES) MORE OR LESS
AND THE RIGHT TO WORK THE SAME

THIRD

ALL MINES AND MINERALS WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 21 TOWNSHIP 7
SECTION 18

THAT PORTION OF THE WEST HALF
WHICH IS BOUNDED ON THE NORTH WEST, WEST, AND SOUTH WEST BY THE RIGHT BANK
OF ST. MARY'S RIVER,
AS SHOWN ON THE TOWNSHIP PLAN APPROVED 27 JUNE 1893
CONTAINING 16.40 HECTARES (40.50 ACRES) MORE OR LESS
AND THE RIGHT TO WORK THE SAME

Title No. 891053743C

MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 2

PORTION OF THE NORTH EAST QUARTER
WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER AS
SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 26.3 HECTARES (65 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 891053743

MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 11
PORTION OF THE SOUTH EAST QUARTER
WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 12.74 HECTARES (31.6 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 891053743D

MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 1
QUARTER NORTH WEST
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 64.7 HECTARES (160 ACRES) MORE OR LESS

Title No. 891053743B

MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 12
PORTIONS IN THE SOUTH WEST QUARTER
WHICH LIE TO THE SOUTH OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 46.9 HECTARES (116 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 891035133C

FIRST
MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 3
THAT PORTION OF THE NORTH WEST QUARTER
WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 8.78 HECTARES (21.7 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

SECOND
MERIDIAN 4 RANGE 22 TOWNSHIP 7
SECTION 3
THAT PORTION OF THE SOUTH WEST QUARTER
WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER
AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 31.1 HECTARES (76.8 ACRES) MORE OR LESS
EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 071384566001

MERIDIAN 4 RANGE 22 TOWNSHIP 6 SECTION 34
THOSE PORTION OF THE NORTH HALF WHICH LIES TO THE SOUTH AND EAST OF ST.
MARY'S RIVER AS SHOWN ON THE TOWNSHIP PLAN APPROVED AT OTTAWA 1 OCTOBER,
1887

CONTAINING 118.1 HECTARES (292 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

PLAN NUMBER HECTARES ACRES MORE OR LESS

ROAD 0713805 0.246 0.608

EXCEPTING THEREOUT ALL MINES AND MINERALS

Title No. 141 184 548 +9

FIRST

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME
WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 2

THOSE PORTIONS OF THE NORTH WEST QUARTER
WHICH LIE TO THE SOUTH OF THE ST. MARY'S RIVER
CONTAINING 20.7 ACRES MORE OR LESS

SECOND

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME
WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 2

PORTION OF THE NORTH EAST QUARTER
WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER AS
SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889
CONTAINING 26.3 HECTARES (65 ACRES) MORE OR LESS

THIRD

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME
WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 2

THOSE PORTIONS OF THE SOUTH WEST QUARTER
WHICH LIE TO THE SOUTH OF THE ST. MARY'S RIVER
CONTAINING 74.8 ACRES MORE OR LESS

FOURTH

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME
WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 2

THOSE PORTIONS OF THE SOUTH EAST QUARTER
WHICH LIE TO THE SOUTH OF THE ST. MARY'S RIVER
CONTAINING 73.7 ACRES MORE OR LESS

Title No. 141 188 182 +1

FIRST

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 12

PORTIONS IN THE SOUTH WEST QUARTER

WHICH LIE TO THE SOUTH OF THE ST. MARY'S RIVER

AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889

CONTAINING 46.9 HECTARES (116 ACRES) MORE OR LESS

SECOND

ALL MINES AND MINERALS EXCEPT COAL, AND THE RIGHT TO WORK THE SAME WITHIN, UPON OR UNDER:

MERIDIAN 4 RANGE 22 TOWNSHIP 7

SECTION 12

PORTIONS IN THE SOUTH EAST QUARTER

WHICH LIES TO THE SOUTH OF THE ST. MARY'S RIVER

AS SHOWN ON THE TOWNSHIP PLAN DATED 6 MAY 1889

CONTAINING 35.64 HECTARES (88.1 ACRES) MORE OR LESS

(collectively, the "**Lands**").

APPENDIX C
[ATTACHED]

COURT FILE NUMBER 2401-11824
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
PLAINTIFF CANADIAN IMPERIAL BANK OF
COMMERCE
DEFENDANT KORITE INTERNATIONAL LIMITED
PARTNERSHIP AND KORITE
INTERNATIONAL GP INC.
DOCUMENT **ORDER FOR DISCHARGE
AND RELATED RELIEF**



ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT Ryan Laity/Jennifer Pepper
Borden Ladner Gervais LLP
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3
Telephone: (604) 632-3544/ (604) 640-4106
Email: rlaity@blg.com/ jpepper@blg.com
File No. 500007/005947

DATE ON WHICH ORDER WAS PRONOUNCED: September 5, 2024
NAME OF JUSTICE WHO MADE THE ORDER: Honourable Justice K.M. Horner
LOCATION OF HEARING: Calgary, Alberta

UPON THE APPLICATION of Canadian Imperial Bank of Commerce (“**CIBC**”) in its capacity as secured creditor of Korite International Limited Partnership (“**Korite LP**”) and Korite International GP Inc. (together, the “**Debtors**”) for an Order for, *inter alia*, (i) the distribution of net sale proceeds from the Sale Transaction (as defined in paragraph 3 below), (ii) approval of the activities of KSV Restructuring Inc. in its capacity as the Court-Appointed receiver of the assets, property and undertaking of the Debtors (in such capacity, the “**Receiver**”); and (iii) discharge of the Receiver; **AND UPON** having read the report of the Receiver dated August 26, 2024 (the “**Receiver’s Report**”); **AND UPON** hearing counsel for CIBC, counsel for the Receiver, and counsel for the Debtors; **AND UPON** being satisfied that it is appropriate to do so,

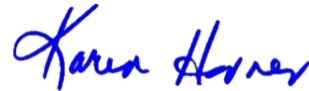
IT IS ORDERED THAT:

1. Service of notice 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;
2. The Receiver's activities as set out in the Receiver's Report are hereby ratified and approved.
3. The Receiver is authorized and directed to make distribution or distributions to CIBC from the net proceeds of the sale transaction contemplated in the Asset Purchase Agreement dated as of August 23, 2024 between the Receiver (in its capacity as receiver of the Debtors), as vendor, and Buffalo Rock Mining Co. Ltd., as purchaser (the "**Sale Transaction**"), up to the amount of the secured indebtedness owed by Korite LP to CIBC, after satisfying all costs and expenses incurred during and in relation to the within proceedings, including the fees and costs of the Sale Advisor and the Receiver and any reclamation obligations that may be owed by Korite.
4. On the evidence before the Court, the Receiver has satisfied its obligations under and pursuant to the terms of the Orders granted in the within proceedings up to and including the date hereof, and the Receiver shall not be liable for any act or omission on its part including, without limitation, any act or omission pertaining to the discharge of its duties in the within proceedings, save and except for any liability arising out of any in fraud, gross negligence or willful misconduct on the part of the Receiver, or with leave of the Court. Subject to the foregoing any claims against the Receiver in connection with the performance of its duties are hereby stayed, extinguished and forever barred.
5. No action or other proceedings shall be commenced against the Receiver in any way arising from or related to its capacity or conduct as Receiver, except with prior leave of this Court on Notice to the Receiver, and upon such terms as this Court may direct.
6. Upon the Receiver filing with the Clerk of the Court a certificate, substantially in the form attached hereto as **Schedule "A"**, confirming that:
 - (a) the Sale Transaction has concluded;
 - (b) all matters set out in paragraph 3 of this Order are complete; and

(c) any other final duties or ancillary matters relating to the estate of the Debtors as may be necessary or prudent have been carried out,

(collectively the “**Concluding Activities**”), then the Receiver shall be discharged as Receiver of the Debtors, provided however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Receiver in its capacity as Receiver.

