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JUDICIAL CENTRE OF CALGARY
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May 5, 2021
Justice Ho

COURT FILE NUMBER	1801-17912
COURT	COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE	CALGARY
APPLICANT	ATB FINANCIAL (FORMERLY ALBERTA TREASURY BRANCHES)
RESPONDENTS	HUGHSON TRUCKING INC., LEROY CHRISTIAN HUGHSON, DARREN JAMES HUGHSON, AND JUSTIN LEE HUGHSON
DOCUMENT	FOURTH REPORT OF THE RECEIVER April 27, 2021
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	RECEIVER ERNST & YOUNG INC. Calgary City Centre 2200, 215 - 2nd Street SW Calgary, Alberta T2P 1M4 Attention: Peter Chisholm Telephone: (403) 206-5061 Fax: (403) 206-5075 Email: peter.chisholm@parthenon.ey.com COUNSEL McCarthy Tétrault LLP Suite 4000, 421 7th Avenue SW Calgary, Alberta T2P 4K9 Attn: Walker MacLeod Pantelis Kyriakakis Telephone: (403) 260-3710 (403) 260-3536 Email: wmacleod@mccarthy.ca pkyriakakis@mccarthy.ca

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APPENDICES

INTRODUCTION

1. Ernst & Young Inc. ("EYI") was appointed Receiver (the "Receiver") of the property, assets and undertakings (the "Property") of Hughson Trucking Inc. ("HTI" or the "Corporation") pursuant to an Order of this Honourable Court (the "Receivership Order") dated December 19, 2018 (the "Receivership Date").

2. The Receivership Order authorized the Receiver, among other things, to carry on the business of HTI, to sell, convey, transfer, lease, or assign the Property out of the normal course of business, subject to approval by this Honourable Court for any transactions exceeding $200,000, or the aggregate of multiple transactions exceeding $1,000,000, and to make such arrangements or agreements as deemed necessary by the Receiver.

3. The purpose of this fourth report of the Receiver (the "Fourth Report") is to provide this Honourable Court with the Receiver's comments with respect to:

    a) activities of the Receiver since the second report of the Receiver dated April 14, 2019 (the "Second Report"), including a statement of receipts and disbursements of the Receiver from the Receivership Date through to April 27, 2021;

    b) the proposed asset purchase agreement (the "1010 AB APA") between the Receiver and 1010307 Alberta Ltd. ("1010 AB") dated April 27, 2021 to purchase the Remaining Property (as defined below) (the "1010 AB Transaction") and the Receiver's request for approval thereof;

    c) the approval of the Receiver and its legal counsel's fees and costs associated with administering the receivership proceedings of HTI;

    d) the request for the discharge of the Receiver; and

    e) the Receiver's recommendations in respect of the same.

TERMS OF REFERENCE

4. All references to dollars are in Canadian currency unless otherwise noted.

5. Capitalized terms not defined in this Fourth Report are as defined in the Receivership Order, Bankruptcy Order and the prior reports of the Receiver filed in these proceedings.

ACTIVITIES OF THE RECEIVER

Closing of the Milk River Transaction

6. As disclosed in the third report of the Receiver dated March 4, 2020, the Receiver and 1010 AB entered into an asset purchase agreement dated February 19, 2020 (the "Milk River APA") for the sale of certain HTI owned property in Milk River, Alberta (the "Milk River Transaction").

7. The Milk River Transaction was approved by an Order of this Honourable Court dated March 13, 2020 and closed on April 6, 2020.

Gravel Pit

8. As described in the Second Report, the Receiver understands that in December 2010, 1010 AB acquired from ServAgro a verbal arrangement with Mr. Barry Snow ("Mr. Snow") to lease a gravel pit (the "Gravel Pit") existing on his land legally described as NW-26-02-17-W4M (the "Lands"), as well as certain equipment to operate the Gravel Pit.

9. The Receiver has not taken possession of the Gravel Pit or the gravel inventory located on-site at the Gravel Pit.

10. On July 6, 2018, Alberta Environment Parks (the "AEP") issued a letter to HTI advising that it had identified the Gravel Pit from a desktop review of aerial imagery and requesting that HTI immediately cease performing work at the Gravel Pit.

11. In March 2019, the Receiver and its legal counsel communicated with AEP to understand the AEP's view of HTI's liability, if any, arising from environmental condition or damages to the Lands that occurred prior to the Receivership Date.

12. On April 18, 2019, the Receiver sought and obtained an Order (the "April 18 Order") of this Honourable Court authorizing the Receiver to withhold a holdback amount of $380,068 from the Property to either pay for or perform reclamation work associated with the Gravel Pit on account of any potential liability HTI may have for environmental condition or damages to the Lands that occurred prior to the Receivership Date (the "Reclamation Work Holdback").

13. The Reclamation Work Holdback represents the estimated cost to fully reclaim the Lands

plus an additional reserve of 10%, per Wood PLC, an accredited environmental consultant.

14. On March 19, 2021, the AEP issued a second letter to HTI to clarify the ongoing regulatory responsibilities of HTI and Mr. Snow with respect to the Gravel Pit and establish a timeline to resolve certain non-compliance issues.

15. The Receiver has communicated with the AEP to provide a status of these receivership proceedings and, more specifically, advise that the Receiver and 1010 AB have negotiated the 1010 AB Transaction for the purchase of HTI's remaining assets, including its interest in, among others, the Reclamation Work Holdback, which is subject to approval of this Honourable Court.

16. The Receiver also understands that 1010 AB and Mr. Snow are actively negotiating an agreement that would require the parties to resolve the non-compliance issues identified by the AEP and address the necessary reclamation issues and obligations.

Debt Assignment Agreement

17. As of the Receivership Date, HTI owed ATB approximately $5.5 million (the "ATB Indebtedness"), excluding interest and professional fees accruing thereafter, secured by a valid and enforceable first charge security over all present and after-acquired assets and undertakings of HTI.

18. The Order of this Honorable Court dated March 5, 2019 (the "Distribution and Sealing Order") authorized the Receiver to make ongoing distributions to ATB until the ATB Indebtedness was satisfied in full. As indicated above, the Receiver has issued distributions to ATB of approximately $3.8 million and therefore a portion of the ATB Indebtedness remains outstanding. The ATB Indebtedness was also paid down through sale proceeds from the TCL Transaction.

19. ATB and 1010 AB entered into a transfer and assignment of debt and security agreement dated January 13, 2021 (the "Debt Assignment Agreement"), pursuant to which ATB assigned to 1010 AB all of its right, title and interest in and to the outstanding amount of the ATB Indebtedness (the "Assigned Indebtedness"), along with the security granted by HTI to ATB.

