SUPREME COURT
OF BRITISH COLUMBIA
VANCOUVER REGISTRY

JAN 11 2021

ENTERED

No. S-208894
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF URTHECAST CORP., URTHECAST INTERNATIONAL CORP., URTHECAST USA INC., 1185729 B.C. LTD, AND THOSE OTHER PETITIONERS SET OUT ON THE ATTACHED SCHEDULE "A"

PETITIONERS

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE	)	
	)	January ~~6 and~~ 7, 2021
MADAME JUSTICE SHARMA	)	

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, British Columbia, on the 6th and 7th days of January, 2021, by videoconference; AND ON HEARING THE APPLICATION of David E. Gruber, counsel for the Petitioners and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Affidavit #7 of Sai Chu sworn December 29, 2020, and the Sixth Report of the Ernst & Young Inc. in its capacity as the Monitor of the Petitioners (in such capacity, the "**Monitor**") (the "**Report**")

AND UPON BEING ADVISED that the secured creditors and others who are likely to be affected by the orders set out herein were given notice;

AND PURSUANT TO the *Companies' Creditors Arrangement Act*, R.S.C 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Rules and the inherent jurisdiction of the Court,

THIS COURT ORDERS AND DECLARES THAT:

SERVICE

1. The time for service of the Notice of Application dated December 29, 2020 herein be and is hereby abridged such that the Notice of Application is properly returnable today and service thereof on any interested party is hereby dispensed with.

SALE APPROVAL

2. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated as of November 23, 2020 as amended on December 14, 2020 (the "**Sale Agreement**") between the

Petitioner, UrtheCast Corp. (the "**Vendor Petitioner**") and 1262743 B.C. Ltd. (the "**Purchaser**"), a copy of which is attached as **Schedule** "**C**" hereto, is hereby approved, and the Sale Agreement is declared to be commercially reasonable. The execution of the Sale Agreement by the Vendor Petitioner is hereby authorized and approved, and the Vendor Petitioner is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

3. The Transition Services Agreement (as such term is defined in the Sale Agreement) is hereby approved. The execution of the Transition Services Agreement by the Vendor Petitioner is hereby authorized and approved, and each Vendor Petitioner is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to give effect to the terms thereof.

4. Upon delivery by the Monitor to the Purchaser of a certificate substantially in the form attached as **Schedule "D"** hereto (the "**Monitor's Certificate**"), all of the Vendor Petitioner's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated September 4, 2020; (ii) all charges, security interests or claims evidenced by registrations pursuant to the British Columbia *Personal Property Security Act* or any other personal property registry system; (iii) all claims in respect of any taxes owing by the Vendor Petitioner as at the Closing Date (as defined in the Sale Agreement); (iv) any other restrictions which may be applicable to the Purchased Assets; and (v) those Claims listed on **Schedule "E"** hereto (all of which are collectively referred to as the "**Encumbrances**", and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

5. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Monitor's Certificate all Claims shall attach to the net proceeds from the 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 had possession or control immediately prior to the sale.

6. The Monitor is to file with the Court a copy of the Monitor's Certificate forthwith after delivery thereof.

7. Pursuant to Section 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act* or Section 18(1)(o) of the British Columbia *Personal Information Protection Act*, the Petitioners are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Petitioners' past and current employees, to the extent such employees are "Transition Employees" as defined in the Sale Agreement. The Purchaser 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 by the Petitioners.

8. The Vendor Petitioner, with the consent of the Monitor and the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court.

9. Notwithstanding:

(a) these proceedings under the CCAA;

(b) any applications for a bankruptcy order in respect of any Petitioner now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of any Petitioner,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Vendor Petitioner and shall not be void or voidable by creditors of the Vendor Petitioner, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Petitioners, the Monitor, 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 Petitioners or the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Petitioners or the Monitor and their agents in carrying out the terms of this Order.

11. The Petitioners or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

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Signature of David E. Gruber

☐ Party ☑ Lawyer for the Petitioners

BY THE COURT

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REGISTRAR