7. After completion the Concluding Activities, the Receiver is authorized to assign the Debtors into bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3, at its discretion.
8. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by Facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following the transmission or delivery of such documents.
9. Service of this Order on any party not attending this application is hereby dispensed with.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

Form of Receiver's Certificate

[Please see attached]

COURT FILE NUMBER

Clerk's Stamp

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

APPLICANT

**CANADIAN IMPERIAL BANK OF
COMMERCE**

RESPONDENT

**KORITE INTERNATIONAL LIMITED
PARTNERSHIP AND KORITE
INTERNATIONAL GP INC.**

DOCUMENT

RECEIVER'S CERTIFICATE

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION
OF PARTY FILING
THIS DOCUMENT

Ryan Laity/Jennifer Pepper
Borden Ladner Gervais LLP
1900, 520 – 3rd Avenue SW
Calgary, AB T2P 0R3
Telephone: (604) 632-3544/ (604) 640-4106
Email: rlaity@blg.com/ jpepper@blg.com
File No. 500007/005947

RECITALS

- A. Pursuant to an Order of the Honourable Justice K.M. Horner of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated September 5, 2024, KSV Restructuring Inc. was appointed as the receiver (the "**Receiver**") of all assets, undertaking and property of Korite International Limited Partnership and its general partner, Korite International GP Inc. (together, the "**Debtors**").
- B. Pursuant to an Order of the Honourable Justice K.M. Horner of the Court dated September 5, 2024 (the "**Discharge Order**"), upon the Receiver filing with the Clerk of the Court a certificate confirming the completion of the Concluding Activities, the Receiver would be confirmed discharged in its capacity as Receiver in the within proceedings.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Discharge Order.

THE RECEIVER CERTIFIES the following:

1. The Receiver confirms that it has completed all Concluding Activities, and the administration of the within receivership, together with all other matters pertaining to its obligations as Receiver of the Debtors, is concluded.

This Certificate was delivered by the Receiver at [Time] on [Date].

KSV RESTRUCTURING INC., solely in its capacity as Receiver of the Debtors and not in its personal or corporate capacity

Per: _____

Name:

Title:

APPENDIX D

[ATTACHED]



COURT FILE NUMBER

COURT

JUDICIAL CENTRE

PROCEEDING

DOCUMENT

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

COURT OF KING'S BENCH OF ALBERTA

CALGARY

IN THE MATTER OF THE RECEIVERSHIP OF KORITE INTERNATIONAL LIMITED PARTNERSHIP AND KORITE INTERNATIONAL GP INC.

**REPORT OF THE PROPOSED RECEIVER
AUGUST 26, 2024**

PROPOSED RECEIVER

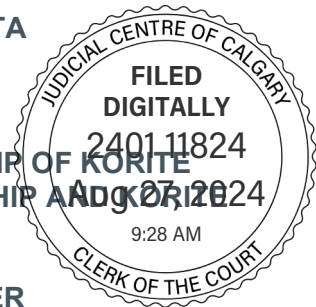
KSV Restructuring Inc.
1165, 324 – 8th Avenue SW
Calgary, Alberta
T2P 2Z2

Attention: Andrew Basi / Jason Knight
Telephone: (587) 287-2670 / (587) 287-2605
Facsimile: (416) 932-6266
Email: abasi@ksvadvisory.com /
jknight@ksvadvisory.com

PROPOSED RECEIVER'S COUNSEL

Fasken Martineau DuMoulin LLP
350 – 7th Avenue SW, Suite 3400
Calgary, Alberta
T2P 3N9

Attention: Robyn Gurofsky
Telephone: (403) 261 9469
Facsimile: (403) 261 5351
E-Mail: rgurofsky@fasken.com



Contents	Page
1.0 Introduction	1
2.0 Background	3
3.0 Financial Information	4
4.0 Creditors.....	6
5.0 The Sale Process	7
6.0 The Transaction	9
7.0 Liquidation Analysis.....	11
8.0 Conclusion on the Transaction	11
9.0 Sealing	12
10.0 Distribution and Next Steps	13

Appendices	Tab
Teaser and Sale Process Summary (redacted)	A
Final Bid Process Letter dated April 2, 2024.....	B
Asset Purchase Agreement dated August 23, 2024 (redacted)	C

Confidential Appendices	Tab
Sale Process Summary	1
Asset Purchase Agreement dated August 23, 2024.....	2
Liquidation Analysis.....	3

1.0 Introduction

1. This report (“**Report**”) is filed by KSV Restructuring Inc. (“**KSV**”) as proposed receiver (the “**Proposed Receiver**”) of Korite International Limited Partnership (the “**Korite LP**”) and Korite International GP Inc. (“**Korite GP**”, together with Korite LP, “**Korite**”).
2. The Proposed Receiver understands that Canadian Imperial Bank of Commerce (“**CIBC**”), Korite’s principal secured lender, intends to make an application before the Court of King’s Bench of Alberta (the “**Court**”) for an order (the “**Receivership Order**”), among other things, appointing KSV as receiver (in such capacity, the “**Receiver**”) of Korite. KSV has consented to act as Receiver, should the Court grant the Receivership Order.
3. The primary purpose of the receivership proceedings is to complete a sale (the “**Transaction**”) of Korite LP’s business and assets pursuant to an asset purchase agreement (the “**APA**”) between Korite LP, as vendor, and Buffalo Rock Mining Co. Ltd. (the “**Purchaser**”) on a relatively expedited and cost-effective basis. As such, CIBC’s application includes a request for a sale approval and vesting order in respect of the APA, as well as a conditional discharge of the Receiver, upon completion of the Transaction, a distribution to CIBC, and other remaining administrative items.
4. If KSV is appointed as Receiver and the APA is approved, it is the Receiver’s intention to close the Transaction pursuant to the terms of the APA. KSV would in addition, make a distribution of the sale proceeds from the Transaction as directed by order of the Court, and then wind down the receivership proceedings.

1.1 KSV’s Prior Mandates

1. On February 25, 2024, KSV¹ was engaged by CIBC to provide it with financial advisory services in respect of CIBC’s loans to Korite (the “**Advisory Mandate**”). The Advisory Mandate included, among other things, reviewing Korite’s financial information, preparing an estimate of the realizable value of Korite’s assets, reviewing and assessing the reasonableness of Korite’s financial projections, and monitoring Korite’s financial performance.

¹ KSV’s affiliate, KSV Advisory Inc., was engaged for the advisory mandate. KSV is a subsidiary of KSV Advisory Inc.

