No. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

Petitioner

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD.

Respondent

SECOND RECEIVER'S REPORT

ERNST & YOUNG INC.

March 26, 2023

TABLE OF CONTENTS
TO THE
SECOND RECEIVER'S REPORT

LISTING OF APPENDICES
TO THE
SECOND RECEIVER'S REPORT

INTRODUCTION

1. Pursuant to a petition to the Court (the "**Petition**") filed by Alirey Corp. ("**Alirey**"), the Supreme Court of British Columbia (the "**Court**") granted an order (the "**Receivership Order**") on November 3, 2023 (the "**Receivership Date**") pursuant to s. 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") and s. 39 of the *Law and Equity Act*, R.S.B.C. 1996, c.253 (the "**LEA**") appointing Ernst & Young Inc. ("**EY**") as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and property including all proceeds (the "**Property**") of each of the respondents (collectively, the "**Debtor**" or "**Mednow**").

2. As set out in the Receivership Order, the Receiver is empowered and authorized to, amongst other things, *inter alia:*

   a) take possession of and exercise control over the Property (as defined in the Initial Receivership Order) and any and all proceeds, receipts and disbursements arising out of or from the Property;

   b) to manage, operate and carry on the business of the Debtor, 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 including without limitation:

      i. retention or hiring of licensed pharmacists;

      ii. operation of online pharmacies

      iii. the sale and delivery of prescription medication and over the counter drugs; allocation and reallocation of intercorporate debt among the respondents or cease to perform any contracts of the Debtor;

c) 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 the Court in respect of a single transaction for consideration up to $100,000, provided that the aggregate consideration for all such transactions does not exceed $300,000; and

   ii. with the approval of this Court in respect of any transaction in which the individual or aggregate purchase price exceeds the limits set out above.

d) borrow by way of a revolving credit or otherwise, a principal amount not to exceed $1,000,000 (the "**Receiver's Borrowing Charge**") charged as security over the Property.

3. The Receiver has retained the services of McCarthy Tétrault LLP ("**McCarthy**") as its counsel in these receivership proceedings (the "**Receivership Proceedings**").

4. EY has established a website at www.ey.com/ca/Mednow (the "**Website**"). All Court documents and other relevant and pertinent information respecting these proceedings will be posted on the Website.

5. The Receiver has access to funding provided by 1000699590 Ontario Inc. (the "**Lender**") (a special purpose corporation established to fund the activities of the Receiver) with funding borrowed (the "**Receiver's Borrowings**") by way of Receiver certificates (the "**Receiver's Certificates**") and secured by the Receiver's Borrowings Charge, to fund these Receivership Proceedings.

6. On December 1, 2024, the Receiver filed its first report (the "**First Report**"), the purpose of which was to advise this Honourable Court with respect to, *inter alia*: (a) an overview of Mednow's business and pertinent background information; (b) the activities of the Receiver to the date hereof; (c) the Proposed Sales Process; (d) the Stalking Horse Bid; (e) the Receiver's

receipts and disbursements for the period from the Receivership Date to November 26, 2023; (f) the Receiver's statement of projected cash flow (the "**Cash Flow Forecast**") for the period of November 3, 2023 to March 9, 2024 (the "**Cash Flow Period**"); and (g) the proposed amendment to the Receivership Order.

7. On December 6, 2023, this Honourable Court pronounced Order(s) (the "**SISP Approval Order**") which, (a) approved the proposed sale and investment solicitation process (the "**SISP**"); (b) approved the stalking horse asset purchase agreement proposed by Alirey and the Lender (collectively with Alirey, the "**Stalking Horse Bidder**") to serve as the Stalking Horse Bid, and (c) approved increasing the maximum principal amount of the Receiver's Borrowings Charge from $1,000,000 to $1,475,000.

8. On March **26**, 2024, the Receiver filed a Notice of Application returnable April 3, 2023 (the "**Sale Approval Application**"), along with various materials in support that, amongst other things, is seeking:

    a) an order (the "**Proposed Approval and Vesting Order**") approving:

        i. the contract of purchase and sale between the Stalking Horse Bidder (now the "**Purchaser**") and the Receiver (the "**Sale Agreement**") for the transaction contemplated in the Stalking Horse Bid (the "**Sales Transaction**") whereby the Purchaser purchases substantially all of Mednow's assets; and

        ii. vesting the Purchased Assets (as defined in the Stalking Horse Bid) free and clear of any encumbrances to the Purchaser,

    b) an order (the "**Approval and Discharge Order**") approving:

        i. the activities and conduct of the Receiver as outlined in the First Report and the Second Report;

ii. an amendment to the Receivership Order to increase the maximum principal amount of the Receiver's Borrowings Charge to $1,512,500;

iii. the fees and disbursements of the Receiver and its counsel for the period from the commencement of the Receiver's mandate, along with the estimated fees of the Receiver and its counsel up to the closing and completion of the Sales Transaction, as described herein; and

iv. the discharge of the Receiver.

PURPOSE

9. The purpose of this Receiver's Second Report (the "**Second Report**") is to provide this Honourable Court with information pertaining to, *inter alia*:

a) the activities of the Receiver since the First Report;

b) the SISP;

c) the Proposed Approval and Vesting Order;

d) the Receiver's final receipts and disbursements for the period from the Receivership Date to completion;

e) the fees of the Receiver and of the Receiver's legal counsel to completion;

f) the proposed amendment to the Receivership Order;

g) the discharge as Receiver of Mednow; and

h) the Receiver's recommendations.

TERMS OF REFERENCE

10. In preparing this Second Report and making the comments herein, the Receiver has been provided with, and has relied upon, unaudited financial information, books and records prepared by Mednow; discussions with Mednow's management ("**Management**"); and information from other third-party sources (collectively, the "**Information**").

11. The Receiver has reviewed the Information for reasonableness and internal consistency, in the context in which it was provided. However, the Receiver has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

12. Some of the Information prepared by the Receiver consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the *Chartered Professional Accountants Canada Handbook*, has not been performed.

13. Future oriented financial or other information referred to in this Second Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not readily and currently ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be material.

14. Unless otherwise indicated, the Receiver's understanding of factual matters expressed in this Second Report concerning Mednow and its business is based on the Information, and not independent factual determinations made by the Receiver.

15. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

GENERAL BACKGROUND

General

16. Mednow Inc. is a publicly traded healthcare technology company providing virtual pharmacy and telemedicine services as well as doctor home visits. Mednow Inc.'s services include at-home delivery of medications, nurse practitioner and doctor consultations both online and in a patient's home, and a digital interface to transfer and refill prescriptions and facilitate pharmacist consultation related to prescriptions and overall pharmacy needs via virtual chat.

17. Mednow was in the process of growing its virtual pharmacy. "Mednow Pharmacy" is the online application where consumers can buy prescriptions and over the counter drugs. It has completed the "build phase" but has suffered from lack of growth and persistent liquidity challenges.

18. In addition to its virtual pharmacy and telemedicine services, Mednow operates two brick-and-mortar pharmacies located at:

    a) 1640 Bloor Street West, M6P 1A7 in Toronto, Ontario (the "**Toronto Pharmacy**"); and

    b) 4484 Main Street, V5V 3R3 in Vancouver, British Columbia (the "**Vancouver Pharmacy**").

19. Mednow also has a franchisee operated pharmacy located in Saint-Laurent, Quebec.

Financial History

20. On or about March 9, 2021, Mednow Inc. commenced trading on the TSX Venture Exchange under the symbol MNOW. Mednow insiders control approximately 58.7% of the shares and with the remaining 41.3% being widely held. Mednow used the proceeds of its initial public offering ("**IPO**") to develop its online business and to build out its brick-and-mortar stores.

21. In the spring of 2022, it was evident that Mednow required access to capital in the immediate future. It embarked on a company-led process, soliciting approximately 5-7 industry strategic pharmacy partners for investment into Mednow. This process did not yield any capital investment.

22. In late 2022, Mednow solicited a public offering to secure financing. Mednow offered convertible debentures (the "**Convertible Debentures**") on then market terms; however, received no material subscriptions. As a capital crisis had arisen with the lack of available capital, Alirey agreed to provide necessary funding to promote liquidity and working capital requirements to sustain operations.

23. In January of 2023, Mednow engaged a major accounting firm (the "**Financial Consultant**") to assist in capitalizing the company with private debt lenders. The Financial Consultant approached multiple lenders in Canada in order to secure financing; however, was unsuccessful in receiving any offers.

24. In January of 2023, Mednow engaged a major Toronto based investment bank (the "**Investment Bank**") to seek both a capital investment and/or an en bloc sale of all the assets and undertakings. This process targeted industry strategic investors, high net worth individuals and family offices. No capital was raised.

25. By January 2023, there was no substantial interest from subscribers for the Convertible Debentures. To maintain liquidity and working capital for continued operations, Alirey agreed to acquire $1,000,000 of the Convertible Debentures.

26. By February 2023, Mednow required additional financing. With no further subscribers for the Convertible Debentures, and the lack of success to access capital through the efforts of the Financial Consultant and Investment Bank, Alirey agreed to increase its subscription in the Convertible Debentures to $1,800,000.

27. On or about February 8, 2023, with no other lender prepared to advance under the Convertible Debentures, Alirey advanced $1,800,000 to Mednow. Pursuant to the Convertible Debentures, Alirey received guarantees and general security agreements ("**GSAs**") from the thirteen (13) individual members of Mednow, including the Respondents (collectively, along with the additional general security agreements subsequently granted by the individual members of Mednow to Alirey in connection with later advances, the "**Security**").

28. On April 24, 2023, the company announced public financing by way of prospectus supplement. The company closed this financing on May 9, 2023, with proceeds of $536,262. Subsequent to this public financing raise, the company received $585,000 equity financing by way of private placement from Amir Ali Reyhany Bozorg (the "**Equity Financing**").

29. By August 2023, Mednow was again in need of financial support to maintain operations. Alirey advanced a further $400,000 pursuant to the Security.

30. By October 23, 2023, further funds of approximately $1,056,650 were advanced, pursuant to the Security, such that the total owed to Alirey Corp. is $3,256,650 (the "**Indebtedness**").

31. On November 1, 2023, Alirey: (i) provided notice to Mednow Inc. of its default(s) under the Convertible Debentures, (ii) demanded repayment of the Indebtedness; (iii) served a Notice of intention to Enforce Security pursuant to s.244(1) of the BIA; and (iv) delivered demand for payment to Mednow for $3,904,000 representing the principal Indebtedness and interest to maturity; as provided by the terms of the Convertible Debentures.

32. No payment was made by Mednow prior to, or after the Receivership Date.

Causes of Insolvency

33. When the company issued its IPO, it had quarterly revenues of less than $120,000 and pre-development technology. After its IPO and the Equity Financing, Mednow Inc. undertook a high-growth strategy including acquisitions, established multiple sales channels, established various business lines, expanded geographic coverage across Canada, including the establishment of both technology and brick-and-mortar assets. Mednow had exponential revenue growth, recording a quarterly revenue of $12,800,000 as of April 30, 2023, across all of its operating subsidiaries.

34. Since this point both: (i) the shift in macroeconomic conditions for venture companies funding prospects; and (ii) the high costs associated with Mednow growth goals, made it difficult for Mednow to secure capital. As noted above, there were multiple failed attempts to raise adequate capital both publicly and by way of private placement. In addition, some of Mednow's subsidiaries failed, which caused the company to wind down operating assets and to drastically reduce costs.

RECEIVER'S ACTIVITIES SINCE THE FIRST REPORT

Security Review

35. The Receiver's legal counsel completed its review of the Security granted on the outstanding secured debt of Alirey. The security review confirms that, subject to customary qualifications and assumptions, the Security granted on the outstanding secured debt of Alirey is valid and enforceable. There is some question as to the enforceability of the Security with respect to a discrete $175,000 portion of the Indebtedness which relates to a debenture issued by Mednow on October 31, 2023. However, the Receiver notes that: (i) the Receiver was able to identify and trace all advances made by Alirey and has confirmed that such advances were made; (ii) the Sale Agreement contemplates a credit bid in the total amount of the Alirey

Indebtedness. To the extent the Security is not enforceable with respect to the $175,000 debenture, the effect would be a reduction of the purchase price by a corresponding amount, without reducing recoveries for any other creditor; (iii) no other bids were received within the SISP and the purchase price remains within the anticipated range of value; and, (iv) the Receiver's view is that, even assuming that the Security is not enforceable with respect to the $175,000 amount, there is no material change to the transaction overall, which remains the highest and best available bid in the circumstances.

Employees

36. Since the First Report, two (2) employees have resigned from their position at Mednow. In addition, on or around November 24, 2023, three (3) employees were terminated from their positions at Medvisit (the "**Terminated Employees**"). Copies of records of employment ("**ROE's**") were generated and made available to these employees through Service Canada.

WEPP

37. The Receiver was provided with a list of the Mednow employees terminated prior to the Receivership Date (collectively, with the Terminated Employees, the "**Terminated Mednow Employees**").

38. On or around December 15, 2023, the Receiver sent correspondence to the Terminated Mednow Employees informing them of the Wage Earners Protection Program ("**WEPP**"). The Receiver assisted some of the Terminated Mednow Employees by providing additional information or assisting them with submitting a WEPP application.

Franchise

39. The franchise pharmacy location in Quebec (the "**Franchise**") is operated under a franchise service agreement (the "**Service Agreement**"). Under the Service Agreement, Mednow was,

among other things, required to incur substantial costs for the build-out and operation of the pharmacy including for the creation of a French version of the Mednow online application. Upon providing the franchisee with a French version of the Mednow online application, commissions would be earned by Mednow to begin to repay certain of the substantial costs previously incurred.

40. Mednow incurred the significant majority, if not all, of the substantial costs required under the Service Agreement prior to the Receivership Date. However, the French version of the Mednow online application was never built. No commissions have been earned by Mednow to repay the substantial costs previously incurred, to date.

41. The Receiver contacted the Purchaser about the Service Agreement. The Purchaser has agreed to acquire the Service Agreement as part of the Sales Transaction. The Purchaser intends to build a French version of the Mednow online application and to begin to earn the commissions provided for in the Service Agreement.

<u>Franchise – Lease Disclaim</u>

42. Mednow Inc. is the tenant under the property lease for the Franchise. At the Receivership Date, the property lease has arrears of approximately $100,000 relating to disputed tenant improvement costs. The monthly lease payments are current as these lease payments have continued to be paid directly by the franchisee as the Franchise continues to operate during these Receivership Proceedings.

43. On February 16, 2024, after consultation with the landlord and the franchisee, the Receiver issued a notice to disclaim the property lease at the Franchise (the "**Disclaim Notice**"). The Disclaim Notice provided the landlord until February 28, 2024, to apply to Court for an order that the agreement is not to be disclaimed. It is the Receiver's understanding that the franchisee and landlord will enter into a new lease agreement, if not already done so.

Insurance

44. The Mednow insurance policy was to expire on January 24, 2024. The Receiver was able to obtain a three-month extension to provide Mednow with similar insurance coverage to April 24, 2024.

Legal Correspondence

45. The Receiver has received correspondence from Thornton Grout Finnegan LLP ("**TGF LLP**") representing HSBC Bank Canada ("**HSBC**"), and requesting specific information from the Receiver pertaining to certain pre-receivership transactions between Mednow and a subsidiary thereof, Infusicare Canada Inc.

46. On December 5, 2023, TGF LLP sent correspondence requesting certain information and requesting the Receiver to inform all interested parties of a potential outstanding claim against the former director of Mednow. Also on December 5, 2023, a response to the TGF LLP letter was sent by the Receiver's legal counsel.

47. On December 6, 2024, at the hearing to approve the SISP, this Honourable Court instructed TGF LLP that, if HSBC elected to pursue an application seeking the production of the insurance policy within the Receivership proceeding (the "**Production Application**"), the application would be returnable on December 11, 2023.

48. On December 7, 2024, TGF LLP sent correspondence requesting the contact information of Mednow's D&O's counsel and for the correspondence to be delivered to Mednow's D&O counsel. It is the Receiver's understanding that TGF LLP was included in email correspondence with both, Burns Fitzpatrick LLP (Mednow's legal counsel) and Poulos Ensom Smith LLP (Mr. Reyhany-Bozorg's independent legal counsel).

49. On December 8, 2024, TGF LLP sent further correspondence advising Mednow, the Receiver and this Honourable Court that it was not going to pursue the Production Application as

against the Receiver within the Receivership proceeding, at that time. Furthermore, the TGF LLP letter provided notice of TGF LLP's intention to commence a claim against Mednow and its directors and officers, and a reservation of rights to pursue a lift-stay application in these Receivership Proceedings.

50. As noted in the First Report, the Receiver will not undertake any further activity with respect to the TGF LLP correspondence, pending a claims process (if any), or alternative proceeding brought by HSBC and that would require a response by the Receiver.

51. Copies of the TGF LLP letters sent after the date of the Receiver's First Report and of the responses sent are attached hereto as **Appendix** "**A**".