20. As a result of the Debt Assignment Agreement, 1010 AB has replaced ATB as the primary secured creditor of HTI.

Review of 1010 AB's Security

21. On February 10, 2016, HTI and 1010 AB entered into a loan and general security agreement (the "Loan and General Security Agreement"), pursuant to which 1010 AB made available certain credit facilities. 1010 AB's security interests ranked subordinate to ATB's security interests in the Property of HTI. As of the Receivership Date, the amount owing by HTI to 1010 AB under the Loan and General Security Agreement was approximately $1.0 million (the "1010 AB Indebtedness") excluding interest accruing thereafter.

22. 1010 AB is a related party to HTI as they shared joint-ownership and directors prior to the Receivership Date.

23. The Receiver has obtained an independent review from its legal counsel indicating that, subject to the customary assumptions and qualifications and certain additional assumptions and qualifications relating to sections 137 and 140.1 of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the "BIA"), the security granted by HTI to 1010 AB creates a valid and enforceable security interest in all present and after-acquired assets and undertakings of HTI.

Statement of Receipt and Disbursements

24. The following is a summary of the receipts and disbursements that have occurred since the Receivership Date up to April 27, 2021 (the "Reporting Period"):

Hughson Trucking Inc. Statement of Receipts and Disbursements December 19, 2018 to April 27, 2021 *CAD $, unaudited*		Exhibit 1.0
	Notes	
Opening operating cash balance		-
Receipts		
Sale proceeds	*A*	8,189,517
Account receivable collections	*B*	201,552
Other receipts	*C*	131,990
Interest income		41,415
Total receipts		8,564,474
Disbursements		
ATB Distributions	*D*	(3,793,494)
Lessor Distributions	*E*	(1,950,742)
Settlement of Deemed Trust Claim	*F*	(1,390,549)
Reclamation Work Holdback	*G*	(380,068)
Receiver's fees	*H*	(292,224)
Legal fees	*H*	(198,437)
Payroll and related		(174,380)
Rent		(123,589)
Insurance		(83,006)
Settlement of WEPPA Subrogated Claim	*I*	(68,910)
Other disbursements		(44,117)
Transfer to bankruptcy estate		(28,100)
Utilities		(20,167)
Repairs and maintenance		(8,995)
Total disbursements		(8,556,778)
Ending operating cash balance		7,696
Reclamation Work Holdback	*G*	380,068
Ending consolidated cash balance		387,764

25. Notes to the Receiver's statement of receipts and disbursements are as follows:

a) the Receiver has collected approximately $8.2 million in sale proceeds including residual sale proceeds from the TCL Transaction, proceeds from the auction undertaken by the Receiver pursuant to an Order of this Honourable Court dated March 5, 2019 (the "Receiver's Auction"), and proceeds from the Milk River Transaction;

b) the Receiver has collected approximately $0.2M in account receivable collections;

c) other receipts are comprised of insurance, GST and other miscellaneous refunds;

d) in accordance with the Distribution and Sealing Order, the Receiver has made distributions of approximately $3.8 million to ATB;

e) the Receiver has disbursed approximately $2.0 million in lease buyout payments to financing or leasing companies with respect to HTI's leased or financed assets that were auctioned in the Receiver's Auction (the "Lessor Distributions");

f) the Canada Revenue Agency ("CRA") asserted a deemed trust claim for unremitted source deductions of $1.39 million (the "Deemed Trust Claim"). The Receiver determined the Deemed Trust Claim was valid and settled it on February 25, 2019;

g) the Receiver continues to hold the Reclamation Work Holdback in accordance with the April 18 Order;

h) the Receiver has disbursed Receiver's and legal fees of approximately $0.5 million; and

i) former employees of HTI made claims for unpaid wages, vacation pay and termination or severance pay under the *Wage Earner Protection Program Act* ("WEPPA"). Service Canada made payments in respect of these claims and, as a result, the Crown was entitled to a subrogated claim of $68,910 against the HTI receivership estate in accordance with section 36 of WEPPA (the "Subrogated WEPPA Claim"). The Receiver settled the Subrogated WEPPA Claim on November 5, 2019.

PROPOSED 1010 AB TRANSACTION

Remaining Property

26. Subsequent to the completion of the Receiver's Auction and Milk River Transaction, the remaining Property of HTI is comprised of:

a) HTI's interest in the Gravel Pit, including any inventory located thereon, and HTI's interest in the Reclamation Work Holdback;

b) various claims and receivables, including: (i) Canlava Mining Corp., including but not limited to those subject to the proceeding commenced with the Supreme Court of British Columbia, under Action No. S1913541; and, (ii) the Goods and Services tax refund owned by HTI; and

c) the available cash balance in the receivership estate, excluding the Reclamation Work Holdback and certain additional funds needed to finalize the administration of HTI's estate and concurrent bankruptcy proceedings.

(collectively, the "Remaining Property").

27. The Receiver completed an analysis (the "Net Recovery Analysis") to estimate the net proceeds from the realization of the Remaining Property under two scenarios and assed the potential recoveries to HTI's creditors. The Net Recovery Analysis indicates that the estimated recoveries will not be sufficient to satisfy the Assigned Indebtedness and the 1010 AB Indebtedness or provide a recovery to other creditors of HTI.

28. As a result of the foregoing, the Receiver has negotiated and entered into the 1010 AB APA to sell the Remaining Property of HTI to 1010 AB.

29. The purchase price per the 1010 AB APA is to be satisfied through a compromise of the Assigned Indebtedness and the 1010 AB Indebtedness (collectively, the "Credit Bid Amount").

30. The 1010 AB Transaction also requires cash consideration in an amount sufficient to pay any outstanding claims, liabilities, encumbrances and obligations which are in priority to the Credit Bid Amount, excluding the Reclamation Work Holdback and including, without limitation, all amounts secured by the Receiver's Charge and the Receiver's Borrowing Charge. The Receiver anticipates utilizing proceeds to be collected from a GST refund owing to HTI in order to satisfy these claims and does not anticipate requiring 1010 AB to fund these claims pursuant to the 1010 AB Transaction.

31. Key terms of the 1010 AB APA also include the following:

a) 1010 AB will assume HTI's claims with regards to any matters that may be asserted by AEP for any obligation that owners and operators of the Gravel Pit may have to perform reclamation work under provincial legislation regulating gravel pit operations;

b) the 1010 AB Transaction is subject to Court approval;

c) the 1010 AB Transaction is subject to close on the later of:

   i. 10 business days following the day Court approval of the 1010 AB APA is obtained; and

   ii. any other business day that the parties may agree in writing.

32. The Receiver considers the closing risk associated with the 1010 AB Transaction to be minimal, as all conditions have been waived or will be satisfied prior to seeking Court approval or would be expected shortly thereafter.