2. The Advisory Mandate engagement letter states that the Advisory Mandate will terminate if KSV is appointed to act as a court officer in any insolvency proceeding involving Korite. The Advisory Mandate engagement letter also provides that the Advisory Mandate does not preclude KSV from acting as a court officer in a court-supervised insolvency proceeding of Korite.
3. As detailed further in this Report, KSV has obtained significant knowledge of Korite's business and operations while performing the Advisory Mandate, such that it is well situated to provide this Report to Court.

1.2 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide background information about Korite and its financial position, including the composition of, and amounts owing to, its creditors;
 - b) discuss an opinion prepared by Fasken Martineau DuMoulin LLP ("**Fasken**")² on the validity and enforceability of CIBC's security;
 - c) outline the nature of, and steps completed in a sale process (the "**Sale Process**") carried out by Tailwind Ventures ("**Tailwind**"), the sales advisor retained by Korite in June 2023;
 - d) detail the terms of the Transaction;
 - e) discuss a liquidation analysis prepared by KSV, which illustrates that the value of the Transaction significantly exceeds the liquidation value of Korite (the "**Liquidation Analysis**");
 - f) summarize the reasons that the Proposed Receiver believes it is appropriate that certain Sale Process-related information prepared by Tailwind, the Transaction purchase price, and the Liquidation Analysis be filed with the Court on a confidential basis until the earlier of: (i) the closing of the Transaction; (ii) the discharge of the Receiver; or (iii) further Order of this Court; and
 - g) provide the Court with the Proposed Receiver's view of the Transaction.

² KSV retained Fasken to act as its independent legal counsel in the event that the Court issues the Receivership Order.

1.3 Scope and Terms of Reference

1. In preparing this Report, the Proposed Receiver has relied upon Korite's unaudited financial information and discussions with Tailwind's representatives, Korite's management, Korite's legal counsel (Stikeman Elliott LLP), CIBC's representatives, and CIBC's legal counsel (Borden Ladner Gervais LLP).
2. The Proposed Receiver has not audited, reviewed, or otherwise verified the accuracy or completeness of Korite's financial and other information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
3. The Proposed Receiver expresses no opinion or other form of assurance with respect to the financial and other information presented in this Report or relied upon by the Proposed Receiver in preparing this Report. Other than the Court, any party wishing to place reliance on Korite's financial information should perform its own due diligence and any reliance placed by any party on the information presented herein shall not be considered sufficient for any purpose whatsoever.
4. Capitalized terms not defined within this Report are defined within the Receivership Order and/or the affidavit of Kadira Carter sworn August 26, 2024 (the "**Affidavit**").

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. Korite LP, is a limited partnership formed pursuant to the laws of the Province of Alberta. Korite LP's general partner is Korite GP, a corporation existing under the laws of the Province of Alberta.
2. Korite LP operates as an independent production and distribution company focused on the mining and refining of ammolite gemstones and ammonite fossils, the finishing of ammolite gemstones into jewelry and ammonite fossils into finished specimens, and the sale of these products to both wholesale distributors and end customers.

3. The Proposed Receiver understands that Korite GP has no active business operations and that its only assets are those held in its capacity as general partner of Korite LP.
4. The Affidavit provides additional background concerning Korite including, among other things, Korite's ownership structure, details of CIBC's security, and the events leading to the notice of intention to enforce security.

3.0 Financial Information

3.1 Balance Sheet

1. Korite LP's balance sheet as at May 31, 2024 is presented below.

Description	Book Value (\$000s)
Accounts receivable	1,086
Inventory	5,696
Prepaid expenses and other	223
Current assets	7,005
Property, plant and equipment	169
Intangible assets	505
Total assets	7,679
Bank indebtedness	3,198
Accounts payable and accrued liabilities	2,872
Current portion of long-term debt	5,515
Current liabilities	11,585
Capital lease obligations	47
Subordinated debt	491
Asset retirement obligation	277
Total liabilities	12,400
Units (Class A, B, and C)	2,013
Retained earnings	(6,734)
Total equity	(4,721)
Total liabilities & equity	7,679

2. Korite LP's balance sheet reflects that:
 - a) as a result of Korite LP's defaults under the Credit Agreement (as defined in the Affidavit), all of its obligations owing to CIBC are classified as current liabilities, resulting in negative working capital (i.e., its total current assets (approximately \$7 million book value) are less than 50% of its total current liabilities (approximately \$11.6 million)), meaning that Korite LP cannot meet its liabilities in the ordinary course of business; and
 - b) Korite LP has negative retained earnings of approximately \$6.73 million, reflecting its recurring losses.
3. The table below summarizes Korite LP's operating results for its fiscal years ended December 31, 2022 and 2023, and for the five-month period ending May 31, 2024:

\$000s	2024 (5 months) (unaudited)	2023 (unaudited)	2022 (Unaudited)
Sales	2,096,591	4,924,948	6,758,124
Cost of sales	590,134	2,196,939	2,657,342
Gross profit	1,506,457	2,728,009	4,100,782
Gross margin %	72%	55.4%	60.7%
Operating expenses	1,398,134	3,870,162	4,226,710
Adjusted EBITDA	108,323	(1,142,153)	(125,928)
Inventory write-down	-	-	2,077,869
EBITDA	108,323	(1,142,153)	(2,203,797)
Interest	442,363	937,512	639,012
Depreciation and other	11,229	27,435	72,985
Net income (loss)	(345,268)	(2,107,100)	(2,915,794)

4. The results in the table reflect, *inter alia*, that:
 - a) revenue declined by approximately 27% between fiscal 2022 and 2023;
 - b) net losses since January 1, 2022 total approximately \$5.37 million; and
 - c) losses have continued in the current fiscal year.
5. Korite LP is insolvent on both a balance sheet (its liabilities exceed its assets) and a cash flow basis (it cannot meet its liabilities as they come due).

4.0 Creditors

4.1 Secured Creditors

4.1.1 CIBC

1. CIBC's facilities are fully described in the Affidavit, as are the events of default which caused CIBC, on July 24, 2024, to issue a Notice of Intention to Enforce Security pursuant to Section 244 of the *Bankruptcy and Insolvency Act* (the "**244 Notice**").
2. As at August 1, 2024, the amount owed to CIBC is approximately \$4,752,951.00 and US \$3,824,501.59 (together with interest, legal fees and other chargeable costs) (the "**Outstanding Indebtedness**").

4.1.2 CIBC Security Opinion

1. The amounts advanced by CIBC under the Credit Agreement are secured by substantially all of Korite's property, assets, and undertakings pursuant to various security documents. In contemplation of these potential proceedings, KSV, as Proposed Receiver, retained Fasken to act as its independent legal counsel, if appointed Receiver. KSV requested that Fasken provide it with an opinion as to the validity and enforceability of CIBC's security. Fasken's opinion confirms that subject to the customary assumptions and qualifications contained therein, CIBC's security is valid and enforceable. A copy of the security opinion can be made available to the Court if it wishes to review the opinion.