<u>Weekly Update Meetings</u>

52. Update meetings were generally held each week. These update meetings were attended by the Receiver, Alirey, the Lender, the Strategic Advisor and Mednow's VP Finance and Accounting. The purpose of the weekly update meetings was to discuss, among other things, items such as Mednow's current cash position, the Receiver's Borrowings, the SISP, operational matters and to generally keep each party apprised of the Receivership Proceedings.

THE SISP

53. The First Report provides an overview of: (a) the SISP procedures; (b) the timelines under the SISP; and (c) certain roles and responsibilities of the Receiver. In this section capitalized terms used but not otherwise defined have the meanings ascribed to them in the SISP, which is attached as Schedule B to the SISP Approval Order.

54. Following the pronouncement of the SISP Approval Order and in accordance with the SISP, the Receiver, *inter alia*:

a) prepared marketing materials for a sale of, or investment into, Mednow, including:

   i. a summary of the opportunity (the "**Teaser**");

   ii. a confidential information memorandum (the "**CIM**") that summarized the opportunity and provided detailed financial and operational information;

   iii. a form of confidentiality agreement ("**CA**"); and

   iv. a standardized non-binding form of Letter of Intent ("**LOI**") to promote the comparability of the offers.

b) compiled a list (the "**Potential Bidder's List**") of 141 Potential Bidders, including pharmacies (local and national), health care operators (local and national), and financial parties, including those that specifically invest within the healthcare industry;

c) populated an electronic data room (the "**Data Room**") with key financial, corporate, operational and other pertinent information for Qualified Bidders to review following the signing of a CA; and

d) consulted with the Strategic Advisor and certain of Mednow's key employees on the preparation of the Potential Bidder's List, the Teaser and the Data Room, each of which have been updated to reflect certain of their comments and feedback provided.

Phase I of the SISP

55. On December 12, 2023 (the "**Commencement Date**"), the Receiver circulated a copy of the Teaser and the CA by email (and in certain cases contacting such parties by phone) to each of the Potential Bidders, each of whom were given notification of the January 26, 2023, deadline (the "**Phase I Bid Deadline**") to submit non-binding LOIs. The Receiver

subsequently followed up with each Potential Bidder that did not respond to its initial solicitation, by either phone and/or email.

56. Since the Commencement Date, the Receiver qualified 10 parties as Qualified Bidders; following the execution of a CA. The Receiver also fielded numerous inquiries from other Potential Bidders that ultimately declined to participate in the SISP Process. The Qualified Bidders were provided with a copy of the CIM and with access to the Data Room.

57. Over the 45-day due diligence period, the Receiver made itself available on short notice to answer any questions, respond to information requests, and to assist Potential Bidders with the due diligence necessary to formulate a Qualified Bid. Any documents provided to a Potential Bidder during this phase of the SISP Process and in response to these due diligence inquiries were uploaded to the Data Room so that the information and documents would be available for all Potential Bidders.

58. The Receiver did not receive any LOIs on or before the Phase I Bid Deadline. The SISP contemplated that, if no LOIs were received on or before the Phase I Bid Deadline, the Receiver would terminate the SISP, and the Stalking Horse Bid would be declared to be the Successful Bid.

Termination of the SISP

59. The purchase price in the Stalking Horse Bid, contemplates the Purchaser bidding Alirey's secured debt, as a credit, plus the Receiver's borrowings pursuant to the Receiver's Borrowing Charge to the Closing Date (defined below), plus Assumed Liabilities, if any, and those costs, charges and expenses identified in paragraph 2.1 of the Stalking Horse Bid (the "**Credit Bid**"). Accordingly, the final value of the Credit Bid increased as the Receiver continued to borrow pursuant to the Receiver's Borrowing Charge.

60. In the CIM provided to Qualified Bidders, the Credit Bid of the Stalking Horse Bid was estimated to be approximately $5.5 to $5.8 million as at Commencement Date. Following further Receiver's borrowings, the Receiver estimates that the Credit Bid is approximately $5.75 million as at the Closing Date (defined below), calculated as follows:

Indebtedness	$3,225,000
Indebtedness - interest	345,400
Receiver's Borrowings	1,512,500
Receiver's Borrowings - interest	46,700
Assumed Liabilities	618,557
Deposit	1,000
Credit Bid (at Closing Date)	**$5,749,157**

61. The Purchaser has agreed to assume potential priority claims as part of the purchase price. The Receiver is not currently aware of potential priority claims based on review of the Mednow financial records.

62. The Stalking Horse Bid was the only bid received as the Receiver did not receive any LOIs on or before the Phase I Bid Deadline. Accordingly, pursuant to the SISP, the Receiver declared the SISP to be at an end and further declared the Stalking Horse Bid to be the Successful Bid, and the Purchaser to be the Successful Bidder, subject only to confirmation by this Honourable Court. The Receiver advised the Purchaser that it had terminated the SISP and that it intended to proceed to close on the sale of the Stalking Horse Bid.

THE APPROVAL AND VESTING ORDER

63. Attached hereto as **Appendix** "**B**" is a copy of the Stalking Horse Asset Purchase Agreement (the "**Sale Agreement**"). Capitalized terms used but not otherwise defined in this section have the meanings ascribed to them in the Stalking Horse Bid and the Sale Agreement.

64. In summary, the Sale Agreement provides for, *inter alia*:

a) the acquisition of both of the Business Segments;

b) the acquisition of all assets, or virtually all, of Mednow by way of an asset purchase;

c) the go-forward retention of all the Mednow Staff;

d) the assumption of potential priority claims, if any;

e) a purchase price of approximately $5.75 million as at the date of this Second Report, calculated as detailed above; and

f) is solely conditional on approval of this Honourable Court.

65. The Sale Agreement remains in the form approved by this Honourable Court in the SISP Approval Order. The Stalking Horse Bidder has not requested any revisions to the Purchased Assets or Excluded Assets (each as defined in the Sale Agreement) since the date of the SISP Approval Order. The Stalking Horse Bidder has incorporated four (4) nominee corporations, to serve as the assignees and transferees of the assets of certain specified Mednow entities. Specifically: (i) **Mednow Digital Inc**., to serve as the nominee in respect of assets of Mednow Inc. and Mednow Virtual Care Ltd.; (ii) **Mednow Digital Pharmacy (BC) Inc.**, to serve as the nominee in respect of assets of Mednow Pharmacy Inc.; (iii) **Mednow Digital Pharmacy (ON) Inc.**, to serve as the nominee in respect of assets of Mednow Ontario Limited; and, (iv) **Medvisit Inc.**, to serve as the nominee in respect of assets of 2716725 Ontario Inc. References to the Purchaser in this report include the four aforementioned nominee corporations where required. The Stalking Horse Bid is conditional upon this Honourable Court granting and issuing the Proposed Approval and Vesting Order in substantially the same form as filed. The Proposed Approval and Vesting Order has been prepared with input from counsel for the Purchaser and seeks to, *inter alia*:

a) vest the beneficial and legal right, title and interest of all, or substantially all, of Mednow's assets, to the Purchaser free and clear of all encumbrances (other than permitted encumbrances) of every nature or kind whatsoever and howsoever arising; and

b) contemplates close of the transaction and vesting of the assets upon the Receiver issuing a Receiver's Certificate, contemplated to be issued on the closing date of April 8, 2024 (the "**Closing Date**").

66. As at the date of the this Second Report, the transfer of the Mednow licenses to the Purchaser by the College of Pharmacists (or any other regulatory authority, as is applicable) is not complete and remains outstanding. The transfer of the Mednow licenses is not expected to complete until after the Closing Date. The Purchaser, however, agrees to close on the transaction and acknowledges and assumes the potential risk that the requisite licenses may not be transferred to the Purchaser subsequent to the Closing Date.

67. As detailed above, the Sale Agreement provides for the acquisition of all, or substantially all, of the Mednow assets, provides for the go-forward retention of all the Mednow Staff, and contemplates the continued operations of the Mednow online and physical pharmacies to allow for the continued delivery of pharmaceutical services to the patients that they serve.

68. The Receiver notes that the conditions precedent to the Sale Agreement require approval by this Honourable Court of the Proposed Approval and Vesting Order. Should this Honourable Court determine it is not appropriate to issue such Order, the condition precedent will not be satisfied, and the transaction contemplated thereunder will not complete. Should this occur, the Receiver's options will be subject to the Receiver being able to obtain additional Receiver's Borrowings and would include:

a) continuing the Mednow operations in receivership; and

b) being required to perform a new sales process to solicit potential bids that, more likely than not (in light of the significant amount of the Alirey Indebtedness and other obligations to be assumed under the Sale Agreement), will be inferior to the Credit Bid.

69. The Receiver notes urgency to conclude a transaction with the Purchaser, as this Honourable Court may so Order, as delays in closing the Sales Transaction contemplated by the Sale Agreement, or otherwise, will increase the cash loss associated with these proceedings and will lead to continued uncertainty of the Mednow operations, which may negatively impact patient care.

Recommendation

70. The Receiver is of the view that it administered a robust, transparent, and fairly conducted SISP that occurred under the supervision of this Honourable Court and over a timeline that balances exposure to the market and Mednow's continued operational losses. As noted in the First Report, the Receiver consulted with Alirey, the Strategic Advisor, and certain of Mednow's key employees in preparing the SISP.

71. The Receiver solicited the opportunity to the Potential Bidder's List, which was prepared in consultation with, and includes all potential bidders identified by the Strategic Advisor. The Receiver is of the view that:

a) the opportunity has been adequately exposed to the marketplace to elicit interest in the offering;

b) the market value of the assets, either individually or in aggregate, does not exceed the purchase price contemplated in the Stalking Horse Bid; and

c) the Stalking Horse Bid represents the highest overall price available in the circumstances and the only bid received. The Receiver's view is that the Stalking Horse Bid is commercially reasonable.

72. On the forgoing basis, the Receiver recommends that this Honourable Court grant the Proposed Approval and Vesting Order approving the Sale Agreement in connection with the Stalking Horse Bid.

FINAL RECEIPTS AND DISBURSEMENTS

73. The table below summarizes the Receiver's final statement of receipts and disbursements (the "**Final SRD**") for the period of November 3, 2023, to March 24, 2024, and as compared to the cash flow forecast attached as Appendix G to the First Report. A detailed copy of the Receiver's Final SRD is attached hereto as **Appendix** "**C**".

	Actuals	Projections[1]	Variance
Opening Cash Balance	**99,129**	**99,129**	-
Cash Receipts			
Revenue	2,160,023	1,402,747	757,276
Receiver's Borrowing	1,346,852	1,400,000	(53,148)
Total Cash Receipts	**3,506,875**	**2,802,747**	**704,128**
Cash Disbursements			
Cost of Goods Sold	(1,379,570)	(929,419)	(450,151)
Employee Related Costs	(960,868)	(703,117)	(257,752)
Other Overhead	(395,197)	(316,067)	(79,130)
Professional / Advisory Fees	(56,846)	(73,372)	16,526
Restructuring Costs	(571,545)	(672,050)	100,505
Total Cash Disbursements	**(3,364,027)**	**(2,694,026)**	**(670,001)**
Ending Cash - Mednow Operating Account	**241,977**	**207,850**	34,127
Add: Cash in Receiver's Account from Receiver's Borrowings	**3,148**		3,148
Add: Cash Held in Trust	**162,500**		162,500
Closing Cash Balance	**407,624**	**207,850**	**199,774**

[1] *Projections represent the estimated cash receipts and cash disbursements to March 9, 2024 as per the cash flow forecast included in the Receiver's First Report.*

74. Regarding the above, the Receiver notes variances primarily relate to timing differences due to the Receiver's Final SRD reporting actual results to March 24, 2024, whereas the

Projections represent the estimated cash receipts and cash disbursements to March 9, 2024, as per the cash flow forecast provided in the First Report.

75. Since the Receivership Date, Receiver's Borrowings of $1,512,500 ($1,346,852 + $3,148 + $162,500) through Receiver's Certificates pursuant to the Receiver's Borrowing Charge have been borrowed by the Receiver to fund these Receivership Proceedings. Included in the $1,512,500, is $162,500 requested through a Receiver's Certificate pursuant to the Receiver's Borrowing Charge that is currently held in trust with McCarthy Tétrault LLP (the "**Trust Account Funds**") and to be released upon approval of the Sale Agreement by this Honourable Court for payment of unpaid professional fees.

76. Cash on hand as at March 24, 2024 was $241,977 in the Operating Accounts, $3,148 in the Receiver's Trust Account and $162,500 in an account currently held in trust at McCarthy Tétrault LLP. Should this Honourable Court approve the Sale Agreement, the funds in the Receiver's Trust Account together with the Trust Account Funds will be used to pay the professional fees that are unpaid and outstanding as at the date of this Second Report.

ESTIMATED COSTS TO COMPLETE

77. The table below summarizes the estimated costs to be incurred during the period of March 25, 2024, to the Closing Date.

	Estimated Costs to Complete
Operating Account, opening	**241,977**
Receiver's Trust Account, opening	**3,148**
Trust Account Funds, opening	**162,500**
Cash Receipts	**128,452**
Cash Disbursements	
Cost of Goods Sold	(91,842)
Employee Related Costs	(94,378)
Other Overhead	(66,718)
Professional / Advisory Fees	(13,000)
Restructuring Costs - Professional Fees	(162,500)
Restructuring Costs	(26,822)
Total Cash Disbursements	**(455,260)**
Ending Cash - Mednow Operating Account	**80,817**
Add: Cash in Receiver's Account from Receiver's Borrowings	-
Add: Cash Held in Trust	-
Closing Cash Balance	**80,817**

78. As shown in the table above, Mednow has sufficient liquidity to pay the remaining estimated costs to the Closing Date.

79. As described in the Terms of Reference above, the table above is based on assumptions regarding future events, actual results will vary from the information presented even if the probable and hypothetical assumptions occur, and the variations may be material.

PROFESSIONAL FEES AND DISBURSEMENTS

Receiver Fees

80. The Receiver's fees and disbursements for the period from November 3, 2023, to completion are summarized and attached hereto as **Appendix** "**D**".

81. The Receiver is seeking to have its fees and disbursements for this period passed and approved by this Honourable Court. During this period, the Receiver billed 672.7 hours,

representing fees of and disbursements of $258,996 (net of discounts and exclusive of GST). The Receiver's final invoice includes an estimate of $5,000 for fees required to complete these Receivership Proceedings. The activities of the Receiver during this period are documented in the Receiver's Reports.

82. The Receiver confirms that the services rendered by the Receiver, were reasonably necessary in the context of the Receiver's appointment, and that all charges are fair and reasonable and consistent with rates charged by other licensed insolvency trustee firms of similar size for similar work in Vancouver.

Legal Counsel Fees

83. The fees and disbursements of the Receiver's legal counsel, McCarthy Tétrault LLP ("**McCarthy**"), for the period from November 3, 2023, to completion are summarized and attached hereto as **Appendix** "**E**".

84. The Receiver is seeking to have the McCarthy fees and disbursements for the period from November 3, 2023, to completion passed and approved by this Honourable Court. During the period from November 3, 2023, to February 29, 2024, McCarthy billed 159.8 hours, representing fees and disbursements of $91,579 and provincial sales tax of $6,204 (exclusive of GST). McCarthy's estimates that an additional $11,605 plus applicable sales taxes will be required to complete these Receivership Proceedings.

85. The Receiver has reviewed the accounts rendered by McCarthy to the date of this Second Report, and confirms that all services described in the McCarthy accounts were rendered to the Receiver by McCarthy, that the services provided were reasonably necessary in the context of the Receiver's appointment, and that the Receiver believes that all charges in the accounts are fair and reasonable and consistent with rates charged by law firms of similar size in Vancouver for similar work.

AMENDMENT TO THE RECEIVERSHIP ORDER

Increase to Receiver's Charge

86. The Receivership Order authorizes the Receiver to make Receiver's Borrowings of up to $1,475,000, borrowed by way of Receiver Certificates.

87. Since the date of the First Report, the Receiver borrowed an incremental $1,112,500 through Receiver's Certificates. To date, Receiver's Borrowings of $1,512,500 have been borrowed through Receiver's Certificates pursuant to the Receiver's Borrowing Charge. Copies of the Receiver's Certificates issued since the date of the First Report are attached hereto as **Appendix** "**F**".

88. The Receiver is seeking an amendment to the Receivership Order to increase the Receiver's Borrowing Charge from $1,475,000 to $1,512,500, to fund these Receivership Proceedings to the Closing Date, as is contemplated in the Final SRD and the estimate to complete.

89. The Receiver notes that should the Closing Date be extended beyond April 8, 2024, the Receiver may seek a further amendment to the Receivership Order (in addition to this amendment request) to increase to the Receiver's Borrowing Charge in order to fund Mednow's continued operations.

DISCHARGE OF THE RECEIVER

90. Upon the filing of the "**Receiver's Certificate**", the Receiver will have fulfilled its duties pursuant to the Receivership Order granted in these proceedings. Accordingly, the Receiver respectfully requests that this Honourable Court approve an Order, at the same hearing, that, EYI be discharged as the Receiver of Mednow, to minimize the costs borne by the Debtors' estates with respect to professional fees.