33. A copy of the 1010 AB APA is attached as Appendix ‘A’ to this Fourth Report.

34. It is the Receiver’s view that the information contained in the Net Recovery Analysis constitutes commercially sensitive information that could seriously and irreparably harm HTI’s estate and negatively impact efforts to monetize the Remaining Property if made public in the event the 1010 AB Transaction does not proceed and the Receiver is forced to realize upon the Remaining Property.

35. The Receiver will issue a Confidential Supplement to this Fourth Report (the “Confidential Report”), which will contain the Net Recovery Analysis for this Honourable Court, and seek to have the Confidential Report sealed until the 1010 AB Transaction has been completed to protect the realizable value of the Remaining Property.

RECEIVER’S COMMENTS ON THE 1010 AB TRANSACTION

36. The Receiver believes approval of the 1010 AB Transaction is in the best interest of all stakeholders for the following reasons:

a) the 1010 AB Transaction is supported by 1010 AB, the primary secured creditor which holds security against all present and after-acquired personal and real property of HTI, including the Remaining Property. The Receiver has obtained independent opinions from its legal counsel that, subject to the usual qualifications and certain additional assumptions and qualifications relating to sections 137 and 140.1 of the BIA, the security interests securing both the ATB Indebtedness and

1010 AB Indebtedness held by 1010 AB are valid and enforceable against the Remaining Property;

b) the Receiver is of the view that the purchase price contemplated by the 1010 AB APA is reasonable and in excess of the fair market value of the Remaining Property, as indicated by the Net Recovery Analysis, and that the Receiver would not achieve a higher realization were the Remaining Property to be publicly marketed;

c) the 1010 AB Transaction provides an efficient process to realize upon the Remaining Property and will minimize administrative costs to the receivership where there are limited funds remaining;

d) the 1010 AB APA was negotiated between the Receiver and 1010 AB at arm's length and in good faith and is commercially reasonable; and

e) the Receiver believes the consideration in the 1010 AB APA is commercially reasonable, in the best interest of HTI's creditors and other stakeholders, is the best offer available in the current circumstances, and will maximize available recovery to creditors, in the circumstances.

37. As described above, 1010 AB is a related party to HTI as they share joint-ownership and directors prior to the resignation of HTI's directors, Justin Hughson and Darren Hughson, in connection with the granting of the Receivership Order. Additionally, 1010 AB is the primary secured creditor of HTI and holds valid and enforceable security against all present and after-acquired personal and real property of HTI.

APPPROVAL OF PROFESSIONAL FEES AND DISBURSEMENTS

38. Professional fees and costs incurred by the Receiver and its legal counsel in connection with administering the receivership of HTI are described in Exhibit 2.0, below, and are as follows:

a) the Receiver's billed fees and costs total $278,312 (plus applicable taxes) for the period of the Receivership Date to April 7, 2020; and

b) the Receiver's legal counsel's billed fees and costs total $210,118 (plus applicable taxes) for the period of the Receivership Date to February 28, 2021.

39. Copies of the Receiver's billed invoices and the Receiver's legal counsel's billed invoices

contain certain privileged information and are not attached hereto but are available to this Honourable Court, if requested.

40. The Receiver and the Receiver's legal counsel estimate that the professional fees necessary to complete the administration of the HTI receivership, including unbilled work-in-progress will not exceed $30,000 for the Receiver and $10,000 for the Receiver's legal counsel. These estimated fees are included in Exhibit 2.0, below.

41. The Receiver respectfully requests that this Honourable Court approve the Receiver's and Receiver's legal counsel's fees and disbursements, including the estimated fees to complete the administration of the HTI receivership.

Hughson Trucking Inc. — Exhibit 2.0

Schedule of Professional Fees

CAD $, unaudited

Receiver's Fees	Invoice Date	Subtotal	GST	Total
Invoice #CA12C500003568	01-Mar-19	129,860	6,493	136,353
Invoice #CA12C500003913	28-Jun-19	45,447	2,272	47,719
Invoice #CA12C500004103	21-Aug-19	48,969	2,448	51,417
Invoice #CA12C500004381	12-Nov-19	31,955	1,594	33,549
Invoice #CA12C500004567	23-Dec-19	6,627	331	6,958
Invoice #CA12C500004931	17-Apr-20	15,454	773	16,227
WIP + estimate to complete receivership	NA	30,000	1,500	31,500
Total Receiver's Fees		308,312	15,412	323,724

Receiver's Legal Counsel's Fees	Invoice Date	Subtotal	GST	Total
Invoice #3043345	31-Dec-18	7,462	372	7,834
Invoice #3054987	20-Mar-19	50,478	2,518	52,996
Invoice #8000295	11-Apr-19	22,812	1,137	23,949
Invoice #8000868	17-May-19	32,536	1,626	34,162
Invoice #8001735	27-Jun-19	11,687	582	12,269
Invoice #8002124	23-Jul-19	12,894	640	13,534
Invoice #8002782	23-Aug-19	2,728	131	2,859
Invoice #8003134	17-Sep-19	2,129	104	2,233
Invoice #8004664	20-Nov-19	2,273	113	2,386
Invoice #8005129	16-Dec-19	5,532	277	5,808
Invoice #8005722	31-Dec-19	623	31	654
Invoice #8006231	06-Feb-20	1,417	71	1,488
Invoice #8006940	10-Mar-20	2,178	109	2,287
Invoice #8007685	20-Apr-20	14,210	708	14,918
Invoice #8008331	20-May-20	8,107	402	8,510
Invoice #8009411	21-Jul-20	6,418	311	6,729
Invoice #8009869	19-Aug-20	4,380	219	4,599
Invoice #8011397	05-Nov-20	1,165	58	1,223
Invoice #8012694	31-Dec-20	4,025	197	4,222
Invoice #8013580	25-Feb-21	12,959	646	13,605
Invoice #8014153	23-Mar-21	4,107	205	4,312
WIP + estimate to complete receivership	NA	10,000	500	10,500
Total Receiver's Legal Counsel's Fees		220,118	10,958	231,076

COMPLETION OF THE RECEIVERSHIP AND DISCHARGE OF THE RECEIVER

42. The following tasks must be resolved in order to complete the administration of the receivership:

    a) closing the 1010 AB Transaction; and

b) completing certain final administrative tasks, including filing outstanding GST returns, and winding down the receivership of HTI.

43. The Receiver has completed the majority of its administration of the receivership and its remaining tasks, as outlined above, are largely administrative in nature and do not require any further appearance before this Honourable Court. The Receiver is therefore of the view that it should be discharged from its mandate, such discharge to be conditional upon fulfilling the tasks outlined above.