4.1.3 Other Secured Creditors

1. In addition to CIBC, the creditors in the table below have registered security against specific assets of Korite pursuant to the *Personal Property Security Act* (Alberta) (the "**PPSA**"):

Creditor	Registration Date	Security
TDF Group Inc.	January 11, 2023	2022 Toyota Tundra (S/N: 5TFLA5DB3NX054555)

The Receiver has not yet reviewed the security held by TDF Group Inc., however, the Receiver notes that the collateral subject to this registration does not form part of the Transaction.

4.2 Unsecured Creditors

1. As outlined in Section 3.1 above, as of May 31, 2024, Korite LP's accounts payable and accrued liabilities totaled approximately \$2.87 million. These obligations include:
 - a) \$724,713 owing to suppliers and service providers;
 - b) \$12,753 owing to certain provinces and states for sales taxes; and
 - c) \$2,135,082 of accrued liabilities, including, among other things, vacation pay, accrued wages, and amounts for services not yet invoiced.
2. The above amounts exclude off-balance sheet obligations, including amounts that may be owing to employees for termination and severance pay, as well as amounts that may be owing to real property and personal property lessors on the termination or disclaimer of their leases.
3. KSV understands that Korite LP is current on its sales tax and employee withholding remittances.

5.0 The Sale Process

1. Tailwind was retained by Korite in June 2023 to conduct the Sale Process. Tailwind provides a broad range of investment banking and consulting services, with a particular focus on early-stage ventures, including both sell-side and buy-side transactions. Tailwind's partners have been involved in numerous sale or purchase transactions. The Proposed Receiver is of the view that Tailwind is a reputable and experienced sales agent.
2. An overview of the Sale Process conducted by Tailwind is as follows:
 - a) Tailwind assembled a list of 71 prospective purchasers located in Canada, the United States, Asia, and Europe, including strategic parties, financial targets, and art collectors;
 - b) Tailwind launched the Sale Process in September 2023 by sending a "teaser" to the 71 parties it identified (the "**Teaser**"). The Teaser provided prospective purchasers with a description of Korite's business and the potential benefits resulting from a transaction; and

- c) parties interested in learning more about Korite were required to sign a non-disclosure agreement (“**NDA**”), following which they were provided with a detailed confidential information memorandum concerning Korite. Nine (9) parties signed the NDA.
3. Copies of the Teaser and a process summary memorandum (the “**Sale Process Summary**”) prepared by Tailwind (which has been redacted for confidential information regarding the participation of bidders in the process) are collectively attached as **Appendix “A”**. **Confidential Appendix “1”** provides an unredacted copy of the Sale Process Summary.
4. As described in the Sale Process Summary, the Sale Process has resulted in multiple prior attempts to conclude a transaction. In an effort to conclude a transaction, on April 2, 2024, Tailwind delivered a letter to prospective purchasers (the “**Final Bid Letter**”) requesting binding offers by June 14, 2024 (the “**Bid Deadline**”). A copy of the Final Bid Letter is attached as **Appendix “B”**. Korite did receive an acceptable offer by the Bid Deadline that it was actively pursuing, however, Korite was unable to advance the bid to closing.
5. Subsequent to the Bid Deadline, Tailwind again went to potential purchasers to negotiate an offer and ultimately Korite LP entered into the APA with the Purchaser, who submitted the best bid to Korite LP in the circumstances.
6. Given Korite LP’s financial position and illiquidity, the Purchaser requires that the Transaction be completed through an insolvency process. Accordingly, the Purchaser and Korite LP commenced negotiations of the APA, with the concurrence of CIBC. The Proposed Receiver was kept apprised of the status of the Sale Process and has been involved in the development and negotiation of the APA. The APA was finalized on August 23, 2024 and the Proposed Receiver, if appointed, will close the Transaction pursuant to the APA, if approved by the Court.
7. Tailwind has advised the Proposed Receiver that it believes that:
 - a) the Transaction is the best available in the circumstances;
 - b) the Transaction maximizes the value of Korite’s business and assets; and
 - c) further time marketing the business would not result in a superior transaction.

6.0 The Transaction³

1. The following is a summary of the APA (reference should be made to the form of APA, a redacted copy of which is attached as **Appendix “C”** for the full terms and conditions thereof):
 - a) **Purchaser:** Buffalo Rock Mining Co. Ltd.;
 - b) **Vendor:** Korite LP;
 - c) **Purchase Price:** The purchase price is provided in the unredacted APA in **Confidential Appendix “2”**, which the Proposed Receiver believes should be sealed until Closing of the Transaction for the reasons provided in Section 9 of this Report. The entire Purchase Price was paid to Stikeman Elliott LLP in its capacity as Escrow Agent on August 26, 2024. The Purchase Price is to be released to the Proposed Receiver on Closing;
 - d) **Purchased Assets:** substantially all of Korite LP’s right, title, and interest in its property and assets including, among other things:
 - i. all Accounts Receivables (along with any claims in respect thereof);
 - ii. all Books and Records;
 - iii. all Mining Property, including leased real property and real property related to the Mineral Rights Agreements;
 - iv. all Equipment used in the business, including mining and refining equipment, machinery, tractors, trailers, technology, furniture, parts, dies, molds, polishing equipment and tools;
 - v. all Inventory including all finished goods, work in progress, raw materials, rough inventory and other gemstones stored by the Korite LP;
 - vi. all Intellectual property;

³ Capitalized terms used in this section that are not otherwise defined have the meanings ascribed to them in the APA.

- vii. the Historical Resources Act Exemptions, to the extent transferrable to the Purchaser; and
 - viii. all goodwill and other intangible assets associated with the Business and the Purchased Assets, including customer and supplier lists;
- e) **Excluded Assets:** all property and assets of Korite LP other than the Purchased Assets, including, among other things:
- i. all cash, cash equivalents of Korite LP, including any insurance refunds and GST refunds or other tax receivables;
 - ii. the Cultural Property General Permit, identified as General Permit No. 2020-4, issued to the Vendor;
 - iii. all right, title and interest in and to any and all claims and causes of action that the Vendor has or may have against any Person other than those claims or causes of action directly related to the Purchased Assets;
 - iv. all policies of insurance, assurance, or other Third Party recourse;
 - v. any Books and Records that the Vendor is required by Applicable Law to retain in its possession; and
 - vi. the Excluded Contracts;
- f) **Excluded Liabilities:** all Liabilities, other than the Assumed Liabilities and Permitted Encumbrances;
- g) **Representation and Warranties:** consistent with the standard terms of an insolvency transaction, i.e. on an “as is, where is” basis with limited representations and warranties;
- h) **Closing:** Closing is to occur by no later than one business day following Court approval of the APA with an outside date of September 20, 2024; and
- i) **Material Conditions:** the only material conditions precedent are that the Court shall have issued the Receivership Order and the Approval and Vesting Order.

7.0 Liquidation Analysis

1. The Liquidation Analysis was prepared by the Proposed Receiver based on Korite LP's balance sheet as at May 31, 2024. As noted previously, the Proposed Receiver understands that Korite GP has no active business operations and that its only assets are those held in its capacity as general partner of Korite LP.
2. Subject to the underlying assumptions detailed therein, the Liquidation Analysis reflects that the net realizable value of Korite's assets is less than the amount of:
 - a) Korite's indebtedness owing to CIBC; and
 - b) Transaction purchase price.
3. A copy of the Liquidation Analysis is provided in **Confidential Appendix "3"**. The Proposed Receiver's rationale for sealing the Liquidation Analysis is provided in Section 9 below.