CONCLUSION

91. For the reasons stated herein, the Receiver respectfully recommends that this Honourable Court:

a) grant the Proposed Approval and Vesting Order and Approval and Discharge Order.

All of which is respectfully submitted this 26th day of March, 2024.

ERNST & YOUNG INC.
in its capacity as Receiver of Mednow
and not in its personal or corporate capacity

Per:

Peter Venetsanos, CPA, CA, CIRP, LIT
Vice President

Appendix “A”

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

mccarthy tetrault

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

December 1, 2023

Via Email (pfesharaki@tfg.ca)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

Attention: Puya Fesharaki

Dear Counsel:

Re: Mednow Inc. et al ("Mednow")

We write further to your letters in relation to the above noted matter, and in particular your request for information about transfers from Infusicare Canada Inc. to Mednow Inc.

As you're aware, the receiver has taken control of Mednow, and is seeking court approval to commence a sales process in relation to the business. That sales process includes a credit-bid stalking horse from the funder of the receiver's borrowings and the senior secured creditor. The steps being taken by the receiver to review the senior secured lender's debt and security are set out in the receiver's first report.

The receiver has reviewed the questions posed in your letter, and understands that your client asserts it (or Infusicare Canada Inc.) may have a claim against Mednow Inc. and/or their current or former directors. As the sales process is just now being commenced, it is not known what, if any, recovery will be available to unsecured creditors. The receiver is happy to pursue or investigate any matters it is directed to by the court, but notes that pursuing the matters set out in your letter (and the costs associated therewith) are likely best postponed until the recovery available to unsecured creditors is known. The receiver will, however, advise the court of your correspondence.

We are happy to discuss any questions you may have.

Yours truly,

McCarthy Tétrault LLP

DocuSigned by:

0B38D88CABCB430...

Lance Williams*

LW/kd

c. Client

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Puya Fesharaki
T: (416) 304-7979
E: pfesharaki@tgf.ca
File No. 100-463

December 5, 2023

VIA EMAIL (kaleb.dekker@parthenon.ey.com)

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5

Attention: Lance Williams

Dear Counsel:

Re: Receivership Proceedings of Mednow Inc. et al. ("Mednow")

Thank you for your letter of December 1, 2023.

Unfortunately, the letter and the First Receiver's Report dated November 30, 2023 (the "**Report**") referenced therein raise a number of issues that need to be addressed.

First, paragraph 60 of the Report that details the receiver's dealings with us is false. It refers to a reply letter from "[the Applicant's legal counsel" to our firm. That is not true. The letter we received was on Mednow's letterhead and signed by Aly Reyhany on behalf of Mednow. Further, it stated in such letter that legal counsel is in the process of being retained.

Mr. Reyhany's continued involvement with Mednow is not set out in the Report. If "the receiver has taken control of Mednow" as you state in your letter, in what capacity is Mr. Reyhany writing on behalf of Mednow, and did the receiver know and approve of such letter being issued?

Second, our principal request of the receiver in our initial letter was to confirm there were "insurance policies in respect of Mednow and/or its directors and officers for the period November 30, 2021 to the present time" and to provide copies of same to us (the "**Outstanding Inquiry**"). We have not hear from your further to the Outstanding Inquiry. We would appreciate a response.

Third, as you know, the potential claim referred to in our initial letter refers to potential malfeasance and lack of clean hands on the part of Mr. Reyhany, Mednow's former D&O. We are troubled to have received a letter from Mr. Reyhany on behalf of Mednow while the company is in receivership proceedings, and to learn from the Report that entities related to or controlled by Mr. Reyhany (Alirey Corp.) now constitute the stalking horse bidder as part of the receiver's sale process.

We understand that a hearing has been scheduled for December 6, 2023 in this matter. In advance of that date, we request an answer to our Outstanding Inquiry.

We also ask that the Receiver inform all interested parties and the Court that (a) there is a potential outstanding claim that relates to Mr. Reyhany acting with unclean hands as former D&O of Medow, and (ii) most importantly, precisely the nature and extent of Mr. Reyhany's role in respect of Mednow and these proceedings, including but limited to:

(i) his former role as D&O of Mednow;

(ii) his apparent continuing role as a person of authority in respect of Mednow in spite of these receivership proceedings, which fact seems to be omitted from the Report; and

(iii) his role *vis a vis* the Stalking Horse Bidder (as defined in the Report). The initial affidavit filed in support of these receivership proceedings suggests he is intimately involved with the Stalking Horse Bidder, Alirey Corp.

Yours truly,

Thornton Grout Finnigan LLP

Puya Fesharaki
PJF

Encls.
cc: D.J. Miller, *Thornton Grout Finnigan LLP* (via email)
Tanja Deric, *HSBC Bank Canada* (via email)

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver BC V6E 0C5
Canada
Tel: 604-643-7100
Fax: 604-643-7900

Lance Williams*
Partner | Associé
Direct Line: 604-643-7154
Email: lwilliams@mccarthy.ca
Law Corporation

Assistant: Katerina Doumakis
Direct Line: 604-643-7910
Email: kdoumakis@mccarthy.ca

December 5, 2023

Via Email (pfesharaki@tfg.ca)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7

Attention: Puya Fesharaki

Dear Counsel:

Re: Mednow Inc. et al ("Mednow")

We write further to your letter of today's date.

In response to your comment on paragraph 60 of the Receiver's report, the correspondence was sent to you by Leah Jonak of Burns Fitzpatrick LLP, who are counsel to the Petitioner. The Receiver does not know why the attachment is on Mednow Inc. letterhead, as it was not authorised by the Receiver, and you have the Receiver's response to your letter. We are happy to advise the Court.

Mr Reyhany is not involved with the operations of the Mednow group following the Receiver's appointment, and has been advised to not send any correspondence on behalf of the Mednow group in future.

In response to your request regarding director's and officer's insurance, there is a policy that the Receiver is aware of that expires on December 21, 2023. The Receiver does not know what the former directors and officers intend to do (as it is a policy for their benefit), but it will not be renewing this policy, or purchasing run-off.

Finally, the Court is aware of Mr Reyhany's involvement with the Petitioner and the Mednow group, as this is set out in the materials and was disclosed by the Petitioner's counsel at the hearing to appoint the Receiver. As you are aware, there is no restriction on a related party making a stalking horse bid, or a credit bid. The Receiver has and continues to review the debt and security held by the Petitioner, and will as an officer of the Court be advising of its findings and other necessary information the Court may require. Should your client have information relevant to the validity or priority of the Petitioner's debt and security, the Receiver asks that you please provide it as soon as possible for consideration.

Yours truly,

McCarthy Tétrault LLP

DocuSigned by:

0B38D88CABCB430...

Lance Williams*

LW/kd

c. Client

burns fitzpatrick

Burns Fitzpatrick LLP
Suite 400, 570 Granville Street,
Vancouver, BC, Canada V6C 3P1
t: 604.602.5000 | f: 604.685.2104
Please use buzzer number 20400 at the outside entrance to the building.
Once you are buzzed in, the elevator to our floor will be enabled.

Contact: Dennis K. Fitzpatrick
dir: 604.602.5001
e: dfitzpatrick@burnsfitz.com

File No. 022223

December 6, 2023

Thornton Group Finnigan LLP
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON M5K 1K7
Attention: Puya Fesharaki

McCarthy Tétrault LLP
745 Thurlow Street
Suite 2400
Vancouver, BC V6E 0C5
Attention: Lance Williams

Dear Mmes. and Messrs.:

Re: Alirey Corp. v 2716725 Ontario Inc. et al
SCBC Action No. S237444 - Vancouver Registry

Pursuant to this morning's hearing, please find attached herewith the order made by Justice Walker and entered today.

If there is an application to be scheduled to be heard remotely, the attached Form 20.1 will need to be completed and filed.

Yours truly,

BURNS FITZPATRICK LLP

Per: Dennis K. Fitzpatrick*
*Denotes a Professional Law Corporation

DKF/lj
Enclosure

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Michael Ng
T: 416-304-7975
E: mng@tgf.ca
File No. 100-463

December 7, 2023

VIA EMAIL (lwilliams@mccarthy.ca , dfitzpatrick@burnsfitz.com)

McCarthy Tétrault LLP
745 Thurlow St
Suite 2400
Vancouver, BC V6E 0C5

Attention: Lance Williams

Burns Fitzpatrick LLP
570 Granville Street
Suite 400
Vancouver, BC B6C 3P1

Attention: Dennis Fitzpatrick

Dear Messrs. Williams and Fitzpatrick:

Re: Receivership of Mednow Inc. et al. - Court File No. S-237444

As you know, we are counsel to HSBC Bank Canada (“**HSBC**”), the senior secured creditor of Infusicare Canada Inc. (“**Infusicare**”), a wholly-owned subsidiary of Mednow Inc. (along with its affiliates, “**Mednow**”).

This letter is at the request and direction of the Honourable Justice Walker of the Supreme Court of British Columbia, further to a hearing approving the sale and investment solicitation process of Mednow on December 6, 2023.

As further set out below, we request: (1) that the contact information of Mednow D&O’s counsel be provided; and (2) for this correspondence to be delivered to such counsel forthwith.

Background and Particulars

Mednow acquired Infusicare in December, 2021 by way of a share purchase transaction (the “**Transaction**”). In May 2023, Infusicare informed HSBC that it was unable to operate as a going concern and began the process of winding-down its operations.

Based on the books and records of Infusicare, between November 7, 2022, and May 30, 2023, Infusicare transferred $1,728,000.00 to its parent Mednow. During the same time period, Mednow transferred $281,320.40 to Infusicare. The net transfers by Infusicare to Mednow totaled $1,446,679.60.

Mednow's directors knowingly caused Infusicare to remit cash to its parent Mednow for an amount approximately the purchase price paid by Mednow pursuant to the Transaction, leaving the indebtedness owing to Infusicare's secured creditor unpaid. These non-arms length transactions constituted a stripping of assets from Infusicare to Mednow.

At all relevant times, Mr. Bozorg was a director and officer of both Mednow and Infusicare. His conduct (and potentially that of others, when full particulars are known) was oppressive, unfairly prejudicial to HSBC, and in breach of his fiduciary and statutory duties. HSBC's secured interests were impaired by Mr. Bozorg's misuse of his corporate powers, causing HSBC loss and damage.

Claim against Mr. Bozorg and potentially Others

Based on the foregoing, and other inappropriate behaviour that HSBC will plead and prove in the ordinary course, commencing a claim against Mednow and Mr. Bozorg is anticipated to be brought.

Kindly provide Mednow's D&O counsel information and deliver this correspondence to them, and confirm if Mednow, the Receiver or the D&O have notified all insurers who issued any policies during the relevant time period set out above, with notice of this claim. We also reiterate our prior requests that you provide us with a copy of all insurance policies that were in place from December 2021 to the current date.

Thank you for your attention and we look forward to hearing from you.

Yours truly,

Thornton Grout Finnigan LLP

Michael Ng

cc. D.J. Miller, Puya Fesharaki, *Thornton Grout Finnigan LLP*

Thornton Grout Finnigan LLP
RESTRUCTURING + LITIGATION

Toronto-Dominion Centre
100 Wellington Street West
Suite 3200, P.O. Box 329
Toronto, ON Canada M5K 1K7
T 416.304.1616 F 416.304.1313

Michael Ng
T: 416-304-7975
E: mng@tgf.ca
File No. 100-463

December 8, 2023

VIA EMAIL

The Supreme Court of British Columbia
800 Smithe Street
Vancouver, BC V6Z 2E1

Attention: The Manager of the Supreme Court of Scheduling and Legal Counsel:

Dear The Manager of the Supreme Court of Scheduling:

Re: Receivership of Mednow Inc. et al. - Court File No. S-237444

As you know, we are counsel to HSBC Bank Canada ("**HSBC**"), the senior secured creditor of Infusicare Canada Inc. ("**Infusicare**"), a wholly-owned subsidiary of Mednow Inc. (along with its affiliates, "**Mednow**").

This letter is sent at the request and direction of the Honourable Justice Walker of the Supreme Court of British Columbia on December 6, 2023. All counsel in the Service List is copied.

On December 6, 2023, following a hearing approving the sale and investment solicitation process of Mednow, Justice Walker ordered, among other things, that if HSBC elects to pursue an application seeking the production of the insurance policy effective December 22, 2022 to December 21, 2023 within the Receivership proceeding (the "**Production Application**"), the application will be returnable before His Honour on Monday, December 11, 2023 at 9:30 a.m.

First, we write to advise Mednow, the Receiver, and this Court that HSBC will not be pursuing the Production Application as against the Receiver within the Receivership proceeding at this time. A hearing date of Monday, December 11, 2023 does not give our client sufficient time to retain and instruct B.C. counsel and prepare the materials for such an application. We will confirm with the Court that the December 11, 2023 hearing time before Justice Walker is released forthwith. Our client reserves its rights to seek production of the insurance policy from the parties within the action to be brought.

Second, on December 7, 2023 at 9:51 a.m., we delivered the enclosed correspondence to counsel to Mednow and the Receiver particularizing allegations of wrongdoing and naming proposed defendants based on HSBC's current knowledge. HSBC also requested Mednow's D&O counsel information and confirmed that all other wrongdoing, along with the identity of other defendants, will be pled and proved in the ordinary course.

Third, given that HSBC will not be pursuing the Production Application at this time within the Receivership proceeding, what follows in this letter is notice of HSBC's (1) intention to commence a claim against Mednow and its directors and officers, and (2) reservation of rights to pursue a lift-stay application in the receivership proceeding.

Reservation of Rights of Superior Court Action

As we set out in the enclosed December 7, 2023 letter, it is HSBC's position that Mednow and its directors knowingly stripped assets from Infusicare to Mednow, leaving the indebtedness owing to Infusicare's secured creditor unpaid. Accordingly, HSBC reserves all rights and remedies to commence a claim against Mednow, Mr. Bozorg, and potentially other directors and officers of Mednow in the ordinary course. Given Mednow's Receivership, Mednow will be a party for the purpose of pursuing the directors and officers and as the named insured on any policy.

We require Mednow (including the Receiver and all directors and officers) to preserve all potentially relevant documents, including any records and communications relating to monetary transfers between November 7, 2022 and May 30, 2023. Please ensure that all the directors of Mednow are aware of their obligations to preserve such documents.

Reservation of Rights of Lift-Stay and Opposition to Release

HSBC takes the position that Mednow and its directors stripped Infusicare's assets resulting in Infusicare becoming insolvent and unable to repay the indebtedness owing to the senior secured creditor. Accordingly, HSBC reserves all rights and remedies to pursue a lifting of the stay of claims against Mednow to pursue its claims.

Moreover, if the petitioners in the Receivership proceeding, as part of any future relief sought (including the approval of any sale transaction), seek to release Mr. Bozorg or any other directors or officers of Mednow who participated in the stripping of Infusicare's assets (as HSBC continues to obtain knowledge of further defendants and particulars), we will oppose the same and seek a specific carve-out as it relates to this claim.

We trust this is satisfactory. Thank you for your attention.

Yours truly,

Thornton Grout Finnigan LLP

Michael Ng

Enclosure

cc: Lance Williams, *McCarthy Tétrault LLP*
Dennis Fitzpatrick, *Burns Fitzpatrick LLP*
Service List

cc. D.J. Miller, Puya Fesharaki, *Thornton Grout Finnigan LLP*

SCHEDULE "A"

NO. S-237444
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

ALIREY CORP.

PETITIONER

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., MEDNOW VIRTUAL CARE LTD.

RESPONDENTS

SERVICE LIST

Burns Fitzpatrick LLP 400 – 570 Granville Street Vancouver, BC V6C 3P1 **Attention: Dennis Fitzpatrick** Email: dfitzpatrick@burnsfitz.com *Counsel to the Petitioner*	**McCarthy Tétrault LLP** Suite 2400, 745 Thurlow Street Vancouver, BC V6E 0C5 **Attention: H. Lance Williams** **Ashley Bowron** Email: lwilliams@mccarthy.ca abowron@mccarthy.ca sdanielisz@mccarthy.ca *Counsel to the Receiver, Ernst & Young Inc.*
Ernst & Young Inc. 1133 Melville Street, Suite 1900 Vancouver, BC V6E 4E5 **Attention: Peter Venetsanos** **Kevin B. Brennan** Email: Peter.Venetsanos@parthenon.ey.com Kevin.B.Brennan@parthenon.ey.com *Receiver*	**Norton Rose Fulbright Canada LLP** 222 Bay Street,, Suite 3000, P.O. Box 53 Toronto, ON M5K 1E7 **Attention: James Renihan** Email: james.renihan@nortonrosefulbright.com *Counsel to Gilead Sciences Canada, Inc.*

Field Law 400 – 444 7 Avenue SW Calgary, AB T2P 0X8 **Attention: J. Graham Martinelli** Email: gmartinelli@fieldlaw.com *Counsel to Dundee Flex Properties Inc.*	**Thornton Group Finnigan LLP** 100 Wellington Street West Suite 3200, P.O. Box 329 Toronto, ON M5K 1K7 **Attention: Puya Fesharaki** Email: pfesharaki@tgf.ca *Counsel to HSBC Bank Canada*
Eric Fortin / Ariel Khabie 9420-7164 Quebec inc. 3020 – 5005 boul. Lapinière Brossard (Québec) J4Z 0N5 Email: akhabie@kastello.ca efortin@kastello.ca sgibeault@kastello.ca	**D'Arcy & Deacon LLP** 2200 – One Lombard Place Winnipeg, MB R3B 0X7 **Attention: Kenneth J. Muys** Email: kmuys@darcydeacon.com *Counsel to AC Manitoba Investments Ltd.*
Eastern Avenue Studio's Inc. Rosie Bonofiglio 3200 Highway 7 Vaughn, ON L4K 5Z5 Email: jneely@smartcentres.com	
Parties Having a Registered Security Interest	
McKesson Canada Corporation 4440 – 78th Avenue S.E. Calgary, AB T2C 2Z5 2300 Meadowvale Blvd. Mississauga, ON L5N 5P9 6355 Viscount Road Mississauga, ON L4V 1W2	**Imperial Distributors of Canada Inc.** 150 – 13711 Mayfield Place Richmond, BC V6V 2G9 **Meridian OneCap Credit Corp.** Suite 1500, 4710 Kingsway Burnaby, BC V5H 4M2
The Bank of Nova Scotia 10 Wright Boulevard Stratford, ON N5A 7X9	

Appendix “B”

STALKING HORSE ASSET PURCHASE AGREEMENT

THIS STALKING HORSE ASSET PURCHASE AGREEMENT (this "**Agreement**") is made effective the 30th day of November, 2023.