44. The Receiver respectfully requests that this Honourable Court approve an Order discharging the Receiver from any and all obligations as Receiver of HTI on the condition of the completion of the tasks identified above.

RECEIVER'S RECOMMENDATIONS

45. The Receiver respectfully recommends that this Honourable Court approve:

a) the 1010 AB APA;

b) an Order sealing the Confidential Report on Court file; and

c) discharge of the Receiver, following the completion of the tasks outlined in paragraph 42 of this Fourth Report.

Dated at Calgary, this 27th day of April, 2021.

ERNST & YOUNG INC.
in its capacity as the Receiver of HTI

Peter Chisholm, CPA, CA, CIRP, LIT
Senior Vice President

José Aldana
Director

APPENDIX ‘A’

ASSET PURCHASE AND SALE AGREEMENT

BETWEEN

HUGHSON TRUCKING INC., **by and through its court appointed receiver and manager, ERNST & YOUNG INC., in its capacity as court appointed receiver and manager of the assets, properties, and undertaking of Hughson Trucking Inc., and not in its personal or corporate capacity**

(the "Vendor")

- AND -

1010307 ALBERTA LTD., a corporation incorporated pursuant to the laws of the Province of Alberta

(the "Purchaser")

April 27, 2021

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ASSET PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made as of the 27th day of April, 2021.

BETWEEN:

> **HUGHSON TRUCKING INC.** by its court appointed receiver and manager **ERNST & YOUNG INC.**, in its capacity as court appointed receiver and manager of the assets, properties, and undertakings of Hughson Trucking Inc., and not in its personal or corporate capacity (the "**Vendor**")

- and -

> **1010307 ALBERTA LTD.**, a corporation incorporated pursuant to the laws of the Province of Alberta (the "**Purchaser**")

WHEREAS the Receiver was appointed as receiver and manager of the Property pursuant to the Receivership Order;

WHEREAS the Vendor wishes to sell the Assets to the Purchaser and the Purchaser wishes to purchase the Assets from the Vendor, all upon and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the promises, mutual covenants, agreements, and warranties contained herein, the Parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals, this Section 1.1, and the Schedules attached hereto, unless the context otherwise requires, or unless otherwise defined herein, the following words and phrases shall have the following meanings:

(a) "**Affiliate**" means, with respect to any Person, any other Person or group of Persons acting in concert, directly or indirectly, that controls, is controlled by or is under common control with such Person. The term "**control**" as used in the preceding sentence means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person whether through ownership of more than fifty percent (50%) of the voting securities of such Person, by contract, or otherwise.

(b) "**Agreement**" means this Asset Purchase and Sale Agreement including the recitals hereto and the Schedules attached hereto.

(c) "**Applicable Laws**" means, in relation to any Person, asset, transaction, event or circumstance:

(i) statutes (including regulations enacted thereunder);

(ii) judgments, decrees, and orders of courts of competent jurisdiction;

(iii) regulations, orders, ordinances, and directives issued by Government Authorities; and,

(iv) the terms and conditions of all permits, licenses, approvals, and authorizations;

which are applicable to such Person, asset, transaction, event or circumstance.

(d) "**Assets**" means all of the present and after acquired undertaking, property or assets of the Vendor, including those set out and identified in Schedule "**A**" hereto, and all rights, interests, privileges, benefits, and Claims, of the Vendor, in respect thereof, of any nature or kind whatsoever and wherever situated, whether owned, leased, licensed, or used by the Vendor, but which term specifically excludes the Excluded Assets.

(e) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in Calgary, Alberta.

(f) "**Claim**" means any claim, demand, lawsuit, proceeding, arbitration, or governmental investigation, in each case, whether asserted, threatened, pending, or existing.

(g) "**Closing**" means the transfer of possession, beneficial ownership, and risks of the Assets from the Vendor to the Purchaser and payment of the Purchase Price by the Purchaser to the Vendor, and all other items and consideration required to be delivered on the Closing Date, pursuant to this Agreement.

(h) "**Closing Date**" has the meaning provided in Section 4.1.

(i) "**Closing Payment**" has the meaning provided in Section 3.4(b).

(j) "**Court**" means the Court of Queen's Bench of Alberta.

(k) "**Court Approval**" means the approval of the Transaction and this Agreement by the Court and the vesting of the Assets in the name of the Purchaser, free and clear of any Encumbrances, other than any Permitted Encumbrances, in accordance with the Vesting Order.

(l) "**Credit Bid Amount**" means, collectively the: (i) $402,907.44 owing by the Debtor to ATB Financial, as subsequently assigned and transferred to the Purchaser, and all corresponding security interests, charges, mortgages, and encumbrances securing same, that were so assigned; and, (ii) $1,005,972.03 owing by the Debtor to the Purchaser under the Loan and General Security Agreement, dated February 10, 2016, between the Debtor and the Purchaser and all corresponding security interests, charges, mortgages, and encumbrances thereunder.

(m) "**Debtor**" means Hughson Trucking Inc.

(n) "**Dollar**" and "**$**" mean a dollar of the lawful money of Canada.

(o) "**Encumbrance**" means all liens, charges, security interests, pledges, options, mortgages, adverse claims, Claims, and other encumbrances on ownership rights of any kind or character or agreements to create the same.

(p) "**Excluded Assets**" means any or all of the following:

(i) legal and title opinions;

(ii) documents prepared by or on behalf of the Receiver and any other documents within the possession of the Receiver which are subject to solicitor-client privilege under the laws of the Province of Alberta or any other jurisdiction;

(iii) any equipment of the Debtor; and,

(iv) the Holdback Amount.

(q) "**GAAP**" means generally accepted accounting principles and practices in Canada.

(r) "**Government Authority**" means any federal, national, provincial, territorial, municipal or other government, any political subdivision thereof, and any ministry, sub-ministry, agency or sub-agency, court, board, bureau, office, or department, including any government-owned entity, having jurisdiction over a Party, the Assets, or the Transaction.

(s) "**GST**" the goods and services tax required to be paid pursuant to the *Excise Tax Act* (Canada) and in accordance with Section 3.6(a).

(t) "**Holdback Amount**" means the portion of the Debtor's total cash, as determined by the Receiver to be necessary to satisfy any and all costs, expenses, liabilities, and disbursements associated with the Debtor's Receivership Proceedings or the bankruptcy of the Debtor, up to the maximum amount of $60,000, and which is held back by the Receiver, as at Closing.

(u) "**Party**" means either the Vendor or the Purchaser, as the context may require, and "**Parties**" means both the Vendor and the Purchaser.