8.0 Conclusion on the Transaction

1. The Proposed Receiver is of the view that the Transaction meets the factors in *Royal Bank of Canada v Soundair Corporation*⁴, for the following reasons:
 - a) the Sale Process conducted by Tailwind was commercially reasonable, including the timelines, breadth of the marketing process, and information made available to interested parties;
 - b) the evidence that has been presented to the Proposed Receiver suggests the Sale Process was fair;
 - c) Tailwind is of the view that the Transaction maximizes recoveries and is the best available transaction in the circumstances. Based on the process conducted, the Proposed Receiver does not believe a viable superior transaction is likely to materialize if the Sale Process is continued, and in any event, Korite is without liquidity to continue the Sale Process;

⁴ [1991] OJ No1137.

- d) the Transaction will see the business of Korite continue, which will provide Korite's customers with a continuing vendor and its suppliers with a continuing customer;
- e) the purchase price under the Transaction exceeds the liquidation value of Korite's business and assets, as evidenced by the Liquidation Analysis; and
- f) CIBC, which is expected to incur a significant shortfall on the Outstanding Indebtedness, supports the Transaction. Absent the Transaction, CIBC has advised the Proposed Receiver and Korite that it is not prepared to continue to fund Korite's business and operations.

9.0 Sealing

1. **Confidential Appendices "1", "2" and "3"** include confidential information regarding the Sale Process, the unredacted APA, and the Liquidation Analysis, respectively. The Proposed Receiver recommends that **Confidential Appendices "1", "2" and "3"** be filed with the Court on a confidential basis and remain sealed until the earlier of: (i) the filing of Receiver's certificate(s); (ii) the discharge of the Receiver; or (iii) further Order of this Court. Making this information publicly available prior to closing could have a detrimental impact on value if a further marketing process is required. Sealing **Confidential Appendices "1", "2" and "3"** is necessary due to the risk that the public disclosure of the information contained in those appendices could cause irreparable prejudice to creditors and other stakeholders. To balance the interest of maintaining an open and transparent process, the Proposed Receiver recommends that the sealing order terminate on the earlier of the three events occurring, as outlined above.
2. The salutary effects of sealing such information from the public record greatly outweigh the deleterious effects of doing so under the circumstances. The Proposed Receiver is not aware of any party that will be prejudiced if the information in **Confidential Appendices "1", "2" and "3"** is sealed or any public interest that will be served if such details are disclosed in full. The Proposed Receiver is of the view that the sealing of **Confidential Appendices "1", "2" and "3"** is consistent with the decision in *Sherman Estate v. Donovan*.⁵ Accordingly, the Proposed Receiver believes the proposed sealing of **Confidential Appendices "1", "2" and "3"** is appropriate in the circumstances.

⁵ 2021 SCC 25.

10.0 Distribution and Next Steps

1. If the Proposed Receiver is appointed Receiver and the Transaction is approved by the Court, the Receiver intends, subject to Court approval, to close the Transaction and make a distribution or distributions of the sale proceeds generated from the Transaction to CIBC up to the amount of the secured indebtedness owed by Korite to CIBC, after paying or reserving for the costs of these proceedings, including the fees and costs of Tailwind and the Receiver. As noted, CIBC holds a valid and enforceable first charge security interest over all present and after-acquired personal property of Korite LP and is projected to incur a significant shortfall on its secured loans.
2. Once distributions are made and all other administrative steps are completed, including but not limited to administering Wage Earner Protection Program for approximately 20 employees, the Receiver is of the view that it will be appropriate to seek its discharge, proposed to be confirmed by filing the discharge certificate pursuant to the terms of the proposed discharge order.
3. Taking into account the significant shortfall projected to CIBC, the Receiver is of the view that it is reasonable to obtain its conditional discharge on day one to avoid the costs associated with further court applications.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

**KSV RESTRUCTURING INC.,
in its capacity as proposed Court-appointed receiver
of Korite International Limited Partnership and
Korite International GP Inc.**

APPENDIX E
[ATTACHED]

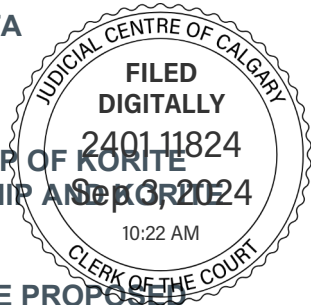


COURT FILE NUMBER **2401-11824**

COURT **COURT OF KING'S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDING **IN THE MATTER OF THE RECEIVERSHIP OF KORITE INTERNATIONAL LIMITED PARTNERSHIP AND KORITE INTERNATIONAL GP INC.**



DOCUMENT **SUPPLEMENT TO THE REPORT OF THE PROPOSED RECEIVER
SEPTEMBER 3, 2024**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **PROPOSED RECEIVER
KSV Restructuring Inc.
1165, 324 – 8th Avenue SW
Calgary, Alberta
T2P 2Z2**

Attention: Andrew Basi / Jason Knight
Telephone: (587) 287-2670 / (587) 287-2605
Facsimile: (416) 932-6266
Email: abasi@ksvadvisory.com / jknight@ksvadvisory.com

PROPOSED RECEIVER'S COUNSEL
Fasken Martineau DuMoulin LLP
350 – 7th Avenue SW, Suite 3400
Calgary, Alberta
T2P 3N9

Attention: Robyn Gurofsky
Telephone: (403) 261 9469
Facsimile: (403) 261 5351
E-Mail: rgurofsky@fasken.com

Contents	Page
1.0 Introduction	1
2.0 Korite Update	1
3.0 Amending Agreement.....	2
4.0 Conclusion	2

Appendices	Tab
Amending Agreement dated August 29, 2024	A

1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the report dated August 26, 2024 (the “**Proposed Receiver’s Report**”) filed by KSV Restructuring Inc. (“**KSV**”) as proposed receiver (the “**Proposed Receiver**”) of Korite International Limited Partnership (the “**Korite LP**”) and Korite International GP Inc. (“**Korite GP**”, together with Korite LP, “**Korite**”).
2. Defined terms in this Supplemental Report have the meaning provided to them in the Proposed Receiver’s Report unless otherwise defined herein. This Supplemental Report is subject to the scope and terms of reference contained in the Proposed Receiver’s Report.

1.1 Purposes of this Supplemental Report

1. The purpose of this Supplemental Report is to
 - a) provide a further update in respect of Korite; and
 - b) to file and summarize an amending agreement dated August 29, 2024 (the “**Amending Agreement**”) to the asset purchase agreement dated August 23, 2024 (the “**APA**”) between Korite LP, as vendor, and Buffalo Rock Mining Co. Ltd. (the “**Purchaser**”). A copy of the Amending Agreement is attached as **Appendix “A”**.