BETWEEN:

ALIREY CORP. ("**AlireyCo**")
1000699590 ONTARIO INC. ("**1000Co**")

(collectively the "**Purchasers**" or individually a "**Purchaser**")

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD., by and through their court-appointed receiver and manager, ERNST & YOUNG INC., in its capacity as the court-appointed receiver and manager of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD., and not in its personal or corporate capacity

(collectively, the "**Vendor**", and together with the Purchasers, the "**Parties**" and each a "**Party**")

WHEREAS:

A. Pursuant to the Order Made After Application (the "**Receivership Order**") pronounced by the Honourable Justice Walker of the Supreme Court of British Columbia (the "**Court**") on November 3, 2023 in the proceedings under Court File Number S-237444, Vancouver Registry (the "**Receivership Proceedings**"), Ernst & Young Inc. was appointed as the receiver and manager (in such capacity, the "**Receiver**") of all of the assets, undertakings and property (collectively, the "**Receivership Assets**") of 2716725 Ontario Inc., 10111132 Manitoba Ltd. (d.b.a. Mednow MB), Mednow Clinic Services Inc., Mednow Inc., Mednow East Inc., Mednow Medical Inc., Mednow Ontario Limited, Mednow Pharmacy AB Ltd., Mednow Operations Inc., Mednow Pharmacy Inc., Mednow Pharmacy MB Ltd., Mednow Pharmacy Services Inc., Mednow Technology Inc., and Mednow Virtual Care Ltd. (collectively, the “**Debtors**”).

B. Prior to the pronouncement of the Receivership Order, the Debtors became indebted to the Purchasers pursuant to the various loan and security agreements between the Purchasers and the Debtors.

C. The Purchasers have advised the Receiver that they wish to serve as the “stalking horse bidder” in the context of the Sale Process to be undertaken by the Receiver in respect of the Receivership Assets, including the Property.

D. Subject to obtaining (i) the Sale Process Order and, in the event that this Agreement is selected as the Successful Bid, (ii) the Vesting Order and Court Approval, the Purchasers are prepared to purchase the Property from the Vendor, and the Vendor is prepared to sell the Property to the Purchasers, all on an “as is, where is” basis and upon the terms and conditions set out in this Agreement.

E. Terms utilized in these Recitals and defined in this Agreement will, for all purposes of this Agreement, have the meanings respectively ascribed thereto in Section 3.1 or as otherwise defined herein.

NOW THEREFORE, in consideration of the covenants and agreements herein set forth, the Vendor and the Purchasers hereby covenant, acknowledge and agree as follows:

ARTICLE 1 – GENERAL TERMS

1.1 Statement of Purpose of Agreement

The purpose of this Agreement is to provide a “stalking horse credit bid” in the context of the Sale Process, pursuant to which, subject to the terms set out in the Sale Process and the Sale Process Order and in the event that this Agreement is selected as the Successful Bid under the Sale Process, the Purchasers shall pay the Purchase Price to the Vendor, and the Vendor shall sell the Property to the Purchasers.

1.2 Incorporation of Statement of Purpose and Recitals

The foregoing Recitals and the statement of purpose, as set out in Section 1.1, is approved by the Parties and expressly incorporated herein; provided, however, that in the event of any conflict or inconsistency between Section 1.1 and any other term of this Agreement, the other term of this Agreement shall have precedence and be determinative.

1.3 Nominees

The Purchasers may incorporate a company or companies for the purpose of acquiring the Property and serving as the Purchasers’ nominee(s) in taking title to such Property, and shall allocate the Property and the Purchase Price as between them, in accordance with a separate agreement between them, to be provided to the Receiver at least five (5) Business Days prior to Court Approval. Notwithstanding the foregoing, the Purchasers may not assign, in whole or in part, any or all of their obligations under this Agreement to any such nominee or any other Person, except in accordance with Section 12.1.

ARTICLE 2 – OFFER AND PURCHASE PRICE

2.1 Offer to Purchase and Purchase Price

The Purchasers hereby offer to purchase (the "**Offer**") from the Vendor the Property, free and clear of all liens, charges, encumbrances and title notations, save and except the Permitted Encumbrances, upon the terms and conditions contained herein and in the Vesting Order. The purchase price to be paid, by the Purchasers to the Vendor for the Property, shall be the aggregate of and shall be paid as follows:

(a) The Purchasers shall credit bid the full amount of the Alirey Loans, being established as approximately $3,561,002.94, as at March 1, 2024, to be adjusted as at the Closing Date to include all amounts accruing or payable thereunder, all of which shall be extinguished upon Closing;

(b) The Purchasers shall assume the following obligations: (i) all of the Debtors' liabilities, indebtedness and obligations under or in connection with the pill machine lease/financing contract, in the estimated amount of $140,000; (ii) all of the Debtors' liabilities, indebtedness and obligations under or in connection with the one leased or financed motor vehicle in respect of which a financing statement has been registered in the Personal Property Registry of British Columbia, in the estimated amount of $25,000; (iii) all accrued obligations of the Debtors relating to vacation pay with respect to the Debtors' current employees; (iv) all rental arrears relating to the Leases; (v) all accrued rent in respect of any other leasehold premises of the Debtors, other than any leaseholds which have been disclaimed within the Receivership Proceedings prior to the Closing Date or leaseholds forming part of the Excluded Assets; and (vi) all accrued obligations owing to McKesson Canada;

(c) The Purchasers shall credit bid the aggregate amount of all Receiver's Certificates due to 1000Co, as adjusted to the Closing Date, including all accrued interest thereon;

(d) The Purchasers shall assume and pay, in full and in cash, on the Closing Date, all Priority Obligations then outstanding, other than any Priority Obligations to be assumed or credit bid pursuant to Subsections 2.1(a) - (c) above, which amount shall, for greater certainty, include the cash payment of any amounts then outstanding under the Priority Charges; and,

(e) The Purchasers shall pay additional cash consideration of $1,000, reflected by the Deposit, which Deposit shall be set off against the cash amount owing by the Purchasers in accordance with Section 4.2,

(collectively, the amounts set out in subsections 2.1(a) to (e) are referred to as the "**Purchase Price**")

ARTICLE 3 – INTERPRETATION

3.1 Definitions

In this Agreement, each following term will have the meaning respectively set out below unless the context or subject matter is inconsistent with that meaning:

(a) "**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of assessment, notice of reassessment, proceeding, litigation, summons, subpoena or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity;

(b) "**Agreement**" means this Stalking Horse Asset Purchase Agreement, and all schedules attached hereto, as may be amended in writing from time to time with the agreement of both Parties;

(c) "**Alirey Loans**" means all loans granted by AlireyCo to the Debtors as set out in Schedule A, or any one or more of them;

(d) "**Alirey Security**" means any and all security granted by the Debtors or any one or more of them, in respect of the Property or any of the Receivership Assets, to AlireyCo, in respect of any or all of the Alirey Loans;

(e) "**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;

(f) "**Assumed Service Contracts**" means those Service Contracts, to the extent they are assignable without cost by the Vendor to the Purchasers, which the Purchasers have elected, by the delivery of written notice to the Vendor delivered within five (5) Business Days after the issuance of the Sale Process Order, to assume; for greater certainty, the Purchasers shall not be required to assume any management agreements related to the Property;

(f) "**Business**" means all business being conducted by the Debtors, including the Debtors' integrated healthcare and pharmaceutical services, all facilitated through a comprehensive mobile and web application. This platform serves as a single access point for a range of pharmaceutical and healthcare services, encompassing both virtual and in-home health solutions. Without limiting the generality of the foregoing, the Business includes the operation of virtual pharmacy services by the Debtors' licensed pharmacies in Ontario, British Columbia, and through a Quebec licensee, offering online sale and delivery of pharmaceutical and drugstore products; collaboration with partner or 'In-Network' pharmacies to provide similar services in other areas of Canada; and at-home and virtual care services, including access to nurse practitioners and licensed physicians. For greater certainty, the Purchasers have conducted their own due diligence in respect of the Business and the Vendor shall have no liability, and make no representations or warranties whatsoever, with respect to the Business;

(g) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia;

(h) "**Closing**" means the closing of the purchase and sale of the Property in accordance with the provisions of this Agreement and the consummation of the transactions contemplated by this Agreement;

(i) "**Closing Certificate**" means a certificate to be filed by the Receiver with the Court, if appropriate and in accordance with the Vesting Order, confirming, *inter alia*, that the Closing has occurred;

(j) "**Closing Date**" means a date no later than ten (10) Business Days following the pronouncement of the Vesting Order, or at such other date as may be agreed to in writing by the Parties;

(k) "**Court**" has the meaning given to it in the Recitals hereto;

(l) "**Court Approval**" means the approval of the completion of this Agreement and the transactions contemplated hereunder by the Court, and for greater certainty, the final Court Approval shall not occur upon approval of this Agreement as the Stalking Horse Bid but shall occur under the Vesting Order;

(m) "**Deposit**" means the sum of one thousand Canadian dollars ($1,000.00), to be paid by the Purchasers to the Vendor pursuant to Subsection 4.2(a);

(n) "**Execution Date**" means the date upon which the Vendor and the Purchasers exchange executed copies of this Agreement;

(o) "**Excluded Assets**" means, collectively:

(i) any Receivership Assets set out in Schedule “**D**” hereto;

(ii) any Receivership Assets which would otherwise form part of the Property, as contemplated herein, in respect of which the Purchasers deliver a notice to the Receiver, at least five (5) Business Days prior to the Phase 2 Bid Deadline, identifying such Receivership Assets as Excluded Assets; and

(iii) any interest of the Debtors in or to any of the foregoing;

(p) "**Expense Reimbursement**" has the meaning given to it in the Expense Reimbursement Schedule;

(q) “**Expense Reimbursement Schedule**” means Schedule “C” hereto;

(r) "**Goods**" means all assets, inventory, undertakings and personal property, other than the lands used in the Business, that are located at, placed or installed upon the leasehold locations where the Business is conducted, or otherwise form part of the Receivership Assets, excluding any assets, undertakings or personal property that are:

(i) subject to a valid purchase money security interest, as defined by the PPSA; or

(ii) serial numbered goods, as defined in the regulations to the PPSA, that are subject to a perfected security interest with priority over the Alirey Security; or

(iii) Excluded Assets;

(s) “**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 Property, or any transaction contemplated by this Agreement;

(t) “**Intellectual Property**” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, under the Applicable Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, brand names, logos, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of and symbolized by, and all registrations, applications and renewals for, any of the foregoing; (b) all business names, corporate names, telephone numbers and other communication addresses owned or used by the Vendor in the Business; (c) internet domain names, whether or not trademarks, registered in any top-level domain by any authorized private registrar or governmental authority, web addresses, web pages, websites and related content, accounts with *X*®, *Facebook*® and other social media companies and the content found thereon and related thereto, and URLs; (d) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer and moral rights, and all registrations, applications for registration and renewals of such copyrights; (e) all industrial designs and applications for registration of industrial designs and industrial design rights, design patents and industrial design registrations owned or used by the Vendor in the Business; (f) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein; (g) patents (including all patent registrations, reissues, divisional applications or analogous rights, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other governmental authority issued indicia of invention ownership (including inventor's certificates and patent utility models); (h) Software; (j) royalties, fees, income, payments and other proceeds now or hereafter due or payable with respect to any and all of the foregoing; and (k) all rights to any Actions of any nature available to or being pursued by the Vendor to the extent related to the foregoing, whether accruing before, on or after the date hereof, including all rights to and claims for damages, accounting, restitution and injunctive relief for infringement, dilution, misappropriation, violation, misuse, breach or default, with the right but no obligation to sue for such legal and equitable relief, and to collect, or otherwise recover, any such damages and accounting;

(u) “**Inventory**” means all inventory of the Vendor for resale which is on hand as of the Closing Date;

(v) “**Leases**” means the leases, agreements to lease, and offers to lease with commercial landlords upon the following lands (including any modifications, renewals and assignments thereof and any subsisting agreements to lease or lease guarantees):

(i) 101 - 4484 Main Street
Vancouver, BC V5V 3R3

(ii) 1640 Bloor Street West
Toronto, ON M6P 1A7

(w) “**Permitted Encumbrances**” means encumbrances specifically approved in writing by the Purchasers, no later than five (5) Business Days following the date, if any, on which this Agreement is declared to be the Successful Bid under the Sale Process, or such later date as the Parties may agree in writing; and “**Permitted Encumbrances**” shall include, at minimum, any encumbrances with respect to any Priority Obligations applicable to any of the Property which have not been satisfied, in full, by the Closing Date;

(x) “**Person**” shall be interpreted broadly and means, without limitation, any individual, corporation, cooperative, limited or unlimited liability company, joint venture, partnership (limited or general), society, trust, trustee, executor, Government Authority, or other entity;

(y) “**Phase 1 Bid Deadline**” has the meaning given to it in the Sale Process;

(z) “**Phase 2 Bid Deadline**” has the meaning given to it in the Sale Process;

(aa) "**PPSA**" means the *Personal Property Security Act*, R.S.B.C. 1996, c. 359, as amended, the *Personal Property Security Act*, R.S.O. 1990, c. P.10, as amended, and any analogous personal property security legislation in any province in which any of the Property is located, as context may require;

(bb) "**Property**" means the Rights, the Goods, all receivables, prepaid expenses, and all Intellectual Property, real property, and personal property (to the extent not included in the aforementioned), owned by any one or more of the Debtors, but does not include any Excluded Assets;

(cc) “**Priority Charges**” means, collectively, the Receiver’s Charge and the Receiver’s Borrowing Charges;

(dd) “**Priority Obligations**” means any and all indebtedness, liabilities and obligations in priority to the Alirey Loans and the Alirey Security, including, without limitation, all Receiver’s Certificates and Priority Charges;

(ee) "**Purchase Price**" has the meaning given to it in Section 2.1;

(ff) "**Purchasers’ Solicitors**" means Harris + Harris LLP (for 1000Co) and Burns Fitzpatrick LLP (for AlireyCo);

(gg) "**Qualified Bid**" has the meaning given to it in the Bidding Procedures;

(hh) **“Receiver**" has the meaning given to it in the Recitals hereto;

(ii) “**Receiver’s Borrowing Charge**” has the meaning given to it in the Receivership Order;

(jj) **“Receivers Certificates”** has the meaning given to it in the Receivership Order;

(kk) “**Receiver’s Charge**” has the meaning given to it in the Receivership Order;

(ll) “**Receivership Assets**” has the meaning given to it in the Recitals hereto;

(mm) “**Receivership Order**” has the meaning given to it in the Recitals hereto;

(nn) “**Receivership Proceedings**” has the meaning given to it in the Recitals hereto;

(oo) “**Rights**" means all rights and obligations of the Vendor in respect of all Leases and licensee agreements, pharmaceutical authorities, permissions and the Vendor's interest in the Service Contracts;

(pp) **“Sale Process**" means the sale solicitation procedures appended to the Sale Process Order, which shall be substantially in the form attached as Schedule “**B**” hereto with such modification as the Parties may agree to in writing or the Court may otherwise order;

(qq) “**Sale Process Order**” means the order to be granted by the Court within the Receivership Proceedings, *inter alia*, approving (i) the Sale Process; and (ii) this Agreement as the Stalking Horse Bid under the Sale Process;

(rr) "**Service Contracts**" means all contracts pertaining to the Business entered into by or binding upon the Vendor, together with all modifications, extensions, renewals and assignments thereof, relating to the management, servicing, maintenance, repair, cleaning and advertising or the provision of any other goods or services in respect of the Business or the furnishing of supplies or services thereto, including contracts for leasing equipment or chattels;

(ss) "**Software**" means computer programs, operating systems, applications, interfaces, applets, software scripts, macros, firmware, middleware, development tools and other codes, instructions or sets of instructions for computer hardware or software, including SQL and other query languages, hypertext markup language, wireless markup language, xml and other computer markup languages, in object, source code or other code format;

(tt) “**Stalking Horse Bid**” has the meaning given to it in the Sale Process;

(uu) “**Successful Bid**” has the meaning given to it in the Sale Process;

(vv) “**Superior Offer**” has the meaning given to it in the Sale Process;

(ww) "**Transfer**" means a bill of sale and the Vesting Order, with respect to the transfer of the Property from the Vendor to the Purchasers;

(xx) "**Vesting Order**" means the sale approval and vesting order to be granted by the Court in the Receivership Proceedings, substantially in the British Columbia model order form with such modifications as the Parties may agree, *inter alia*, vesting all of the Vendor's right, title, estate, and interest in and to the Property to the Purchasers, free and clear of all claims and encumbrances other than the Permitted Encumbrances;

(yy) "**Vendor' Solicitors**" means McCarthy Tétrault LLP;

3.2 Interpretation

In this Agreement:

(a) words importing the singular number include the plural and vice versa and words importing the neutral gender include the masculine and feminine genders;

(b) the division of this Agreement into Articles, Sections and Subsections and the insertion of headings are for convenience only and will not affect the construction or interpretation of this Agreement;

(c) references to any Article, Section, Subsection or Schedule will, unless the context otherwise requires, mean that Article, Section, Subsection or Schedule of this Agreement;

(d) the captions contained in this Agreement are for convenience of reference only and in no way define, limit or describe the scope or intent of this Agreement or in any way affect this Agreement; and

(e) all payments to be made will be deemed to be payments to be made in lawful currency of Canada, and all references to "dollars" or "$" shall be deemed to refer to the lawful currency of Canada.