(v) "**Permitted Encumbrances**" means, any of the following:

(i) rights reserved to or vested in any Government Authority to control or regulate or claim any of the Assets, in any manner; and

(ii) any other circumstance, interests, royalties, liens, Claims, easements, Encumbrances, or any matter or thing disclosed in Schedule "**B**" hereto or in the Vesting Order.

(w) "**Person**" means any individual, corporation, limited or unlimited liability company, joint venture, partnership (limited or general), trust, trustee, executor, Government Authority, or other entity.

(x) "**Property**" has the meaning given to it in the Receivership Order.

(y) "**Purchase Price**" has the meaning given in Section 3.1.

(z) "**Receiver's Borrowing Charge**" has the same meaning as set out in the Receivership Order.

(aa) "**Receiver's Charge**" has the same meaning as set out in the Receivership Order.

(bb) "**Receivership Order**" means the consent order issued by the Court in the Receivership Proceedings on December 19, 2018, as may be subsequently amended, modified, supplemented, or restated, from time to time.

(cc) "**Receivership Proceedings**" means the proceedings before the Court and identified as Court File No. 1801-17912.

(dd) "**Representatives**" means, with, respect to any Party, its Affiliates, and the respective directors, officers, servants, agents, advisors, employees, consultants, counsel, and representatives of that Party and its Affiliates.

(ee) "**Transaction**" means any and all transactions for the purchase and sale of the Assets as contemplated by this Agreement.

(ff) "**Vendor Entity**" means the Vendor, the Receiver, and their Representatives, and each of their respective successors and assigns.

(gg) "**Vesting Order**" means the approval and vesting order, as ultimately issued by the Court in the Receivership Proceedings that, *inter alia*, vests all of the Vendor's right, title, estate, and interest in and to the Assets to the Purchaser, which order shall initially be sought in the form and substance similar to that set out in Schedule "**C**".

1.2 Interpretation

The following rules of construction shall apply to this Agreement unless the context otherwise requires:

(a) the headings in this Agreement are inserted for convenience of reference only and shall not affect the meaning, interpretation, or construction of this Agreement;

(b) all documents executed and delivered pursuant to the provisions of this Agreement are subordinate to the provisions hereof and the provisions hereof shall govern and prevail in the event of a conflict;

(c) any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, and all amendments made thereto and in force at the date hereof;

(d) whenever the singular or masculine or neuter is used in this Agreement, the same shall be construed as meaning plural or feminine or referring to a body politic or corporate, and *vice versa*, as the context requires;

(e) the words “hereto”, “herein”, “hereof”, “hereby”, “hereunder” and similar expressions refer to this Agreement and not to any particular provision of this Agreement;

(f) reference to any Article, Section, or Schedule means an Article, Section, or Schedule of this Agreement, unless otherwise specified;

(g) if any provision of a Schedule hereto conflicts with or is at variance with any provision in the body of this Agreement, the provisions in the body of this Agreement shall prevail to the extent of the conflict;

(h) “include” and derivatives thereof shall be read as if followed by the phrase “without “limitation”.

1.3 Schedules

The following schedules are attached to and form part of this Agreement:

Schedule “A”	Assets
Schedule “B”	Permitted Encumbrances
Schedule “C”	Vesting Order

1.4 Interpretation If Closing Does Not Occur

If Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Assets shall be construed as having been contingent upon Closing having occurred.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

Subject to the terms and conditions of this Agreement, the Vendor hereby agrees to sell, assign, transfer, convey, and set over to the Purchaser, and the Purchaser agrees to purchase and accept the Assets from the Vendor at and for the Purchase Price.

2.2 Transfer of Assets

Provided that Closing occurs, and subject to the terms and conditions of this Agreement, possession, risk and beneficial ownership of the Assets shall transfer from the Vendor to the Purchaser on the Closing Date, in accordance with the Court Approval.

ARTICLE 3
PURCHASE PRICE AND PAYMENT

3.1 Purchase Price

Subject to adjustment as provided for in Section 3.4, the Purchase Price payable for the Purchased Assets, exclusive of any GST and any Non-GST Taxes and Fees (as defined in Section 3.6 (b) below and to the extent applicable), shall be the aggregate of the following:

(a) the Credit Bid Amount;

(b) Cash in an amount sufficient to repay all Claims, liabilities, Encumbrances, and obligations of the Debtor which are in priority to the Credit Bid Amount and remain outstanding as of the Closing (the "**Cash Payment**") which, for greater certainty, excludes the Security Funds (as defined in Schedule "A"); and

(c) plus any applicable Non-GST Taxes and Fees.

(collectively, the "**Purchase Price**").

3.2 Allocation of the Purchase Price

The Purchase Price shall not be allocated among the Assets.

3.3 Satisfaction of Purchase Price

The Purchase Price shall be paid and satisfied as follows:

(a) by the Vendor providing credit in the amount of the Credit Bid Amount against the Vendor's corresponding obligations; and

(b) by payment, in cash, of an amount equal to the Closing Payment.

3.4 Determination of Final Purchase Price and Adjustment

In order to determine the final amount of the Purchase Price:

(a) The Parties acknowledge that adjustments will be required after the Closing Date to finally determine the Purchase Price once the total amount of all fees, costs, liabilities, disbursements, and expenses associated with the administration of the Debtor's estate as part of the Receivership Proceedings or the Debtors' bankruptcy proceedings, including, without limitation, the Receiver's Fees and all amounts secured by the Receiver's Charge, the Receiver's Borrowing Charge, if any, are known. The Purchase Price shall be finally determined on the date that the Receiver files a Discharge Certificate and is fully and finally discharged pursuant to a Discharge Order issued by the Court, or such earlier date as may be agreed between the Parties (the "**Adjustment Date**");

(b) The Parties further acknowledge and agree that immediately following Closing, the Vendor shall be at liberty and entitled to use any portion or all of the Holdback Amount, as determined necessary by the Receiver, in its sole and unfettered discretion with any unused balance of the Holdback Amount shall be paid to the Purchaser immediately following the Adjustment Date.

3.5 Closing Payment

The Purchaser shall pay to the Vendor at Closing, by certified cheque, bank draft, or electronic wire transfer, the Cash Payment portion of Purchase Price plus any and all applicable Non GST Taxes and Fees payable under Section 3.6 (collectively referred to as, the "**Closing Payment**").

3.6 Taxes and Fees

(a) The parties agree and acknowledge that no GST is payable on the purchase of the Assets as they constitute exempt supplies of financial services pursuant to section 1 of Part 1 VII of Schedule V to the *Excise Tax Act* of Canada.