2.0 Korite Update

1. The Proposed Receiver is advised that on or about August 29, 2024, a representative of Alberta Environment and Protected Areas (“**AEP**”) contacted Korite in respect of certain ammonite quarries that were previously mined by Korite’s predecessor. The Proposed Receiver understands that the rights to mine one of the quarries is subject to the APA and the other is not.
2. Although it is not contemplated that the Proposed Receiver would take possession of any of the mine sites, including the quarries, if appointed, the Proposed Receiver will work with AEP to understand the party or parties responsible for any reclamation obligations associated with the quarry that is not subject to the APA. If any such obligations belong to Korite, the Proposed Receiver would ensure that sufficient funds are set aside from the APA sale proceeds to address the reclamation work.

3.0 Amending Agreement

1. On August 28, 2024, the Purchaser notified Korite LP that it had decided to include the mineral lease agreement dated December 1, 2012 (the “**Mineral Lease Agreement**”) between Korite LP and TwoGee Developments Ltd. (“**TDL**”) as a Purchased Asset.
2. Accordingly, on August 29, 2024, Korite LP and the Purchaser entered into the Amending Agreement that replaced Schedule 1.1(bbb) contained in the APA with a revised schedule that included the Mineral Lease Agreement.
3. On August 30, 2024, TDL was provided with notice of the receivership application and the APA.

4.0 Conclusion

1. Neither the potential reclamation obligations nor the Amending Agreement change the Receiver’s conclusion on the Transaction, as outlined in Section 8 of the Proposed Receiver’s Report.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
in its capacity as proposed Court-appointed receiver
of Korite International Limited Partnership and
Korite International GP Inc.

APPENDIX F
[ATTACHED]

ASSIGNMENT AND NOVATION AGREEMENT

THIS ASSIGNMENT AND NOVATION AGREEMENT (the "**Assignment Agreement**") is dated effective as of the 1st day of May 2026.

AMONG:

KSV RESTRUCTURING INC., a corporation formed under the federal laws of Canada, solely in its capacity as the court appointed receiver of KI Limited Partnership (formerly Korite International Limited Partnership) and 2302353 Alberta Inc. (formerly Korite International GP Inc.), and not in its personal or corporate capacity (the "**Receiver**")

- and -

VANDERVALK FARMS LTD., AARON NAUTA LTD. and 1362179 ALBERTA LTD., each corporation formed under the laws of the Province of Alberta (collectively, the "**Landowner**")

- and -

CODY CHURCH, an individual residing in the Province of Alberta ("**Church**")

(the Receiver, the Landowner, and Church, the "**Parties**" and individually a "**Party**")

WHEREAS:

- A. KI Limited Partnership, through its general partner, 2302353 Alberta Inc. (collectively "**KI**") holds certain leasehold interests in lands owned by the Landowner in the Lethbridge, Alberta area, on which KI operated an ammonite quarry (the "**Quarry**");
- B. KI is subject to receivership proceedings in the Court of King's Bench of Alberta (the "**Court**") in which the Receiver was appointed by the Court as receiver of KI's assets, undertakings and properties (the "**Property**"), pursuant to an order of the Honourable Justice K.M. Horner dated September 5, 2024 (the "**Receivership Order**");
- C. Pursuant to an order of the Court dated September 5, 2024, the Receiver sold substantially all of the Property to Buffalo Rock Mining Co. Ltd. pursuant to an asset purchase agreement dated August 23, 2024 (the "**Sale**"), however, the Sale did not include KI's right, title and interest in and to the Quarry;
- D. Pursuant to paragraph 3(a) of the Receivership Order, the Receiver has not taken possession of the Quarry, nor does it have the authority to do so;
- E. The Receiver is, as of the date of this Assignment Agreement, holding the sum of \$771,872.61 representing the net proceeds from the Sale (the "**Sale Proceeds**");
- F. Pursuant to an order of the Court dated September 5, 2024, the Receiver was authorized and directed to make distributions to Canadian Imperial Bank of Commerce ("**CIBC**") from the net Sale Proceeds up to the amount of the secured indebtedness owing by KI to CIBC, after satisfying

all costs and expenses incurred during the receivership proceedings and any environmental reclamation obligations that may be owing by KI;

- G. Alberta Environment and Protected Areas, the ministry in Alberta responsible for environmental protection and conservation (“AEPA”), has advised the Receiver that there are environmental reclamation obligations owing by KI in respect of the Quarry;
- H. AEPA has advised the Landowner that the work required to satisfy the environmental reclamation obligations includes, without limitation, backfilling the Quarry and reseeded the lands with native vegetation. AEPA has further confirmed that the reclamation work need not restore the Quarry lands to their exact pre-existing condition; rather, the lands may retain a valley or other topographical features acceptable to AEPA.
- I. The Landowner has agreed to assume all of KI’s right, title and interest in and to the Quarry, including the corresponding environmental reclamation obligations associated with holding the Quarry in its name, and has agreed to conduct the environmental reclamation work required with respect to the Quarry in exchange for payment of the Sale Proceeds, net of any amounts owing pursuant to the Receiver’s Charge (as defined in the Receivership order); and
- J. Pursuant to an email dated December 16, 2025, AEPA agreed to such assignment and novation, and to recognize and accept the Landowner in the place and stead of KI, and to release KI, the Receiver, and Church from all liabilities and obligations arising in respect of the Quarry.

NOW THEREFORE in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto), the Parties agree as follows:

1. The Receiver does hereby absolutely assign, set over, transfer, novate and convey to the Landowner, effective as of the date of this Assignment Agreement (the “**Effective Date**”), all of KI’s rights, title and interests in and to the Quarry, including all leases and regulatory instruments associated with the Quarry, to have and to hold same absolutely.
2. On the Effective Date, and contemporaneous with the assignment and novation set out herein, the Receiver shall transfer to Vandervalk Farms Ltd., for and on behalf of the Landowner, the Sale Proceeds, less amounts required to satisfy the amounts outstanding under the Receiver’s Charge.
3. The Landowner hereby accepts the foregoing assignments and novation herein provided, and covenants and agrees with the Receiver and AEPA that it will, from and after the Effective Date, be bound by and to be directly and primarily liable to observe, discharge, perform and fulfill all the duties, obligations and liabilities of KI in respect of the Quarry lands, including the environmental reclamation obligations, in accordance with the requirements of AEPA for all periods from and after the Effective Date.
4. By accepting the assignment, the Landowner hereby:
 - a. agrees that from and after the Effective Date, the Landowner shall be the sole “person responsible”, as such term is defined under the *Environmental Protection and Enhancement Act*, RSA 2000, c E-12 (“**Statute**”), for the environmental reclamation obligations associated with the Quarry;

- b. waives any claim against, and releases and discharges, KI and Church of and from the observance and performance of the covenants, agreements, duties and obligations of KI and Church to reclaim the Quarry lands from and after the Effective Date; and
 - c. acknowledges that the Receiver has never been a “person responsible” under the Statute as it was never in possession of, or exercised physical control over the Quarry pursuant to the Receivership Order, and forever releases and discharges the Receiver and its representatives, agents, directors, officers, employees, successors and assigns, from any and all liabilities, claims, demands, obligations or regulatory proceedings associated with the Quarry.
5. Each of the Parties from and after the date hereof shall, from time to time, without further consideration, perform such further acts and things and execute and deliver such further instruments, documents, matters, papers and assurances as may be reasonably requested to complete the matters contemplated herein and for more effectually carrying out the true intent and meaning of this Assignment Agreement.
 6. Any notice or other communication required or permitted to be given or served pursuant to this Assignment Agreement will be deemed to be well and sufficiently given if in writing and delivered to the address as follows:

If to the Landowner:

Vandervalk Farms Ltd.
P.O. Box 1299
Fort Macleod, Alberta T0L 0Z0
Attention: Stephen Vandervalk
Email: vvalk@telus.net

Aaron Nauta Ltd.
P.O. Box 155
Granum, Alberta T0L 1A0
Attention: Aaron Nauta
Email: aaronnautald@gmail.com

1362179 Alberta Ltd.
P.O. Box 476
Granum, Alberta T0L 1A0
Attention: Troy Bischler
Email: Troy.bischler@me.com

If to the Receiver:

KSV Restructuring Inc.
Suite 1165, 324 8th Avenue SW, Box 129
Calgary, Alberta T2P 2Z2
Attention: Jason Knight
Email: jknight@ksvadvisory.com

If to Church:

Cody Church
Suite 1900, 350 7th Avenue SW
Calgary, Alberta T2P 3N9
Email: cchurch@ClearNorthCapital.com


7. This Assignment Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors, receivers, receiver-managers, trustees and permitted assigns.
8. This Assignment Agreement shall, in all respects, be subject to and interpreted, construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
9. This Assignment Agreement may be executed in any number of counterparts, including electronic signatures, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by electronic means of an executed counterpart of this Assignment Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

[Signature page follows]

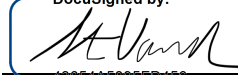
[Signature Page to Assignment and Novation Agreement]

IN WITNESS WHEREOF the Parties have properly executed this Assignment Agreement as of the date and year first above written, but effective from the Effective Date.


KSV RESTRUCTURING INC., solely in its capacity as the court appointed receiver of KI Limited Partnership and 2302353 Alberta Inc., and not in its personal or corporate capacity.

DocuSigned by:

Per: _____
87E48B2D2D52481...
Name: Jason Knight
Title: Managing Director

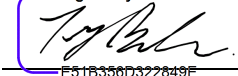
VANDERVALK FARMS LTD.

DocuSigned by:

Per: _____
43654A5893FD456...
Name: Stephen Vandervalk
Title: Stephen Vandervalk. President

AARON NAUTA LTD.

Signed by:

Per: _____
1059A2CE2ED846B...
Name: Aaron Nauta
Title: President

1362179 ALBERTA LTD.

Signed by:

Per: _____
E31B356D322849E...
Name: Troy Bischler
Title: President

Signed by:

Per: _____
FB2E0F9D010249E...
WITNESS

Signed by:

Per: _____
BAA08A65560C46A...
CODY CHURCH

APPENDIX G
[ATTACHED]

From: [Coreen Bates](#)
To: [Jason Knight](#)
Cc: [Cody Church](#); [Stephen Vandervalk](#)
Subject: RE: Korite - Assignment and Novation Agreement
Date: Tuesday, December 16, 2025 2:08:18 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)
[Assignment and Novation Agreement \(DRAFT\) - 2025.12.08.docx](#)

Hello all,

After discussing this further with EPA legal counsel, there is one revision regarding the draft Assignment and Novation Agreement that EPA would like addressed.

EPA agrees with the approach that has been described in the Assignment and Novation Agreement and acknowledges and appreciates that the landowner will be taking on the responsibility and obligations for the reclamation of the Quarry. However as the regulator, EPA should not be a signatory party of the agreement and as such I have been advised by EPA legal to have this removed.

I have no issues with the wording used to describe the work that the Landowner will be undertaking (Section H) and happy to work with the landowner going forward in completing the reclamation work in an acceptable manner to EPA and provide assistance should any additional approvals (i.e. Water Act approval) may be required in this process. Hopefully this doesn't cause significant issues or concern. I believe you undertook a similar process a year or so back, also involving Logan, and had an agreement drafted that did not include EPA as a signing party. I am hoping we can do something similar and happy to chat further if required.

My apologies for the delay and look forward to your reply.

Kind Regards

Coreen

Coreen Bates
Compliance Manager
Lethbridge, Regulatory Assurance Division South
Alberta Environment and Protected Areas
Government of Alberta

200 - 5 Avenue S
Lethbridge, AB T1J 4L1
Cell 403 892 1421
Environmental Emergencies 1 800 222 6514

The logo for Alberta Environment and Protected Areas, featuring the word "Alberta" in a stylized script font, followed by a small blue square icon, and then the words "Environment and Protected Areas" in a sans-serif font.

Classification: Protected A

From: Jason Knight <jknight@ksvadvisory.com>
Sent: Monday, December 8, 2025 3:44 PM
To: Coreen Bates <Coreen.Bates@gov.ab.ca>
Cc: Cody Church <cchurch@clearnorthcapital.com>; Stephen Vandervalk <vvalk@telus.net>
Subject: RE: Korite - Assignment and Novation Agreement

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Hi Coreen,

Further to our call on Friday, please find attached a draft Assignment and Novation Agreement for your review and comment.

Once the agreement is finalized, the Receiver will issue a brief report and distribute the Assignment and Novation Agreement to the service list in the receivership proceedings. The Receiver and its legal counsel have determined that the Receiver will only require Court approval of the agreement if there are issues raised by stakeholders on the service list.

Happy to discuss.

Best,

- Jason

Jason Knight
Managing Director
KSV Advisory Inc.
T 587.287.2605
M 403.589.3225
E jknight@ksvadvisory.com

From: Coreen Bates <Coreen.Bates@gov.ab.ca>
Sent: Monday, December 1, 2025 10:08 AM
To: Jason Knight <jknight@ksvadvisory.com>; Jackie Deller <jdeller@clearnorthcapital.com>;
Stephen Vandervalk <vvalk@telus.net>
Cc: Cody Church <cchurch@clearnorthcapital.com>
Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

I am available on **Dec 5 at 11 am MT.**

Coreen Bates
Compliance Manager
Lethbridge, Regulatory Assurance Division South
Alberta Environment and Protected Areas
Government of Alberta

200 - 5 Avenue S

Lethbridge, AB T1J 4L1
Cell 403 892 1421
Environmental Emergencies 1 800 222 6514



Classification: Protected A

From: Jason Knight <jknight@ksvadvisory.com>
Sent: Monday, December 1, 2025 10:06 AM
To: Jackie Deller <jdeller@clearnorthcapital.com>; Coreen Bates <Coreen.Bates@gov.ab.ca>;
Stephen Vandervalk <vvalk@telus.net>
Cc: Cody Church <cchurch@clearnorthcapital.com>
Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Both of those times work for me.

Jason Knight
Managing Director
KSV Advisory Inc.
T 587.287.2605
M 403.589.3225
E jknight@ksvadvisory.com

From: Jackie Deller <jdeller@clearnorthcapital.com>
Sent: Monday, December 1, 2025 9:52 AM
To: Jason Knight <jknight@ksvadvisory.com>; Coreen Bates <Coreen.Bates@gov.ab.ca>; Stephen
Vandervalk <vvalk@telus.net>
Cc: Cody Church <cchurch@clearnorthcapital.com>
Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

Hi all – Can you please let us know if you could all chat via teams call at **10 am MT on Wed Dec 3, or on Dec 5 at 11 am MT**? Happy to send the invite once we find a time.