3.3 List of Schedules

The following schedules are incorporated in and shall form part of this Agreement:

Schedule A – Alirey Loans

Schedule B - Sale Process

Schedule C - Expense Reimbursement Schedule

Schedule D - Excluded Assets

ARTICLE 4 - PURCHASE PRICE

4.1 Agreement of Purchase and Sale

Subject to the terms and conditions of this Agreement:

(a) the Vendor, by and through the Receiver, exercising the powers of sale granted pursuant to the Receivership Order, the Sale Process Order, the Vesting Order, and any and all other orders granted by the Court, as part of the Receivership Proceedings, hereby agrees to sell, assign, transfer, convey, and set over all of the Vendor's right, title and interest, if any, in and to the Property, to the Purchasers, in consideration of the Purchase Price payable by the Purchasers, to the Vendor, on the dates stipulated herein; and

(b) the Purchasers agree to purchase and accept the Property from the Vendor, subject only to the Permitted Encumbrances, and to pay or otherwise satisfy the Purchase Price, to the Vendor, on the dates stipulated herein, subject to and in accordance with the terms and conditions of this Agreement, the Vesting Order, the Sale Process Order, and the Sale Process.

4.2 Payment of Purchase Price

The Purchasers will pay and satisfy the Purchase Price, subject to the adjustments provided for in this Agreement, as follows:

(a) the Deposit will be paid by the Purchasers to the Vendor by way of wire transfer (of immediately available funds), certified cheque or bank draft, payable to the Vendor's Solicitors, on or before the Phase 1 Bid Deadline;

(b) a cash amount that, when combined with the Deposit, equals the total amount of all Priority Obligations (other than those Priority Obligations to be assumed or credit bid pursuant to the terms of this Agreement) outstanding on the Closing Date, if any, will be paid by the Purchasers to the Vendor by way of wire transfer (of immediately available funds), certified cheque or bank draft, payable to the Vendor's Solicitors, on or before the Closing Date as provided in this Agreement; and

(c) a credit bid of an amount equal to:

(i) the amount of the obligations under the Alirey Loans then outstanding including all accrued interest thereon;

(ii) ***plus*** the aggregate amount of the Receiver's Certificates then outstanding including all accrued interest thereon;

which shall be applied to the Purchase Price and extinguished, on the Closing Date; and

(d) by the assumption and assignment of all liabilities set out in Section 2.1, on the Closing Date.

4.3 Deposit

The Deposit will be held by the Receiver. The Deposit will be dealt with as follows:

(a) on the Closing Date, the Deposit will be credited on account of the Purchase Price; or

(b) if, following satisfaction of the conditions set forth in **Subsections 7.1(A)** and **7.1(c)**, the Purchasers fail to complete the purchase of the Property in accordance with this Agreement or if the Purchasers repudiate this Agreement, then the Deposit will be forfeited to the Vendor as liquidated damages, without prejudice to any other rights or remedies of the Vendor whether at law or in equity; or

(c) if the conditions set forth in **Subsections 7.1(A)** and **7.1(B)** are satisfied on or before the date specified therein and if the Purchasers are not in default of any of their obligations under this Agreement and the Vendor fails to complete the sale of the Property in accordance with this Agreement or if, following satisfaction of the conditions set forth in **Subsections 7.1(A)** and **7.1(B)**, the Vendor repudiates this Agreement, then the Deposit will be returned to the Purchasers upon demand by the Purchasers made on or after the Closing Date; or

(d) in the event of termination of this Agreement pursuant to **Section 7.1(A)**, then the Deposit will be forthwith returned to the Purchasers, this Agreement will be terminated and each of the Parties will have no further obligations to, nor rights against, the other in respect of this Agreement except for any obligations of the Purchasers under **Section 5.2**; or in the event of termination of this Agreement pursuant to **Section 7.2**, then the Deposit will be forthwith returned to the Purchasers and the transactions contemplated hereby will be abandoned, without further action by any of the Parties; provided, however, that **Section 7.3, Section 7.5** and **Section 5.2** will remain in full force and effect and survive any such termination of this Agreement.

ARTICLE 5 - "AS IS, WHERE IS", INSPECTION AND INQUIRY

5.1 Acknowledgement by Purchasers

The Purchasers acknowledge and agree that they have had the opportunity to conduct their own due diligence investigations in respect of the Property and the Purchasers expressly acknowledge and agree that they are acquiring the Property on an "as is and where is" basis, without any representation or warranty by the Vendor with respect to the

Vendor’s right, title or interest in or to the Property, or merchantability, fitness for purpose, enforceability of any right of license or other benefit without limitation in the Property, environmental condition, existence of any parts and/or components, latent defects, quality, quantity, or any other thing affecting the Property or the Receivership Assets, or normal operation thereof, by the Vendor other than as provided for in this Agreement, or any other matter whatsoever, except as otherwise expressly set forth in this Agreement. In this regard, the Purchasers are relying solely on their own due diligence investigations in entering into this Agreement. Without limiting the generality of the foregoing, the Vendor makes no representation or warranty with respect to (a) the value of any or all of the Property, (b) the quality or condition of any or all of the Property, (c) the Debtors’ or Vendor’s compliance with any Applicable Laws pertaining to the Property, (d) the accuracy or completeness of any data or information supplied by the Vendor or any representative thereof in connection with the Property or the Receivership Assets, or (d) the title of the Vendor to the Property. The Purchasers expressly agree and acknowledge that 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 Purchasers in any manner whatsoever by the Vendor or any representative(s) in connection with the Property or this Agreement, except to the extent expressly set out in this Agreement and then only to the extent set out herein.

5.2 Return of Documentation In Certain Circumstances

The Purchasers will forthwith return to the Vendor all documentation obtained by the Purchasers from the Vendor with respect to the Property and all copies thereof, together with copies of all surveys, studies and reports and the results of all inspections and tests made by or on behalf of the Purchasers with respect to the Property, if the Closing does not occur for any reason whatsoever.

5.3 Confidentiality Pending Closing

The Purchasers will cause their respective directors, officers, consultants and agents to keep in strict confidence all information with respect to the Property and the documentation obtained by the Purchasers with respect to the Property until Closing is completed, except to the extent the Purchasers need to release such information and documentation to their accountants, counsel, lenders, consultants and financial advisers in connection with the purchase of the Property or the Purchasers are required to release such information or documentation in order to comply with applicable laws or a court order. In circumstances where information and documents have been released to the Purchasers’ accountants, counsel, lenders, consultants and financial advisers, the provisions of **Section 12.12** shall apply.

5.4 Non-Interference Pending Closing

Following the Execution Date and up until the Closing Date, the Purchasers will not disturb or interfere with the Business or operations of the Vendor, or the Receivership Assets, and will not communicate with any tenants or the property manager in respect of any further due diligence investigations required by the Purchasers, without the Vendor's prior written consent.

5.5 Authorization

The Vendor will promptly, at the Purchasers’ request, execute and deliver any authorizations reasonably required by the Purchasers to permit statutory or governmental authorities to release information to the Purchasers concerning the Property and the existence of any liens against the Property, provided that such authorizations will not permit or authorize, and the Purchasers agree not to request or cause, any inspections of the Property by any such authorities, and furthermore that any such execution and delivery shall be at the sole expense of the Purchasers.

ARTICLE 6 - REPRESENTATIONS AND WARRANTIES

6.1 Vendor's Representations and Warranties

The Vendor hereby represents and warrants to the Purchasers, as representations and warranties made as of the date hereof and as of the Closing Date, unless otherwise specified, with the intent that the Purchasers will rely on such representations and warranties in entering into this Agreement:

(a) the Receiver has been appointed by the Court, as the receiver and manager of the Receivership Assets, and such appointment is valid and subsisting;

(b) that, provided the Vesting Order is obtained:

a. the Receiver, in its capacity as the court-appointed receiver and manager of the Receivership Assets and not in its personal capacity, has good right, full power and authority to enter into this Agreement and the other documents and agreements executed and delivered hereunder and to sell, assign, transfer, convey and set over the interest of the Vendor in and to the Property, and complete the transactions contemplated by this Agreement, in accordance with and at all times subject to the terms and conditions of the Receivership Order, the Vesting Order, and any other orders granted as part of the Receivership Order; and

b. this Agreement has been and all documents and agreements to be executed and delivered by the Vendor at Closing, pursuant to this Agreement, shall be duly executed and delivered by them and shall constitute legal, binding and valid obligations of the Vendor enforceable against the Vendor in accordance with their terms, subject and pursuant to the provisions of the Receivership Order, the Vesting Order, and any other orders granted as part of the Receivership Order, and bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditors' rights generally and the discretionary nature of equitable remedies and defences;

(c) that the Receiver has not sold or entered into any other agreements for the sale of the Property, other than as is or may be authorized by orders of the Court; and

(d) the Vendor is not a non-resident within the meaning of the *Income Tax Act* (Canada) or a non-Canadian within the meaning of the *Investment Canada Act* (Canada).

6.2 Purchasers' Representation and Warranty

Each of the Purchasers hereby represents and warrants to the Vendor, as representations and warranties made as of the date hereof and as of the Closing Date, with the intent that the Vendor will rely on such representations and warranties in entering into this Agreement:

(a) that the Purchasers collectively have the financial ability to complete the purchase of the Property and there is no action or proceeding pending before any court, arbiter, arbitration panel, administrative tribunal or agency which, if decided adversely to the Purchasers might materially affect the Purchasers' ability to perform their obligations under this Agreement;

(b) the Purchasers are and will on the Closing Date be authorized and have the capacity to complete the purchase of the Property as contemplated in this Agreement and have taken all action, and have the full power and authority, to enter into this Agreement and all other documents and agreements executed and delivered hereunder and have taken or will have taken on the Closing Date, as applicable, all necessary action to consummate the transactions contemplated by this Agreement and to perform their obligations hereunder and under the other documents and agreements executed and delivered hereunder;

(c) this Agreement has been and all documents and agreements to be executed and delivered by the Purchasers at Closing, pursuant to this Agreement, shall be duly executed and delivered by them and shall constitute legal, binding and valid obligations of the Purchasers enforceable against the Purchasers in accordance with their terms, subject to bankruptcy, insolvency, preference, reorganization, moratorium and other similar laws affecting creditors' rights generally and the discretionary nature of equitable remedies and defences

(d) neither the Purchasers entering into this Agreement, nor the performance of its terms will result in a breach of or constitute a default under any term or provision of any indenture, mortgage, deed of trust or other agreement to which either of the Purchasers is bound or subject;

(e) provided the Court Approval is obtained, (i) no authorization or approval or other action taken by, and no notice to or filing with any Government Authority exercising jurisdiction over the Property or the Purchasers is required by the Purchasers or on their behalf for the due execution and delivery of this Agreement, and (ii) the consummation of the transactions contemplated by this Agreement will not constitute or result in a material violation, breach, or default by the Purchasers under any provision of any agreement or instrument to which the Purchasers are a party or parties or any judgment, law, decree, order, or ruling applicable to it; and

(f) the Purchasers are not non-residents within the meaning of the *Income Tax Act* (Canada) or non-Canadians within the meaning of the *Investment Canada Act* (Canada).

6.3 Survival of Representations and Warranties

The representations and warranties of the Vendor contained in **Section 6.1** will survive the Closing Date and will continue in full force and effect for the benefit of the Purchasers thereafter for a period of ninety (90) days, notwithstanding any independent inquiry or investigation by either of the Purchasers, the subject matter of which is contained in a representation or warranty herein. The representation and warranties of the Purchasers contained in **Section 6.2** will survive the Closing Date and will continue in full force and effect for the benefit of the Vendor thereafter for a period of ninety (90) days, notwithstanding any independent inquiry or investigation by any of the Vendor, the subject matter of which is contained in a representation or warranty herein.

6.4 Vendor's Covenant

The Vendor hereby covenants and agrees with the Purchasers as follows:

(a) to continue to operate and manage the Business until the Closing Date in accordance with and subject to the Receivership Order; and

(b) to maintain adequate insurance coverage in respect of the Business until the Closing Date.

6.5 [Intentionally Deleted]

[*Intentionally Deleted*]

6.6 Suitability and Condition of Property

The Purchasers hereby acknowledge and agree that:

(a) all representations and warranties of the Vendor set out in Section 6.1 hereof are subject in all respects to the acknowledgments and agreements of the Purchasers set out in Section 5.1;

(b) the Vendor has not made any representation or warranty whatsoever as to quality of the Business or the suitability of the Property for the Purchasers' intended purposes, or the extent to which the Business complies with applicable regulatory, health or safety standards or applicable taws, including, without limitation, product liability laws;

(c) the Purchasers have had the opportunity to conduct a legal and financial assessment of the Business and the Property;

(d) the Purchasers are acquiring the Property on an "as is and where is" basis, without any representation or warranty by the Vendor with respect to the Property's compliance with any Applicable Laws or the financial condition of or relating to the Business and the Property, and based on the Purchasers' own investigations, and in connection therewith, the Purchasers acknowledge and agree that the Purchasers are responsible to satisfy themselves, and to rely on their own investigations.

6.7 Employees

No later than seven (7) days prior to the Closing Date, the Purchasers shall provide the Vendor with a list of the Debtors' employees to whom the Purchasers intend to make offers of employment (in this Section 6.7, "**Retained Employees**"). The Purchasers (or their nominees or assignees, pursuant to Section 1.3 and Section 12.1) shall offer all such Retained Employees employment on terms substantially identical to their current terms of employment with the Debtors and shall recognize, assume, and become liable for all previous service and accrued benefits, vacation pay, and other obligations of the Debtors with respect to such Retained Employees. In the event that Purchasers identify any Retained Employees pursuant to this Section 6.7, or provide the Vendor with a *nil* list of Retained Employees, then all employees of the Debtors who are not Retained Employees of the Debtors shall be terminated, by the Vendor, at least one (1) day prior to the Closing Date. In the event that the Purchasers fail to provide the Vendor with a list of Retained Employees (which list, for greater certainty, may be *nil* in the event the Purchasers do not wish to retain any of the Debtors' employees), the Purchasers shall be deemed to have irrevocably elected to identify all of the Debtors' employees as Retained Employees. For greater certainty, this Section 6.7 shall not affect, in any manner whatsoever, the assumption of accrued vacation pay of the Debtors' current employees pursuant to Section 2.1 and Section 4.2, which shall be part of the Purchase Price hereunder regardless of whether any such employees are Retained Employees.

6.8 Licensing

The Purchasers will take benefit of all pharmaceutical licences on the basis that they will apply for similar licences and the Vendor will cease using such licenses. For greater certainty, the Vendor shall have no obligation or liability with respect to such pharmaceutical licenses following the Closing.

ARTICLE 7 - CONDITIONS PRECEDENT, SALE PROCESS, VESTING ORDER, AND EXPENSE REIMBURSEMENT SCHEDULE

7.1 Conditions to Closing

(A) Mutual Conditions

The Purchasers' obligation to complete the purchase of the Property pursuant to this Agreement, and the Vendor's corresponding obligation to complete the sale of the Business and Property, is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

(i) this Agreement shall have been approved by the Court as the Stalking Horse Bid, unamended or with such amendments as may be mutually agreed to in writing by the Vendor and the Purchasers;

(ii) this Agreement shall have been declared to be the Successful Bid; and

(iii) the Vesting Order shall have been issued and Court Approval shall have been obtained;

The foregoing conditions may not be waived by the Parties. In the event the such conditions are not satisfied on the Closing Date, any Party may terminate this Agreement by written notice to the other Party (or Parties as the case may be).