(b) The Purchaser shall also be liable for and shall pay any and all, federal or provincial sales taxes and all other taxes, duties, or other similar charges properly payable upon and in connection with the conveyance and transfer of the Assets by the Vendor to the Purchaser and the Purchaser shall be responsible for all recording charges and registration fees payable in connection therewith, this Agreement, the Assets, and the Transaction (collectively, the "**Non GST Taxes and Fees**").

ARTICLE 4
CLOSING

4.1 Closing

The Closing of the Transaction shall take place, at such place as the Parties may agree, on the later of:

(a) ten (10) Business Days following the day Court Approval is obtained; or

(b) on such other Business Day as the Parties may agree in writing;

(the "**Closing Date**").

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Vendor's Representations and Warranties

Except to the extent otherwise disclosed to the Purchaser in writing prior to the date of this Agreement, or in any Schedule to this Agreement, the Vendor hereby represents and warrants to the Purchaser that:

(a) It has been appointed by the Court as receiver and manager of the Debtor's Property and such appointment is valid and subsists;

(b) It has good right, full power, and absolute authority to sell, assign, transfer, convey, and set over the interest of the Debtor in and to the Assets, subject to the terms and conditions of the Receivership Order, the Court Approval, and the Vesting Order; and,

(c) It is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

5.2 No Additional Representations and Warranties by the Vendor

(a) Notwithstanding anything to the contrary in this Agreement, the Vendor makes no representations or warranties except as expressly set forth in Section 5.1 and in particular, and without limiting the generality of the foregoing, the Vendor disclaims and shall not be liable for any representation or warranty express or implied, of any kind, at law or in equity, which may have been made or alleged to be made in any instrument or document relative hereto, or in any statement or information made or communicated to the Purchaser in any manner including any opinion, information, or advice which may have been provided to the Purchaser by the Vendor or its Representatives in connection with the Assets, this Agreement, or in relation to the Transaction. For greater certainty, the Vendor does not make any representation or warranty, express or implied, of any kind, at law or in equity, with respect to:

(i) the accuracy or completeness of any Information or any other data or information supplied by the Vendor or any of its Representatives in connection with the Assets;

(ii) the quality, condition, fitness, suitability, serviceability, or merchantability of any of the Assets; or,

(iii) the title of the Debtor to the Assets.

The Purchaser acknowledges and confirms that it is relying on its own investigations concerning the Assets and it has not relied on advice from the Vendor or any of its Representatives with respect to any matters in connection with the purchase of the Assets pursuant hereto. The Purchaser further acknowledges and agrees that it is acquiring the Assets on an “as is, where is” basis. The Purchaser acknowledges and agrees that it is familiar with the condition of the Assets, including the past and present use of the Assets, that the Vendor has provided the Purchaser with a reasonable opportunity to inspect the Assets at the sole cost, risk, and expense of the Purchaser (insofar as the Vendor could reasonably provide such access) and that the Purchaser is not relying upon any representation or warranty of the Vendor as to the condition (environmental or otherwise) of the Assets, except as expressly contained in Section 5.1 of this Agreement.

(b) Except for its express rights under this Agreement or with respect to the Credit Bid Amount, the Purchaser hereby waives all rights and remedies (whether now existing or hereinafter arising and including all equitable, common law, tort, contractual, and statutory rights and remedies) against the Vendor or any Vendor Entity in respect of the Assets or the Transaction or any representations or statements made, direct or indirect, express or implied, or information or data furnished to the Purchaser or its Representatives, in connection herewith (whether made or furnished orally or by electronic, faxed, written, or any other means).

5.3 Purchaser's Representations and Warranties

The Purchaser hereby represents and warrants to the Vendor that:

(a) **Standing**: It is and at the Closing Date shall continue to be a valid and subsisting corporation under the laws of its jurisdiction of registration and is authorized to carry out business in the jurisdiction where the Assets are located.

(b) **Requisite Authority**: Except for the Court Approval and the Vesting Order, it has taken all action and has full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and it has taken all necessary action to consummate the Transaction and to perform its obligations hereunder and the other documents and agreements executed and delivered hereunder.

(c) **Execution and Enforceability**: Provided the Court Approval and the Vesting Order are obtained, this Agreement has been, and all documents and agreements to be executed and delivered by it at Closing pursuant to this Agreement shall be, duly executed and delivered by it, and upon execution by the Vendor and it, this Agreement constitutes, and all documents and agreements required to be executed and delivered by it at Closing will constitute legal, valid, and binding obligations of it enforceable against it in accordance with their respective terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditor's rights generally and the discretionary nature of equitable remedies and defences.

(d) **No Further Authorization Required**: To its knowledge after due inquiry, and provided that Court Approval is obtained, no authorization or approval or other action by, and no notice to or filing with, any Government Authority exercising jurisdiction over the Assets is required by it or on its behalf for the due execution and delivery of this Agreement.

(e) **No Conflicts**: Provided the Court Approval and the Vesting Order are obtained, the consummation of the Transaction will not constitute or result in a material violation, breach, or default by it under any provision of any agreement or instrument to which it is a party or by which is it bound or any judgment, law, decree, order, or ruling applicable to it.

(f) **Pursuit of Action**: Following Closing, the Purchaser shall take all steps, proceedings, and actions associated with the Action (as defined in Schedule "A" hereto) as it may choose to take, in its own name and at its sole expense and liability.

(g) **No Lawsuits or Claims**: It has not received notice of any Claims in existence, contemplated, pending or threatened against it seeking to prevent the consummation of the Transaction.

(h) **Availability of Funds**: It has sufficient funds available to it to enable it to pay in full the Purchase Price to the Vendor as herein provided and otherwise to fully perform its obligations under this Agreement.

5.4 Enforcement of Representations and Warranties

(a) Notwithstanding anything to the contrary herein expressed or implied and notwithstanding the Closing or deliveries of covenants or representations and warranties in any other agreements at Closing or prior or subsequent thereto, the representations and warranties set forth in Sections 5.1 and 5.3 hereof and all certificates, documents, and agreements delivered pursuant to this Agreement shall survive Closing, provided that no Claim in respect of such representations and warranties shall be made or be enforceable unless written notice of such Claim, if provided by the Vendor to the Purchaser, is given within twelve (12) months of the Closing Date, and if provided by the Purchaser to the Vendor, is given within twelve (12) months of the Closing Date or before the Receiver is discharged by order of the Court, whichever is earlier. In respect of the Purchaser, effective on the expiry of such twelve (12) month period, the Vendor hereby releases and forever discharges the Purchaser from any breach of any representations and warranties set forth in Sections 5.1 and 5.3 hereof and all certificates, documents and agreements delivered pursuant to this Agreement, except in respect of those Claims in which notice has been given in accordance with this Section 5.4. In respect of the Vendor, effective on the expiry of such twelve (12) month period or such shorter period, should the Receiver be discharged by order of the Court, the Purchaser hereby releases and forever discharges the Vendor from any breach of any representations and warranties set forth in Sections 5.1 and 5.3 hereof and all certificates, documents and agreements delivered pursuant to this Agreement, except in respect of those Claims in which notice has been given in accordance with this Section 5.4. No Claim shall be made against a Party in respect of the representations and warranties in this Agreement made by the other Party except pursuant to and in accordance with this Section 5.4;

(b) There shall not be any merger of any covenant, representation, or warranty in any assignment, conveyance, transfer or document delivered pursuant hereto notwithstanding any rule of law, equity, or statute to the contrary and all such rules are hereby waived.