Thanks for your help.

Jackie



Jackie Deller
VP Admin

C: +1 403 819-7207

E: jdeller@clearnorthcapital.com

Suite 1900, 350 7th Avenue SW | Calgary, AB | T2P 3N9

www.ClearNorthCapital.com

From: Cody Church <cchurch@clearnorthcapital.com>

Sent: November 30, 2025 11:05 AM

To: Jason Knight <jknight@ksvadvisory.com>; Coreen Bates <Coreen.Bates@gov.ab.ca>; Stephen Vandervalk <vvalk@telus.net>; Jackie Deller <jdeller@clearnorthcapital.com>

Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

Great thanks – Jackie will sort this out on Monday as I see that Coreen had an out of office until Dec 1st.

Let's just eliminate the Dec 1st option right now and focus on Dec 3rd or 5th.

Jackie – your court.

Thanks



CODY CHURCH
CEO AND FOUNDER

T: +1 403 862 0397

E: cchurch@ClearNorthCapital.com

Suite 1900, 350 7th Avenue SW | Calgary, AB | T2P 3N9

www.ClearNorthCapital.com

From: Jason Knight <jknight@ksvadvisory.com>

Sent: November 30, 2025 11:03 AM

To: Cody Church <cchurch@clearnorthcapital.com>; Coreen Bates <Coreen.Bates@gov.ab.ca>; Stephen Vandervalk <vvalk@telus.net>; Jackie Deller <jdeller@clearnorthcapital.com>

Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

The following times below work for me:

Dec 3rd – 9:00am or 1:00pm

Dec 5th – 11:00am to 2:00pm

Jason Knight

Managing Director

KSV Advisory Inc.

T 587.287.2605

M 403.589.3225

E jknight@ksvadvisory.com

From: Cody Church <cchurch@clearnorthcapital.com>

Sent: Sunday, November 30, 2025 9:29 AM

To: Coreen Bates <Coreen.Bates@gov.ab.ca>; Jason Knight <jknight@ksvadvisory.com>; Stephen Vandervalk <vvalk@telus.net>; Jackie Deller <jdeller@clearnorthcapital.com>

Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

Coreen,

Thank you for the email below and we do wish Logan all the best in the future, he was a really excellent individual to deal with and I know your office will miss him.

The receiver (KSV – Jason Knight) and the landowner (Stephen Vandervalk) have now come to an agreement on the reclamation of the Korite mine and a draft agreement has been completed so we thought it would make sense to schedule a quick call with everyone to go over where we are at and what we need from the AEPA.

Would a call next week work in any of the following slots?

Dec 1st – 2:30pm

Dec 3rd – 9:00am or 1:00pm

Dec 5th – 11:00am to 2:00pm

Jackie in my office will help coordinate but please let everyone know what times work as soon as you can.

Thanks



CODY CHURCH
CEO AND FOUNDER

T: +1 403 862 0397

E: cchurch@ClearNorthCapital.com

Suite 1900, 350 7th Avenue SW | Calgary, AB | T2P 3N9

www.ClearNorthCapital.com

From: Coreen Bates <Coreen.Bates@gov.ab.ca>

Sent: November 6, 2025 10:11 AM

To: Cody Church <cchurch@clearnorthcapital.com>; Jason Knight <jknight@ksvadvisory.com>; Stephen Vandervalk <vvalk@telus.net>

Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

Hello Cody,

I was briefed by Logan prior to his departure about the matter and have a basic understanding. Logan was a big loss and is greatly missed, but he has gone back home to Creston, B.C. and is off to new and exciting opportunities. If you would like to contact him he said you can reach out at 587-429-0256.

Please let me know if you require any assistance or have any questions. I will review the draft copy of the declaration prior to signing and am looking forward to working with you and seeing this to conclusion.

Kind Regards

Coreen

Coreen Bates
Compliance Manager
Lethbridge, Regulatory Assurance Division South
Alberta Environment and Protected Areas
Government of Alberta

200 - 5 Avenue S
Lethbridge, AB T1J 4L1
Cell 403 892 1421
Environmental Emergencies 1 800 222 6514



Classification: Protected A

From: Cody Church <cchurch@clearnorthcapital.com>
Sent: Saturday, October 4, 2025 11:03 PM
To: Logan Huscroft <Logan.Huscroft@gov.ab.ca>; Jason Knight <jknight@ksvadvisory.com>; Stephen Vandervalk <vvalk@telus.net>
Cc: Coreen Bates <Coreen.Bates@gov.ab.ca>
Subject: RE: Alberta Environment and Parks - New contact for Korite Reclamation issue

CAUTION: This email has been sent from an external source. Treat hyperlinks and attachments in this email with care.

Logan,

Thank you for the email and update, I would assume and expect that congratulations is in order on your new endeavours.

Coreen, it is a pleasure to meet you and I hope we get a chance to catch up soon. I presume you have been involved in the recent discussions (on Oct 2) with Stephen around the reclamation plans?

We will get working on the Declaration asap and with that I am hopefully we can drive this to conclusion.

Thanks so much

PS – Logan/Coreen – where is Logan going to and do you have contact info for him going forward? If so please send to us.



CODY CHURCH
CEO AND FOUNDER

T: +1 403 862 0397

E: cchurch@ClearNorthCapital.com

Suite 1900, 350 7th Avenue SW | Calgary, AB | T2P 3N9

www.ClearNorthCapital.com

From: Logan Huscroft <Logan.Huscroft@gov.ab.ca>
Sent: Thursday, October 2, 2025 1:04 PM
To: Cody Church <cchurch@clearnorthcapital.com>; Jason Knight <jknight@ksvadvisory.com>;
Stephen Vandervalk <vvalk@telus.net>
Cc: Coreen Bates <Coreen.Bates@gov.ab.ca>
Subject: Alberta Environment and Parks - New contact for Korite Reclamation issue

Good afternoon all,

I am writing this afternoon to inform you that I will be leaving my position on October 3rd, 2025.

With my transition out of the department, I wanted to ensure a continuity plan is in place for this issue. Where things are at are as follows:

- EPA is of the understanding that there is a significant potential that the landowner of the NW 30 – 6 – 22 W4M (Stephen Vandervalk) is willing to sign a statutory declaration to become an operator of the quarry, resulting in the release of available reclamation funds currently held by the receiver to the landowner
- **EPA has requested the receiver provide a draft copy of the declaration for review prior to signing.**
- The landowner and EPA met on October 2nd, 2025 and discussed a proposed reclamation strategy that will enable an application for a reclamation certificate to be submitted upon completion of the reclamation. In addition, the landowner was made aware of the potential requirement to obtain Water Act approval for a portion of the reclamation work that has potential to alter drainage and direct flows to the St. Mary's River.

Moving forward, I am requesting that the statutory declaration and any further inquiries related to this site be directed to Compliance Manager, Coreen Bates at coreen.bates@gov.ab.ca.

Thank you all for your continuing efforts to resolve this file, it has been a pleasure working with you.

Logan Huscroft
Compliance Assurance Lead
Alberta Environment and Protected Areas.

Classification: Protected A