(B) Vendor's Closing Conditions

In addition to the conditions set out in Subsection 7.1(A) above, the obligation of the Vendor to complete the sale of the Property pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

(i) all representations and warranties of the Purchasers contained in this Agreement shall be true in all material respects on the Closing Date;

(ii) the Purchasers shall have, in all material respects, timely performed and satisfied all obligations required by this Agreement to be performed and satisfied by the Purchasers on or prior to the Closing Date;

(iii) the Purchasers shall have executed and delivered to the Vendor any conveyance document reasonably required for Closing;

(iv) the Purchasers shall have tendered the Purchase Price to the Vendor in the manner provided for in this Agreement;

(v) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect preventing or prohibiting Closing; and

(vi) all necessary governmental or regulatory approvals to the sale of the Property that are required prior to Closing, if any, shall have been obtained without conditions.

The foregoing conditions are 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. The Vendor shall proceed diligently and in good faith and use all commercially reasonable effects 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 Purchasers.

(C) Purchasers' Closing Conditions

In addition to the conditions set out in Subsection 7.1(A) above, the obligation of the Purchasers to complete the purchase of the Property pursuant to this Agreement is subject to the satisfaction at or prior to the Closing Date of the following conditions precedent:

(i) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects on the Closing Date;

(ii) 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;

(iii) the Vendor shall have executed and delivered to the Purchasers any conveyance document reasonably required for Closing;

(iv) there will not be any judicial restraining order or injunction, preliminary or otherwise, in effect preventing or prohibiting Closing;

(v) the Vendor shall have provided proof acceptable to the Purchasers, acting reasonably, of any employee terminations required by the terms of Section 6.7 of this Agreement; and

(vi) all necessary governmental or regulatory approvals to the sale of the Property that are required prior to Closing, if any, shall have been obtained without conditions.

The foregoing conditions are for the benefit of the Purchasers and may, without prejudice to any of the rights of the Purchasers 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 them in writing, in whole or in part, at any time. The Purchasers shall proceed diligently and in good faith and use all commercially reasonable effects 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 Purchasers, at or before the Closing Date, the Purchasers may terminate this Agreement by written notice to the Vendor.

7.2 Termination Under Sale Process

This Agreement will automatically terminate if the Vendor declares that any other transaction is a Superior Offer under the Sale Process.

7.3 Procedure and Effect of Termination

In the event of termination of this Agreement pursuant to **Section 7.2**, notice thereof will forthwith be given by the Vendor to the Purchasers and this Agreement will terminate, the Deposit will forthwith be returned to the Purchasers and the transactions contemplated hereby will be abandoned, without further action by any of the Parties; provided, however, that this **Section 7.3**, and **Sections 7.5** and **5.2** will remain in full force and effect and survive any termination of this Agreement.

7.4 Agreement Subject to Sale Process

Notwithstanding any other provision of this Agreement, the Vendor and the Purchasers acknowledge and agree that this Agreement shall be subject in all respects to the Sale Process Order and the Sale Process, and any action permitted under or in connection with the Sale Process shall be permitted under this Agreement. This Section 7.4 shall not affect any amount payable under Section 7.5 hereof.

7.5 Expense Reimbursement

If this Agreement is terminated pursuant to **Section 7.2**, and provided that such action has been approved pursuant to the Sale Process Order or any other order of the Court, the Vendor will pay to the Purchasers the Expense Reimbursement calculated on the basis of **Schedule C** on the day the Superior Offer is completed. The Expense Reimbursement will be made by wire transfer of immediately available funds to an account designated by the Purchasers. Each of the Parties hereto acknowledges that the agreements contained in this **Section 7.5** are an integral part of the transactions contemplated by this Agreement and that the Expense Reimbursement is not a penalty, but rather contemplates the payment of an amount that will compensate the Purchasers in the circumstances in which such Expense Reimbursement is payable for the efforts and resources expended while negotiating this Agreement and in reliance on this Agreement and on the expectation of the consummation of the transactions contemplated hereby.

7.6 [Intentionally Deleted]

[Intentionally Deleted]

7.7 [Intentionally Deleted]

[Intentionally Deleted]

7.8 Vesting Order

Provided that this Agreement is declared to be the Successful Bid under the Sale Process, the Vendor shall as soon as practicable thereafter commence a motion (the "**Vesting Motion**") for the granting of the Vesting Order and Court Approval with respect to this Agreement, on terms acceptable to the Parties, acting reasonably. The Vesting Motion shall be served by the Vendor's Counsel on the service list maintained in the Receivership Proceedings and all other Persons whom the Purchasers' Solicitors reasonably request be served, and the Purchasers shall: (i) provide any information and take such actions as may reasonably be requested by the Vendor or the Receiver to assist in obtaining the Vesting Order, and any other order of the Court as reasonably necessary to consummate the transactions contemplated by this Agreement, and (ii) use commercially reasonable efforts to do, or cause to be done, all things necessary or proper, consistent with Applicable Law, to consummate and make effective the transactions under this Agreement as soon as possible following the issuance of the Vesting Order.

7.9 Appeals

In the event that leave to appeal is sought, an appeal is taken or a stay pending appeal is requested with respect to this Agreement or the Vesting Order, the Vendor shall promptly notify the Purchasers of such leave to appeal, appeal, or stay request and shall promptly provide to the Purchasers a copy of the related notice(s) or order(s).

ARTICLE 8 - POSSESSION, ADJUSTMENT AND RISK

8.1 Possession

Subject to the prior satisfaction or waiver of the conditions set out in **Section 7.1**, the Purchasers will be entitled to have possession of the Business and Property on the Closing Date, subject only to the Permitted Encumbrances.

8.2 Risk

The Property will be and remain at the risk of the Vendor until 12:01 a.m. on the Closing Date, and thereafter at the risk of the Purchasers if the Closing is duly completed.

ARTICLE 9 - CLOSING PROCEDURES

9.1 Vendor' Documents

On or before the Closing Date, the Vendor will deliver to the Purchasers' Solicitors, properly executed and acknowledged, all documents reasonably required and prepared by the Purchasers' Solicitors in form and substance reasonably approved by the Vendor's Solicitors, in order to complete this transaction in accordance with its terms, including, without limitation:

(a) an executed Closing Certificate to be filed and served upon the service list maintained in the Receivership Proceedings, concurrently with or as soon as practicable following Closing;

(b) a Transfer in registrable form conveying the Property from the Vendor to the Purchasers or to specified affiliates or subsidiaries permitted under **Article 12** and **Section 1.3**, free and clear of all legal notations, charges, liens and interests, save and except the Permitted Encumbrances, pursuant to the Vesting Order;

(c) assignment of the rights to all URLs, intellectual property, trademarks, trade names and websites and passwords;

(d) an assignment and assumption agreement in respect of the Leases;

(e) an assignment and assumption agreement in respect of the Assumed Service Contracts;

(f) such other transfers, assignments and documents as the Purchasers' Solicitors may reasonably require to complete the transaction herein contemplated;

(g) assignment of accounts where debit and credit card payments are processed; and

(h) an election(s) which the Purchasers reasonably request for exemption or reduction of GST, HST or PST;

9.2 Purchasers' Documents

On or before the Closing Date the Purchasers will deliver to the Vendor' Solicitors the following documents, properly executed and acknowledged by the Purchasers or their permitted assignees or nominees:

(a) one or more certified cheques or bank drafts payable to the Vendor's Solicitors in trust (or bank wire to the Vendor's Solicitors' trust account) for the balance of the adjusted Purchase Price;

(b) counter-executed copies of all documents set out in Section 9.1 which require the signatures of the Purchasers;

(c) the certificate from the officer of the Purchasers regarding PST and GST as is contemplated by Section 10.2 and 10.3;

(d) the indemnity by the Purchasers of the Vendor in respect of PST and GST as is contemplated by Section 10.2 and 10.3;

(e) tendered copies of the Receiver's Certificates;

(f) copies of instruments evidencing the Alirey Loans and Alirey Security, marked cancelled; and

such other transfers, assignments and documents as the Purchasers' Solicitors and the Vendor' Solicitors may reasonably require to complete the transaction herein contemplated.

9.3 Terms of Tender

On the Closing Date all closing documents referenced in Sections 9.1 and 9.2 shall be delivered in escrow to the Vendor's Solicitors and Purchasers' Solicitors. Such documents shall not be released from escrow until written confirmation of receipt by the Vendor's Solicitors of the Purchase Price (or documents evidencing settlement thereof), at which point all closing deliverables shall be released from escrow and the transaction herein contemplated shall be closed.

9.4 Concurrent Requirements

All of the matters of payment and delivery of documents by each Party to the other will be deemed to be concurrent requirements so that nothing is complete until everything has been paid, delivered and registered.

ARTICLE 10 – COSTS AND TAXES

10.1 Responsibility for Transaction Costs

The Purchasers will be responsible for the cost of discharging any liens, charges and encumbrances against the Property which are not Permitted Encumbrances and for the cost of registering any instruments, the registration of which by the Purchasers are required or permitted hereby, including the Transfer and all relevant property transfer taxes necessary to convey the Property to the Purchasers. Each Party will pay its own legal fees with respect to the transactions contemplated in this Agreement.

10.2 Provincial Sales Tax

The Purchasers are responsible for all provincial sales tax ("**PST**") in respect of this purchase and sale transaction and all PST applicable to this transaction is in addition to, and not included in, the Purchase Price. The Purchasers will pay all applicable PST to the Vendor on the Closing Date. The Vendor covenants and agrees to remit all applicable PST directly to the B.C. Ministry of Finance in accordance with the *Provincial Sales Tax Act* (B.C.) (the "**PSTA**"). If the Purchasers believe that the sale of any of the Goods is not subject to PST, the Purchasers will, on or before the Closing Date, provide the Vendor such evidence as the Vendor may require to reasonably satisfy themselves that the sale of such Goods is not subject to PST, and such evidence may include: proof that the Purchasers are registered for the purpose of the PSTA; such prescribed forms as purchasers may be required to provide to Vendor pursuant to the PSTA; and any sworn statement or declaration that the Vendor may reasonably request to ensure that a PST exemption is applicable. The Purchasers shall indemnify and save harmless the Vendor in respect of any PST payable with respect to the Property or any portion thereof.

10.3 Goods and Services Tax

The Purchasers are responsible for any goods and services tax/harmonized sales tax ("**GST**") in respect of this purchase and sale transaction and will be responsible to account for GST in respect of this purchase and sale transaction in accordance with the *Excise Tax Act (Canada)*. The Purchasers covenant that they will pay, on the Closing Date, to the Vendor all GST applicable to the Goods. The Purchasers covenant that they will account directly to Canada Revenue Agency with respect to any GST payable by the Purchasers in connection with the purchase of the Property and will provide to the Vendor sufficient evidence that it is registered for the purpose of the GST on the Closing Date by providing a signed certificate from officers of the Purchasers in the customary form and in such circumstances the Purchasers will indemnify and hold harmless the Vendor and each of them from any liability under the *Excise Tax Act (Canada)* arising from either the non-application of subsection 221(2) of the *Excise Tax Act (Canada)* or the failure of the Purchasers to properly account for and remit the GST payable in connection with this transaction together with all loss, costs and expense incurred by the Vendor resulting from such failure. In the event the Purchasers fail to provide such signed certificates, the Purchasers will pay to the Vendor the GST applicable to the purchase of the Property on the Closing Date and the Vendor shall remit such GST for payment in accordance with the *Excise Tax Act (Canada)*. The Purchasers shall indemnify and save harmless the Vendor in respect of any GST payable with respect to the Property or any portion thereof.

ARTICLE 11 – NOTICES AND TENDER

11.1 Delivery of Notices

Any demand, notice, approval, consent or other communication to be given under the provisions of this Agreement by any Party will be validly given if delivered personally or sent by email addressed to the respective Parties as follows:

(a) to the Purchasers:

1000699590 Ontario Inc.
c/o Harris + Harris LLP
295 The West Mall, Suite 600
Etobicoke, ON M9C 4Z4

Attention: Greg Harris
Email: GregHarris@harrisandharris.com

- and –

Alirey Corp.
c/o Burns Fitzpatrick LLP
400-570 Granville Street
Vancouver, BC V6C 3P1

Attention: Dennis Fitzpatrick
Email: dfitzpatrick@burnsfitz.com

(b) to the Vendor:

Ernst & Young Inc., in its capacity as the court-appointed receiver and manager of Mednow Inc. et al.
Suite 1900
1133 Melville St.
Vancouver, BC V6E 4E5

Attention: Kevin Brennan / Peter Venetsanos
Email: Kevin.B.Brennan@parthenon.ey.com / Peter.Venetsanos@parthenon.ey.com

with a copy to the Vendor' Solicitors at:

McCarthy Tétrault LLP
745 Thurlow St Suite 2400
Vancouver, BC V6E 0C5

Attention: Lance Williams / Ashley Bowron / Nathan Stewart / Sue Danielisz
Email: lwilliams@mccarthy.ca / abowron@mccarthy.ca / nstewart@mccarthy.ca / sdanielisz@mccarthy.ca

11.2 Deemed Date of Receipt

The date of receipt of any such notice or communication will be deemed to be the date of delivery or transmittal by email if delivered by 5:00 p.m. (Vancouver time) on a Business Day, and if otherwise delivered or transmitted by email, on the next Business Day following the date of such delivery or transmittal.

11.3 Change of Address

Either Party may at any time give notice in writing to the other of any change of address of the Party giving such notice to be given in the manner aforesaid, and from and after giving such notice, the address therein specified will be deemed to be the address of such Party for the giving of such notice.

11.4 Tender

Tender of any money to be paid hereunder may be made by certified cheque (including a certified solicitor's trust cheque), bank draft or wire transfer payable to the Party to whom tender is made, and drawn on a Canadian chartered bank or trust company, and tender may be made on an officer or director of the Party or a solicitor known to the tendering Party to be acting for the other in this matter.

ARTICLE 12 – MISCELLANEOUS

12.1 Assignment

The Purchasers shall have the right to (i) assign their rights under this Agreement; and/or (ii) direct all or any portion of the Property to be transferred to any entity or entities which remain(s), at all times up to and including the Closing Date, an "**Affiliate(s)**" of either of the Purchasers (which has the meaning ascribed to it in the *Business Corporations Act* (British Columbia)) without the consent of the Vendor, provided that:

(a) the Purchasers will deliver written notice to the Vendor of any such assignment at least five (5) Business Days prior to the Vendor's application for the Vesting Order;

(b) the Purchasers will remain fully liable to the Vendor for the performance by any such Affiliate of the obligations of the Purchasers under the Agreement and will not be released from the performance hereof; and

(c) the Affiliate shall enter into an agreement with the Vendor assuming the rights and obligations of the Purchasers under this Agreement prior to such assignment becoming effect, in form and substance acceptable to the Parties and such Affiliate, acting reasonably.

Otherwise, the Purchasers may only assign this Agreement with the prior written consent of the Vendor, which consent may be withheld in the Vendor's reasonable discretion.

12.2 Agency and Commission

The Parties represent that no fees, commission or compensation is payable to any real estate agent or salesperson engaged in connection with the purchase.

12.3 Further Assurances

The Vendor and the Purchasers will each deliver to or cause to be delivered to the other all such further documents and assurances as may be reasonably required to give full effect to the intent and meaning of this Agreement and registration of all the requisite documents in all appropriate offices of public record.

12.4 Entire Agreement

This Agreement contains the whole of the agreement between the Parties and there are no agreements, representations or warranties save as herein set out or incorporated by reference.

12.5 Time of the Essence

Time will be of the essence of this Agreement.

12.6 Business Days

If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited will extend to the next following Business Day.

12.7 Counterparts

This Agreement may be executed in one or more counterparts, each of which is deemed to be an original, and all of which constitute one Agreement. Each such counterpart may be executed by electronic or physical means and delivered by email, .pdf file, facsimile transmission, or other similar means. This Agreement will be considered executed and delivered when either:

(a) an originally executed copy has been delivered to each Party; or

(b) a facsimile or electronic copy of this Agreement, evidencing the signatures of both of the Parties, has been transmitted by facsimile or e-mail to each Party.

12.8 Execution by Facsimile or E-Mail

If execution and delivery of this Agreement has been completed in whole or in part by facsimile or by e-mail (by delivery of PDF copies of this Agreement), then the Parties will ensure that originally executed copies of the Agreement are delivered to each Party as soon as reasonably practicable.

12.9 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada having application in the Province of British Columbia. The Parties attorn to the exclusive jurisdiction of the Supreme Court of British Columbia.

12.10 Enurement

This Agreement will enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

12.11 Role of Receiver

The Purchasers acknowledge and agree that the Receiver is the court appointed receiver of the Receivership Assets and is executing this Agreement in such capacity, and not in its personal or any other capacity and, accordingly, the Receiver incurs no personal or any other liability in executing this Agreement.