(c) The representations and warranties of the Vendor and the Purchaser made herein or pursuant hereto are made for the exclusive benefit of the Purchaser or the Vendor, as the case may be, and are not transferable and may not be made the subject of any right of subrogation in favour of any other Person.

ARTICLE 6
CONDITIONS PRECEDENT TO CLOSING

6.1 Vendor’s Closing Conditions

The obligation of the Vendor to complete the sale of the Assets pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

(a) **Representations and Warranties True**: All representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects on the Closing Date.

(b) **Purchaser's Obligations**: The Purchaser shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchaser on or prior to the Closing Date.

(c) **Payment**: The Purchaser shall have tendered the Closing Payment to the Vendor in the manner provided in this Agreement.

(d) **No Injunction**: There will not be any judicial restraining order or injunction, preliminary or otherwise, in effect prohibiting the Closing or the Transaction.

(e) **Restrictions**: All necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions.

(f) **Court Approval**: The Court Approval and the Vesting Order shall have been obtained.

The foregoing conditions shall be for the benefit of the Vendor and may, without prejudice to any of the rights of the Vendor hereunder excluding reliance on or enforcement of any representations, warranties, or covenants dealing with the subject of or similar to the condition waived, be waived by it in writing, in whole or in part, at any time, provided that the Vendor is not entitled to waive the Court Approval condition contained in Section 6.1(f). The Vendor shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions in case any of the said conditions shall not be complied with, or waived by the Vendor, at or before the Closing Date, the Vendor may terminate this Agreement by written notice to the Purchaser.

6.2 Purchaser's Closing Conditions

The obligation of the Purchaser to complete the purchase of the Assets pursuant to this Agreement is subject to the satisfaction, at or prior to the Closing Date, of the following conditions precedent:

(a) **Representations and Warranties True**: All representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date.

(b) **Vendor's Obligations**: The Vendor shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Vendor on or prior to the Closing Date.

(c) **Restrictions**: All necessary governmental and other regulatory approvals to the sale of the Assets that are required prior to Closing shall have been obtained without conditions.

(d) **Court Approval**: The Court Approval and the Vesting Order shall have been obtained.

The foregoing conditions shall be for the benefit of the Purchaser and may, without prejudice to any of the rights of the Purchaser hereunder (excluding reliance on or enforcement of any representations, warranties, or covenants dealing with the subject of or similar to the condition waived), be waived by it by notice to the Vendor in writing, in whole or in part, at any time, provided that the Purchaser is not entitled to waive the Court Approval condition contained in Section 6.2(d). The Purchaser shall proceed diligently and in good faith and use all reasonable efforts to fulfill and assist in the fulfillment of the foregoing conditions. In case any of the said conditions shall not be complied with, or waived by the Purchaser at or before the Closing Date, the Purchaser may terminate this Agreement by written notice to the Vendor.

6.3 Parties to Exercise Diligence and Good Faith with respect to Conditions

Each Party covenants to the other that it will proceed diligently, honestly, and in good faith, and use commercially reasonable efforts with respect to all matters within its reasonable control to satisfy its respective conditions in Sections 6.1 and 6.2.

ARTICLE 7
CLOSING DELIVERIES

7.1 Vendor Closing Deliveries

At Closing, the Vendor shall table a copy of the Vesting Order.

7.2 Purchaser's Closing Deliveries

At Closing, Purchaser shall table the Closing Payment.

ARTICLE 8
TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated at any time prior to Closing;

(a) by mutual written agreement of the Vendor and the Purchaser;

(b) by either the Vendor or the Purchaser, pursuant to the provisions of Articles 6.1 or 6.2, as applicable; or,

(c) by either the Vendor or the Purchaser if Closing has not occurred on or before May 19, 2021, or such later date as may be agreed to by the Vendor and the Purchaser, in writing.

8.2 Effect of Termination

If this Agreement is terminated by the Vendor or the Purchaser, as permitted under Section 8.1, Article 9 and Section 13.3 shall remain in full force and effect following any such permitted termination.

ARTICLE 9
CONFIDENTIALITY, PUBLIC ANNOUNCEMENTS AND SIGNS

9.1 Confidentiality

Each Party agrees to keep in strict confidence:

(a) subject to Section 9.2, all information regarding the terms of this Agreement and the Purchase Price; and

(b) any information exchanged or received in connection with:

(i) the performance of due diligence by the Purchaser prior to or after the date hereof; or

(ii) negotiation or drafting of this Agreement;

provided that a Party shall be entitled to disclose all information as may be required or desirable in connection with obtaining the Court Approval or Vesting Order. If this Agreement is terminated, each Party upon request will promptly return to the other Party all documents, contracts, records or other information received by it that disclose or embody confidential information of the other Party.

9.2 Public Disclosure

(a) Notwithstanding Section 9.1, a Party may release or provide information about the Transaction insofar as is required by Applicable Laws (including, but not limited to as may be required to obtain Court Approval or the Vesting Order) or stock exchange requirements applicable to the disclosing Party or its Affiliates; provided that such disclosing Party shall make reasonable commercial efforts to provide the other Parties with the details of the nature and substance of such required disclosure as soon as practicable and in any event prior to such disclosure. A Party may provide information about the Transaction to a bank or other financial institution to obtain financing on any required consent of the bank or other financial lender of such Party or any of its Affiliates. A Party may also disclose such information pertaining to this Agreement, including the identity of the Parties, insofar as is required to enable such Party to fulfil its obligations under this Agreement, including obtaining any approvals or consents to the Transaction required from Governmental Authorities (including Court Approval or the Vesting Order) or Third Parties.

ARTICLE 10
GOVERNING LAW AND DISPUTE RESOLUTION

10.1 Governing Law

This Agreement shall, in all respects, be subject to and be interpreted, construed and enforced in accordance with the laws in effect in the Province of Alberta and to the laws of Canada applicable therein.