12.12 [Intentionally Deleted]

[Intentionally Deleted]

ARTICLE 13 – ACCEPTANCE

The Offer contemplated by this Stalking Horse Asset Purchase Agreement is open for acceptance by the Vendor by the delivery or transmission by email by the Vendor of a copy of this Offer with the Vendor’s acceptance executed by the Vendor to the Purchasers no later than 5:00 p.m. (Vancouver time) on December 6, 2023, failing which this Offer will be null and void.

IN WITNESS WHEREOF the Purchasers have executed this Stalking Horse Asset Purchase Agreement this 11/30/2023 day of November, 2023

Alirey Corp.

DocuSigned by:

Ali Reyhany

D0368CDDF6C0473...

Per: ______________________

Authorized Signatory

DS

AR

1000699590 Ontario Inc.

Per: ______________________

Authorized Signatory

IN WITNESS WHEREOF the Purchasers have executed this Stalking Horse Asset Purchase Agreement this ___ day of November, 2023

Alirey Corp.	**1000699590 Ontario Inc.**
Per: ____________________	Per: ____________________
Authorized Signatory	Authorized Signatory

IN WITNESS WHEREOF the Vendor has executed this Stalking Horse Asset Purchase Agreement this ___ day of November, 2023

ERNST & YOUNG INC., in its capacity as court appointed receiver and manager of **2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD.**, and not in its personal or corporate capacity,

Per: ______________________________

Print Name and Title:
____

SCHEDULE A

ALIREY LOANS

Loan/PPSA Registration Date	Principal Amount
January 30, 2023	$1,800,000
July 28, 2023	$400,000
August 10, 2023	$850,000
Total	**$3,050,000**
Interest to 31/Oct/2023	$206,650
Per Diem based on 12% $1,002.74 31/Oct/2023 to 01/Mar/2024 122 days	
$1,002.74 x 122 days	$122,334.28 (01/Mar/2024)
$3,050,000 + $206,650 + $122,334.28	$3,378,984.28 (01/Mar/2024)

Loan/PPSA Registration Date	Principal Amount
November 1, 2023	$175,000
Per Diem based on 12% $57.53 31/Oct/2023 to 01/Mar/2024 122 days	
$57.53 x 122 days	$7,018.66
Aggregate Total	**$3,561,002.94**

SCHEDULE B

SALE PROCESS

See attached

SALE PROCESS

Introduction

On November 3, 2023, the Supreme Court of British Columbia (the "**Court**") granted an order (the "**Receivership Order**") in Action No. S-237444, Vancouver Registry, which, among other things, appointed Ernst & Young Inc. as the receiver and manager (in such capacity, the "**Receiver**") of the assets, undertakings and property (collectively, the "**Property**") of 2716725 Ontario Inc., 10111132 Manitoba Ltd. (DBA Mednow MB), Mednow Clinic Services Inc., Mednow Inc., Mednow East Inc., Mednow Medical Inc., Mednow Ontario Limited, Mednow Pharmacy AB Ltd., Mednow Operations Inc., Mednow Pharmacy Inc., Mednow Pharmacy MB Ltd., Mednow Pharmacy Services Inc., Mednow Technology Inc., and Mednow Virtual Care Ltd. (collectively, the "**Debtors**") and granted the Receiver the authority to list, market and sell the Property.

On December 6, 2023, the Court granted an order (the "**Sale Process Order**"), *inter alia*, authorizing the Receiver to market and sell the Property in accordance with the Sale Process Order and the sales process set out herein (the "**Sale Process**") and approving the Stalking Horse Asset Purchase Agreement (the "**Stalking Horse Bid**") pursuant to which Alirey Corp. and 1000699590 Ontario Inc. (collectively, the "**Stalking Horse Bidder**") agreed, among other things, to: (i) act as a "stalking horse bidder" in the context of this Sale Process; and (ii) if the Stalking Horse Bid is determined to be the Successful Bid (as defined herein), to complete the transaction contemplated by the Stalking Horse Bid on the terms and conditions set out therein, under which the Stalking Horse Bidder will make a credit bid in respect of substantially all of the Property of the Debtors (the "**Stalking Horse Transaction**").

The Sale Process Order, this Sale Process, and any subsequent order issued by the Court pertaining to the Sale Process shall exclusively govern the process for soliciting and selecting bids for the sale of all or substantially all of the Property, or such part of the Property as the Receiver may determine in its sole discretion.

Without limiting the powers of the Receiver pursuant to the Receivership Order, Sales Process Order, or otherwise, the Receiver shall be at liberty to consult with the such creditors, employees, and other stakeholders as it deems appropriate.

Capitalized terms used and not otherwise defined herein shall have the definitions ascribed to them in Schedule "A" hereto.

Unless otherwise indicated, any event occurring on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Sale Solicitation Process

1. This Sale Process describes, among other things: (a) the manner in which Prospective Bidders (as defined herein) may gain access to due diligence materials concerning the Property; (b) the manner in which bids are to be submitted, received and negotiated; (c) the process for the ultimate selection of one or more successful bids; and (d) the process for the approval thereof by the Court.

2. The Receiver shall conduct the Sale Process, which may involve additional intermediate steps or transactions to facilitate closing of a sale, as required, including obtaining such additional Court orders as may be necessary.

3. In the event that there is a disagreement or clarification required as to the interpretation or application of this Sale Process, the Stalking Horse Bid, the Sale Process Order, or the responsibilities of the Receiver thereunder, the Court will have the jurisdiction to hear such matters and provide advice and directions upon the application of the Receiver, the Stalking Horse Bidder, or any interested party with a hearing on no less than two (2) Business Days' notice.

4. The key dates for this Sale Process, as described in further detail below, are as follows:

Date	Milestone
The latter of: (i) December 12, 2023; or (ii) six (6) days following the pronouncement of the Sale Process Order.	Commencement Date, as defined in paragraph 9 below
5:00 pm (Vancouver time) on January 26, 2024, being forty-five (45) days following the targeted Commencement Date	Phase 1 Bid Deadline, as defined in paragraph 16 below
Six (6) Business Days after the Phase 1 Bid Deadline	Qualified LOI Assessment Deadline, as defined in paragraph 19 below
5:00 p.m. (Vancouver time) on March 4, 2024	Phase 2 Bid Deadline, as defined in paragraph 21 below
5:00 p.m. (Vancouver time) on March 25, 2024	Definitive Agreement Deadline, as defined in paragraph 26 below
By no later than May 31, 2024	Completion Date, as defined in Schedule "A" hereto

<u>"As Is, Where Is"</u>

5. The sale of the Property will be on an "**as is, where is**" basis and without surviving representations, warranties, covenants, or indemnities of any kind, nature, or description by the Debtors, the Receiver, or any of their directors, officers, agents, advisors, or other professional advisors, except to the extent expressly set forth in any relevant Definitive Asset Purchase Agreement (as defined herein).

<u>Free of Any and All Claims and Interests</u>

6. In the event of a sale, all of the rights, titles, and interests of the Debtors in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, claims, charges, options, royalties, interests, or other encumbrances thereon and there against (collectively, the "**Claims**"), pursuant to an approval and vesting order (the "**Approval Order**") to be made by the Court. Contemporaneously with such Approval Order being made, all such Claims, to the extent valid and enforceable, shall attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of

action regarding priority, validity, or enforceability thereof), except to the extent otherwise set forth in the relevant Definitive Asset Purchase Agreement (as defined herein).

Solicitation of Interest

7. As soon as reasonably practicable after the granting of the Sale Process Order, the Receiver will prepare a list of prospective bidders. Such list will include parties who, in the reasonable business judgment of the Receiver, may be interested in and have the financial capacity to acquire some or all of the Property (the "**Prospective Bidders**").

8. Concurrently, the Receiver will prepare an initial offering summary (the "**Teaser**") notifying Potential Bidders of the existence of the Sales Process and inviting the Prospective Bidders to express their interest in making an bid to purchase the Property.

9. This Sale Process shall commence on the latter of: (i) December 12, 2023; or (ii) six (6) days following the pronouncement of the Sale Process Order (such date, as applicable, being the "**Commencement Date**"). The Receiver shall commence the distribution of the Teaser and form of NDA to Prospective Bidders on, or as soon as reasonably practicable following, the Commencement Date.

10. In addition, the Receiver may place advertising with such publications as it, in its reasonable business judgment, believes may assist in identifying other interested parties.

11. Any Prospective Bidders that contact the Receiver will be sent a blank NDA, in form and substance acceptable to the Receiver, which shall inure to the benefit of the Debtors and any purchaser of the Property.

Participation Requirements

12. Unless otherwise ordered by the Court, any Person who wishes to participate in this Sales Process must deliver the following to the Receiver:

    (a) an executed NDA;

    (b) a specific indication of the anticipated sources of capital and/or credit for such Person and satisfactory evidence of the availability of such capital and/or credit so as to demonstrate that such Person has the financial capacity to complete a transaction; and

    (c) an executed letter acknowledging receipt of a copy of the Sales Process Order (including this Sales Process) and agreeing to accept and be bound by the provisions contained therein.

13. If, in the opinion of the Receiver, a Person has complied with each of the requirements described in paragraph 12, such Person shall be deemed a "**Potential Bidder**" hereunder.

14. The Receiver will provide a confidential information memorandum describing the opportunity to acquire the Property as soon as practicable after the determination that such Person is a Potential Bidder. Each Potential Bidder shall also have such due diligence access to materials and financial, tax, and other information relating to the

Property as the Receiver deems appropriate, including access to any online data room created for the Sales Process.

15. The Receiver is not responsible for, and will have no liability with respect to, any information obtained by any Potential Bidder. The Receiver and its advisors do not make any representations or warranties whatsoever as to the information or the materials provided.

<u>Phase 1 Bid Deadline</u>

16. A Potential Bidder will be deemed a "**Qualified Bidder**" if, in the opinion of the Receiver, such Potential Bidder submits a non-binding letter of intent to the Receiver (a "**Qualified LOI**") at anytime before 5:00 pm (Vancouver time) on January 26, 2024 (the "**Phase 1 Bid Deadline**"). A non-binding indication of interest will only qualify as a Qualified LOI in the event that it contains, meets or includes all of the following:

(a) it is received by the Receiver on or before the Phase 1 Bid Deadline;

(b) it includes a summary of:

i. the type and amount of consideration to be paid by the Qualified Bidder;

ii. the Property included in the transaction;

iii. the structure and financing of the transaction (including, but not limited to, the sources of financing and evidence of the availability of such financing);

iv. any anticipated corporate, shareholder, internal, or regulatory approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;

v. any additional due diligence required or desired to be conducted prior to the Phase 2 Bid Deadline (as defined herein), if any;

vi. any conditions to closing that the Qualified Bidder may wish to impose; and

vii. any other terms or conditions of the transaction which the Qualified Bidder believes are material to the transaction;

(c) it provides for the completion of the transactions contemplated therein on or before the Completion Date; and

(d) such other information reasonably requested by the Receiver.

17. The Receiver may waive non-compliance with any one or more of the requirements specified in paragraph 16 of this Sales Process and may deem any non-compliant letter of intent to be a Qualified LOI.

18. Notwithstanding paragraph 16 of this Sales Process, the Stalking Horse Bidder shall be deemed to be a Qualified Bidder for all purposes under, and at all times in connection with, this SISP.

19. The Receiver will assess any Qualified LOIs received and will determine whether or not there is a reasonable prospect that the one or more Qualified LOI(s) will likely proceed to become Qualified Bid(s) (as defined herein) that may, individually or in the aggregate, constitute a Superior Offer (as defined herein). Such assessment will be made as promptly as practicable but no later than six (6) Business Days after the Phase 1 Bid Deadline (the "**Qualified LOI Assessment Deadline**"). In the event that the Receiver determines that one or more Qualified LOIs have been received which have a reasonable prospect of becoming Qualified Bid(s) that may, individually or in the aggregate, constitute a Superior Offer, the Receiver shall notify all Qualified Bidders (including the Stalking Horse Bidder) that they are proceeding to Phase 2 of this Sale Process shall proceed to the next phase more particularly described below.

20. In the event that the Receiver, in accordance with paragraph 19 above, determines that: (i) no Qualified LOI was received, other than the Stalking Horse Bid; or, (ii) at least one Qualified LOI was received but there is no reasonable prospect that any such Qualified LOI(s) will result in a Qualified Bid(s) that may, individually or in the aggregate, constitute a Superior Offer, then: (a) the Stalking Horse Bid shall be deemed to be the Successful Bid hereunder; and (b) the Receiver shall (i) forthwith terminate this Sale Process, (ii) notify each Qualified Bidder (if any) that this Sale Process has been terminated, and (iii) within six (6) Business Days, file an application with the Court seeking approval, after notice and hearings, to implement the Stalking Horse Transaction.

Phase 2 Bid Deadline

21. In order to continue to participate in this Sales Process after the Phase 1 Bid Deadline, a Qualified Bidder must deliver a binding and definitive agreement to the Receiver (a "**Qualified Bid**") by no later than 5:00 p.m. (Vancouver time) on March 4, 2024 (the "**Phase 2 Bid Deadline**"). A binding offer will only qualify as a Qualified Bid in the event that it contains, meets or includes all of the following:

    (a) it is received by the Receiver on or before the Phase 2 Bid Deadline;

    (b) it includes a fully binding and definitive agreement, duly authorized and executed purchase and sale agreement, together with all exhibits and schedules thereto, and such ancillary agreements as may be required with all exhibits and schedules thereto (a "**Definitive Asset Purchase Agreement**"), subject to such amendments as may be agreed to by the Receiver and the applicable Qualified Bidder by the Definitive Agreement Deadline (as defined herein); and further provided that a Definitive Asset Purchase Agreement submitted on the Phase 2 Bid Deadline may be subject to confirmation and settling of the exhibits and schedules thereto, or such other matters as the Receiver may permit, acting reasonably, as at the Phase 2 Bid Deadline;

    (c) it clearly sets forth the purchase price in Canadian dollars, stated on a total enterprise value basis (including the cash and non-cash components thereof, the sources of such capital, evidence of the availability of such capital and the steps necessary and associated timing to obtain the capital and consummate the proposed transaction and any related contingencies, as applicable);

(d) it is irrevocable until the latter of: (i) sixty (60) days following the Phase 2 Bid Deadline, or (ii) the Approval Hearing (as defined herein);

(e) it is accompanied by a blackline comparison to the form of Stalking Horse Bid;

(f) it provides for the completion of the transactions contemplated therein on or before the Completion Date;

(g) it is not conditional on (i) the outcome of unperformed due diligence and/or (ii) obtaining any credit, capital, or other form of financing;

(h) is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a trust account specified by the Receiver), payable to the Receiver in trust, in an amount equal to ten percent (10%) of the total consideration to be paid, including the cash consideration, the amount to be financed or invested, and/or the amount of debt to be assumed and to be paid pursuant to the Qualified Bid, to be held and dealt with in accordance with this Sales Process, or in the case of a Credit Bidder (as defined herein) an amount equal to ten percent (10%) of the total cash consideration to be paid pursuant to the credit bid and the amount of the Priority Obligations to be assumed;

(i) it includes written evidence of a firm and irrevocable commitment for all required funding and/or financing from a creditworthy Person to consummate the proposed transaction;

(j) it fully discloses the identity of each Person that is bidding or that will otherwise be sponsoring or participating in the Qualified Bid, including the identification of the Qualified Bidder's direct and indirect owners and their principals and the full and complete terms of any such participation;

(k) it includes evidence, in form and substance reasonably satisfactory to the Receiver, of compliance or anticipated compliance with any and all applicable regulatory approvals, the anticipated time frame for such compliance and any anticipated impediments for obtaining such approvals; and

(l) such other information reasonably requested by the Receiver.

22. The Receiver may waive non-compliance with any one or more of the requirements specified in paragraph 21 of this Sales Process and may deem any non-compliant Definitive Asset Purchase Agreement as satisfactory for a Qualified Bid.

23. Notwithstanding paragraph 21 of this Sales Process, the Stalking Horse Bid shall be deemed to be a Qualified Bid for all purposes under, and at all times in connection with, this SISP.

Selection of Successful Bid

24. The Receiver will assess any Qualified Bids received by the Phase 2 Bid Deadline. In the event that no Qualified Bid other than the Stalking Horse Bid is received, by the Phase 2 Bid Deadline, then: (a) the Stalking Horse Bid shall be deemed to be the Successful Bid (as defined herein); and (b) the Receiver shall (i) forthwith terminate this Sale Process, (ii) notify each Qualified Bidder that this Sale Process has been terminated, and (iii) within six (6) Business Days, file an application with the Court seeking approval, after notice and hearings, to implement the Stalking Horse Transaction.

25. In the event that the Receiver determines that one or more Qualified Bids constitutes a Superior Offer, the Receiver shall (to the extent there is more than one Superior Offer) select the highest and best Superior Offer (the "**Successful Bid**" and the party submitting such Successful Bid, the "**Successful Bidder**"). Such assessment will be made as promptly as practicable but no later than six (6) Business Days after the Phase 2 Bid Deadline (the "**Qualified Bid Assessment Deadline**"). The Receiver shall advise the Successful Bidder of such determination and all other Qualified Bidders that they are not the Successful Bidder.