10.2 Resolution of Disputes

(a) Each Party hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Court, and waives any defences it might have regarding jurisdiction in any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party, or for recognition or enforcement of any judgment in respect thereof, and each Party hereto hereby irrevocably and unconditionally agrees that all Claims in respect of any such action or proceeding may be heard and determined by the Court.

(b) Each Party hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any ancillary agreement to which it is a Party in any court of competent jurisdiction in the Province of Alberta. Each of the Parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defence of an inconvenient forum to the maintenance of such action or proceeding in any such court.

ARTICLE 11
NOTICES

11.1 Service of Notices

The addresses for service of the Parties shall be as follows:

the Purchaser: 1010307 Alberta Ltd.
PO Box 532, 118 8th Ave NW
Milk River, Alberta T0K 1M0

Attention: Justin Hughson
Email: justinh@borderheavyduty.ca

the Vendor: Ernst & Young Inc. Inc., in its capacity as court appointed receiver and manager of the assets, properties, and undertakings of Hughson Trucking Inc., and not in its personal or corporate capacity.
2200, 215 – 2nd Street SW
Calgary, AB T2P 1M4

Attention: Peter Chisholm
Email: peter.chisholm@ca.ey.com

with a copy to: McCarthy Tétrault LLP
4000, 421 – 7th Avenue S.W.
Calgary, Alberta T2P 4K9

Attention: Pantelis Kyriakakis
Email: pkyriakakis@mccarthy.ca

Any of the Parties may from time to time change its address for service herein by giving written notice to the other. Any notice may be served by personal service upon the above person specified by a Party, or if no person is specified, upon any officer of a Party, by mailing the same by prepaid post in a properly addressed envelope addressed to the Party at its respective address for service hereunder, or by email to such Party at the email address specified hereunder. Any notice personally served upon an office or the person specified by a Party, as the case may be, shall be deemed to be given on the date of such service, any notice served by mail shall be deemed to be given to and received by the addressee on the fourth Business Day, after the mailing thereof and any notice given by email shall be deemed to be given and received on the day when it is sent, if it is sent during normal business hours (9:00 a.m. to 5:00 p.m.) and, otherwise, on the next following normal Business Day. No notices shall be served by mail during times of interruption or threat of interruption of mail service due to strikes, lockout, or other causes.

ARTICLE 12
PERSONAL INFORMATION

12.1 Personal Information

The Purchaser covenants and agrees to use and disclose any personal information contained in any of the books, records, or files transferred to the Purchaser or otherwise obtained by the Purchaser in connection with the Transaction only for those purposes for which it was initially collected for or in respect of the individual to which such information relates or as otherwise permitted or authorized by Applicable Law. The Purchaser's obligations set forth in this Section 12.1 shall survive the Closing Date indefinitely.

ARTICLE 13
MISCELLANEOUS

13.1 Remedies Cumulative

No failure on the part of any Party to exercise any right or remedy will operate as a waiver thereof. A Party will not be precluded from exercising any right available to it at law, equity, or by statute because of its exercise of any single or partial right, and a Party may exercise any such remedies independently or in combination.

13.2 Assignment

Neither this Agreement nor any of the rights or obligations under this Agreement are assignable by any party without the prior written consent of the other party.

13.3 Costs

Except as otherwise specified in this Agreement, each Party shall pay its respective costs incurred in connection with the preparation, negotiation, and execution of this Agreement and the consummation of the Transaction.

13.4 No Waiver

No waiver by any Party of any breach of any of the terms, conditions, representations or warranties in this Agreement shall take effect or be binding upon that Party unless the waiver is expressed in writing under the authority of that Party and any waiver so given shall extend only to the particular breach so waived and shall not limit or affect any rights with respect to any other or future breach.

13.5 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and the Parties agree and confirm that this Agreement cancels and supersedes any prior understandings and agreements between the Parties hereto with respect to the subject matter hereof. No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by the Parties.

13.6 Further Assurances

From time to time, as and when reasonably requested by the other Party, a Party shall execute and deliver or cause to be executed and delivered all such documents and instruments and shall take or cause to be taken all such further or other actions to implement or give effect to the Transaction, provided such documents, instruments, or actions are consistent with the provisions of this Agreement. All such further documents, instruments, or actions shall be delivered or taken at no additional consideration other than reimbursement of any expenses reasonably incurred by the Party providing such further documents or instruments or performing such further acts, by the Party at whose request such documents or instruments were delivered or acts performed.

13.7 Time of the Essence

Time shall be of the essence in this Agreement.

13.8 Enurement

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective heirs, executors, successors, and permitted assigns.

13.9 Severability

In the case any of the provisions of this Agreement should be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

13.10 Counterpart Execution

This Agreement may be executed in counterpart and all executed counterparts together shall constitute one agreement. This Agreement shall not be binding upon any Party unless and until executed by all Parties.

13.11 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

HUGHSON TRUCKING INC., by and through ERNST & YOUNG INC., in its capacity as the court-appointed receiver and manager HUGHSON TRUCKING INC. and not in its personal or corporate capacity

Per: ____________________________
Name: Peter Chisholm
Title: Senior Vice President

1010307 ALBERTA LTD.

DocuSigned by:
Per: Justin Hughson
6E8A13A4F8D94F4...
Name:
Title:

Per: ____________________________
Name:
Title:

SCHEDULE "A"
THE ASSETS[1]

1. All of the Vendor's interest in and Claims in respect of any matters that may be asserted by Alberta Environment and Parks for the obligation, if any, that owners and operators of the gravel pit located at NW-26-02-17-W4M (the "**Gravel Pit**") have to perform reclamation or remediation work under provincial legislation regulating gravel pit operations and to the related $380,068 being held in trust or as may be otherwise held (the "**Security Funds**") in accordance with an Order of the Court of Queen's Bench of Alberta, dated April 17, 2019, as granted within the Receivership Proceedings.

2. All of the Debtor's interest, if any, in the inventory located at a Gravel Pit.

3. All of the Debtor's Claims, accounts, and receivables as and against anyone, including:

   (a) Canlava Mining Corp., including, but not limited to those subject to the proceeding commenced with the Supreme Court of British Columbia, under Action No S1913541(the "**Action**") and the Action itself and all rights to prosecute, continue, or discontinue it or any other proceedings respecting the Claims and all obligations and liabilities associated therewith; and,

   (b) The Goods and Services tax refund owned by Hughson Trucking Inc.

4. Subject to Article 3.4 (b), any cash belonging to the Debtor, other than and in excess of the Holdback Amount.

[1] All Capitalized terms not otherwise defined in this Schedule shall have the meanings ascribed to them in the Agreement of which this Schedule forms a part.

SCHEDULE "B"
PERMITTED ENCUMBRANCES

None.

SCHEDULE "C"
VESTING ORDER