26. The finalized Definitive Asset Purchase Agreement in respect of the Successful Bid shall be fully settled, including all exhibits and schedules thereto and all amendments thereto (if any) agreed to by the Receiver and the Successful Bidder, by no later than 5:00 p.m. (Vancouver time) on March 25, 2024 (the "**Definitive Agreement Deadline**"). In the event that the Definitive Asset Purchase Agreement in respect of the Successful Bid has not been so fully settled, with all amendments thereto agreed to, by the Definitive Agreement Deadline, the Receiver may in its discretion, acting reasonably, elect to select another Qualified Bid as the Successful Bid, in which case the Receiver shall seek the Approval Hearing (as defined herein) with respect to such other Qualified Bid and all references herein to the Successful Bid shall be deemed to apply to such other Qualified Bid.

27. The Receiver will file an application to the Court seeking the approval of the Successful Bid within six (6) Business Days of the Definitive Agreement Deadline (the "**Approval Hearing**"). The Receiver shall thereafter complete the transactions contemplated by such selected Successful Bid in accordance with the terms thereof and any order issued by the Court.

28. The Approval Hearing will be held as soon as possible after the selection of the Successful Bid, provided that the Approval Hearing may be adjourned or rescheduled by the Receiver without further notice by an announcement of the adjourned date at the Approval Hearing, or by notice to the service list maintained in these proceedings.

29. All Qualified Bids, other than the Successful Bid, will be deemed rejected on the date of approval of the Successful Bid by the Court.

Deposits

30. All Deposits shall be retained by the Receiver in a trust account with a Schedule I Bank in Canada. If there is a Qualified Bid that constitutes a Successful Bid, the Deposit paid by the Person making such Successful Bid shall be applied to the consideration to be paid by such Person upon closing of the transaction constituting the Qualified Bid.

31. The Deposit(s) of all Persons who made Qualified Bids that were not selected as a Successful Bid shall be returned to such Persons within five (5) Business Days of the Court approves a Successful Bid.

32. If the Person making a Qualified Bid selected as the Successful Bid breaches or defaults on its obligation to close the transaction in respect of Successful Bid, it shall forfeit its Deposit to the Receiver; provided however that the forfeit of such Deposit shall be in addition to, and not in lieu of, any other rights in law or equity that the Receiver or the Debtors have in respect of such breach or default.

33. If the Receiver is unable to complete the Successful Bid as a result of its own actions and not as a result of steps or conditions contained in the Successful Bid (or the actions of the Successful Bidder) then the Deposit shall be returned to the Successful Bidder.

Notice

34. The addresses used for delivering documents as prescribed by the terms and conditions of this Sales Process are set out in Schedule "B" hereto. All documentation shall be delivered to Receiver by electronic mail, personal delivery, or courier. Persons requesting information about this Sales Process should contact the Receiver at the contact information contained in Schedule "B".

Reservation of Rights by Receiver

35. The Receiver, in its sole discretion:

    (a) may reject, at any time, any bid (other than, for certainty, the Stalking Horse Bid) that is (i) inadequate or insufficient; or (ii) not in conformity with the requirements of this Sale Process or any orders of the Court;

    (b) in accordance with the terms hereof, may impose additional terms and conditions or otherwise seek to modify this Sale Process at any time in order to maximize the results obtained;

    (c) is not obligated to select the highest bid when determining which Qualified Bid shall be selected as a Successful Bid, provided that in the event a Qualified Bid other than the Stalking Horse Bid is selected as the Successful Bid, such Qualified Bid must constitute a Superior Offer;

    (d) in accordance with the terms hereof, may accept bids not in conformity with this Sale Process;

    (e) may extend the deadlines contained in this Sale Process; and

    (f) may terminate or abandon this Sale Process if the Receiver determines, in its business judgment, that doing so is in accordance with its duties as court-appointed Receiver.

36. At or before the Approval Hearing, the Receiver may impose such other terms and conditions in the negotiation of a Definitive Asset Purchase Agreement as the Receiver

may determine to be in the best interest the Debtors' estate and its creditors, provided that such terms and conditions are not inconsistent with this Sale Process.

37. This Sale Process does not, and shall not be interpreted to, create any contractual or other legal relationship between the Receiver and any other party, other than as specifically set forth in definitive agreements that may be executed by the Receiver.

No Amendment

38. Except as provided herein, there shall be no amendments to this Sale Process, including for greater certainty the process and procedures set out in this document, without the prior written consent of the Receiver unless otherwise ordered by the Court upon application and appropriate notice.

Credit Bid

39. Any secured creditor shall be entitled to participate in the Sales Process as a credit bidder (the "**Credit Bidder**"). For the purposes of any credit bid (each a "**Credit Bid**") submitted by a Credit Bidder, such Credit Bidder shall be entitled to credit all or any portion of its security as part of its bid but must either (a) irrevocably pay, in cash and in full, all of the obligations in priority (the "**Priority Obligations**") to the Credit Bidder's debt, including for reference any amounts that are priority charges (the "**Priority Charges**") under the Receivership Order; or (b) assume or otherwise satisfy any of the Priority Obligations on terms and conditions acceptable to the beneficiary of the security for such Priority Obligations. For greater certainty, any Credit Bid (other than the Stalking Horse Bid) must also constitute a Superior Offer in order to be accepted as the Successful Bid. Any Credit Bid (other than the Stalking Horse Bid) shall be accompanied by a refundable Deposit in the form of a wire transfer (to a trust account specified by the Receiver), payable to the Receiver in trust, in an amount equal to ten percent (10%) of the total cash consideration to be paid pursuant to the Credit Bid and the amount of the Priority Obligations to be assumed. Any such Deposit is to be held by the Receiver and dealt with in accordance with this Sales Process.

Further Orders

40. At any time during this Sale Process, the Receiver may apply to the Court for advice and directions with respect to the discharge of their powers and duties hereunder.

Schedule "A"

Defined Terms

"**Business Day**" means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are open for business in the City of Vancouver.

"**Completion Date**" means May 31, 2024, or such later date agreed to in writing by the Receiver.

"**NDA**" means a confidentiality and non-disclosure agreement, in a form and substance acceptable to the Receiver, to be executed and delivered by all parties interested in submitting a bid to purchase some of all of the Property;

"**Person**" means any individual, firm corporation, limited or unlimited liability company general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency or instrumentality thereof or any other entity.

"**Stalking Horse Bidder Claims**" means all indebtedness, liabilities and obligations owing by the Debtors to the Stalking Horse Bidder.

"**Stalking Horse Priority Obligations**" means any and all indebtedness, liabilities and obligations of the Debtors which rank in priority to the Stalking Horse Bidder Claims and includes, without limitation, any amounts owing under the Priority Charges.

"**Superior Offer**" means a credible, reasonably certain and financially viable offer made by a Qualified Bidder that (i) provides for consideration in excess of the aggregate value of the Stalking Horse Transaction, (ii) provides sufficient cash consideration to permit the Receiver to pay the Expense Reimbursement (as defined in the Stalking Horse Bid), and (iii) the Receiver, with the assistance of its legal advisors, considers to be better than the Stalking Horse Bid. A Qualified Bid will not constitute a "**Superior Offer**" unless it provides for: (a) the indefeasible payment, in full and in cash, of any amounts owing under the Priority Charges; (b) the indefeasible payment, in full and in cash, of Stalking Horse Bidder Claims and any Stalking Horse Priority Obligations along with, in the case of a Credit Bid, any other Priority Obligations in respect of such Credit Bidder, or the assumption or satisfaction of such Stalking Horse Bidder Claims, Stalking Horse Priority Obligations and, if applicable, Priority Obligations, all on terms acceptable to the beneficiaries of the security of such Stalking Horse Bidder Claims, Stalking Horse Priority Obligations and Priority Obligations; and, (c) such other terms and conditions as may be required by the Receiver, acting reasonably. For the purposes of assessment of a Superior Offer, the aggregate value of the Stalking Horse Transaction is estimated to be approximately $5,500,000 - $5,800,000.

Schedule "B"

Address for Notices and Deliveries

To the Receiver:

Ernst & Young Inc.
1133 Melville Street, Suite 1900
Vancouver, BC V6E 4E5

Attention: Peter Venetsanos / Kevin B. Brennan
Email: Peter.Venetsanos@parthenon.ey.com / Kevin.B.Brennan@parthenon.ey.com

With a copy to:

McCarthy Tétrault LLP
2400, 745 Thurlow St.
Vancouver, BC V6E 0C5

Attention: Lance Williams / Ashley Bowron / Nathan Stewart / Sue Danielisz
Email: lwilliams@mccarthy.ca / abowron@mccarthy.ca / nstewart@mccarthy.ca / sdanielisz@mccarthy.ca

SCHEDULE C

EXPENSE REIMBURSEMENT SCHEDULE

See attached

EXPENSE REIMBURSEMENT SCHEDULE

THIS EXPENSE REIMBURSEMENT SCHEDULE (this "**Schedule**") is entered into pursuant to and in accordance with the Stalking Horse Asset Purchase Agreement (as defined herein).

BETWEEN:

ALIREY CORP. ("**AlireyCo**")
1000699590 ONTARIO INC. ("**1000Co**")

(collectively the "**Purchasers**" or individually a "**Purchaser**")

AND:

2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD., by and through their court-appointed receiver and manager, ERNST & YOUNG INC., in its capacity as the court-appointed receiver and manager of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD., and not in its Personal or corporate capacity

(collectively, the "**Vendor**", and together with the Purchasers, the "**Parties**" and each a "**Party**")

WHEREAS:

A. The Parties have executed the Stalking Horse Asset Purchase Agreement (the "**Stalking Horse Asset Purchase Agreement**") to which this Schedule is appended. Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Stalking Horse Asset Purchase Agreement;

B. The Receiver has issued certain Receiver's Certificates to 1000Co;

C. AlireyCo asserts and represents that:

   a. the Debtors are indebted to AlireyCo for an amount in excess of $3,561,002.94 (the "**Alirey Indebtedness**");

b. pursuant to the Alirey Security, the Alirey Indebtedness is secured against all or substantially all of the assets of the Vendor (collectively, the "**Assets**"); and,

c. the Expense Reimbursement described herein contains a genuine pre-estimate of its out-of-pocket expenses for the preparation of the Stalking Horse Asset Purchase Agreement;

D. The Stalking Horse Asset Purchase Agreement contemplates, among other things, that:

a. the Receiver will conduct the Sale Process, pursuant to which third parties will have an opportunity to purchase the Assets at a higher price (each, a "**Competing Purchaser**"); and,

b. in the event a Competing Purchaser successfully outbids the Purchasers in the Sale Process and the Vendor completes a transaction with a Competing Purchaser (a "**Competing Transaction**"), the Vendor shall pay the Purchasers an amount equal to the aggregate amount of the out-of-pocket costs of the Purchasers incurred directly in connection with the Stalking Horse Asset Purchase Agreement and the transactions contemplated thereunder up to a maximum amount of $250,000 (but which costs are estimated to be $160,000) plus all applicable taxes, provided that the amount payable by the Vendor shall be limited to such amounts as are verified by the Receiver, acting reasonably, on the basis of supporting documentation to be provided by the Purchasers to the Receiver (collectively, the "**Expense Reimbursement**"), which amount will be paid from the sale proceeds of the Competing Transaction;

E. The Purchaser is of the view that the Sale Process represents an opportunity to generate a sale of the Assets and that it is therefore in its best interest that the Sale Process proceed.

NOW THEREFORE, in consideration of the Vendor accepting the Stalking Horse Asset Purchase Agreement, the covenants contained therein and herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

1. In the event a Competing Purchaser successfully outbids the Purchasers in the Sale Process and the Vendor completes a Competing Transaction, the Vendor shall pay the Purchasers the Expense Reimbursement, which amount will be paid from the sale proceeds of the Competing Transaction.

2. Except as specifically provided for herein, the amount of the Alirey Indebtedness and the Receiver's Certificates and their priority shall not be affected by the Stalking Horse Asset Purchase Agreement, the Sale Process, or any Competing Transaction; provided, however, for greater certainty, that the Vendor and the Receiver have made no representation with respect to the quantum or priority of such interests nor their respective priority.

3. The obligations of the Purchasers hereunder are subject to the mutual conditions and the conditions in favour of the Purchasers, as set out in Article 7.1 of the Stalking Horse Asset Purchase Agreement, being satisfied within the time provided for therein. Those conditions which are for sole benefit of the Purchasers may be waived by delivery of written notice to the Vendor on or before the Closing Date.

4. This Schedule contains the whole of the agreement between the Parties with respect to the matters described herein, and there are no agreements, representations or warranties save as herein set out or incorporated by reference.

5. This Schedule may be executed in one or more counterparts, each of which is deemed to be an original, and all of which constitute one Schedule. Each such counterpart may be executed by electronic or physical means and delivered by email, .pdf file, facsimile transmission, or other similar means. This Schedule will be considered executed and delivered when either:

(a) an originally executed copy has been delivered to each Party; or

(b) a facsimile or electronic copy of this Schedule, evidencing the signatures of both of the Parties, has been transmitted by facsimile or e-mail to each party.

6. If execution and delivery of this Schedule has been completed in whole or in part by facsimile or by e-mail (by delivery of PDF copies of this Schedule), then the Parties will ensure that originally executed copies of the Schedule are delivered to each party as soon as reasonably practicable.

7. This Schedule will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada having application in the Province of British Columbia.

8. This Schedule will enure to the benefit of and be binding upon the Parties hereto and their respective successors and permitted assigns.

9. The Purchaser acknowledges and agrees that the Receiver is the court appointed receiver of the Receivership Assets and is executing this Agreement in such capacity, and not in its personal or any other capacity and, accordingly, the Receiver incurs no personal or any other liability in executing this Agreement.

10. All of the obligations of the Parties under this Schedule are and shall be in all respects subject to obtaining the prior approval of the Court with respect to the performance thereof.

[The remainder of this page left intentionally blank]

IN WITNESS WHEREOF the Parties have executed this Schedule effective as of the date first written in the Stalking Horse Asset Purchase Agreement.

ALIREY CORP.

Per: DocuSigned by: Ali Reyhany D0368CDDF6C0473...
DocuSigned by: Ali Reyhany D0368CDDF6C0473...
Authorized Signatory
Print Name and Title:

1000699590 ONTARIO INC.

Per: ______________________________
Authorized Signatory
Print Name and Title:

ERNST & YOUNG INC., in its capacity as court appointed receiver and manager of **2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD.**, and not in its personal or corporate capacity,

Per: ______________________________
Authorized Signatory
Print Name and Title:

IN WITNESS WHEREOF the Parties have executed this Schedule effective as of the date first written in the Stalking Horse Asset Purchase Agreement.

ALIREY CORP.

Per: ______________________________
Authorized Signatory
Print Name and Title:

1000699590 ONTARIO INC.

Per: ______________________________
Authorized Signatory
Print Name and Title:

ERNST & YOUNG INC., in its capacity as court appointed receiver and manager of **2716725 ONTARIO INC., 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC., MEDNOW PHARMACY MB LTD., MEDNOW PHARMACY SERVICES INC., MEDNOW TECHNOLOGY INC., and MEDNOW VIRTUAL CARE LTD.**, and not in its personal or corporate capacity,

Per: ______________________________
Authorized Signatory
Print Name and Title:

SCHEDULE D

EXCLUDED ASSETS

All assets, undertaking and property of 10111132 MANITOBA LTD. (D.B.A. MEDNOW MB)

All assets, undertaking and property of MEDNOW CLINIC SERVICES INC.

All assets, undertaking and property of MEDNOW PHARMACY AB LTD.

All assets, undertaking and property of MEDNOW PHARMACY MB LTD.

All assets, undertaking and property of MEDNOW TECHNOLOGY INC.

For greater certainty, the Pacmed V-360NS20 with Variable Heater (JVM 11AE-0389) is located in the province of Manitoba but is owned by Mednow Inc. and is therefore not an Excluded Asset.

Appendix “C”

Statement of Receipts & Disbursements
In the Receivership of Mednow Inc et al
For the Period November 3, 2023 to March 24, 2024

	Actuals[1]	Projections[2]	Variance
Opening Cash Balance	**$99,129**	**$99,129**	**$0**
Receipts			
Receiver's Borrowings	1,346,852	1,400,000	(53,148)
Mednow (ODB + Insurance)	1,520,355	926,421	593,935
Medvisit	639,667	476,326	163,341
Total Receipts	**$3,506,875**	**$2,802,747**	**$704,128**
Disbursements			
Cost of Goods Sold - Mednow	(942,785)	(589,470)	(353,315)
Cost of Goods Sold - Medvisit	(436,785)	(339,950)	(96,836)
Payroll and Employee Benefits	(842,498)	(583,129)	(259,369)
Virtual Care Nurse Costs	(43,250)	(30,800)	(12,450)
EHT and WSIB	(16,989)	(27,187)	10,198
Employees life and health insurance costs	(58,131)	(62,000)	3,869
Rent	(83,281)	(78,297)	(4,984)
Delivery Team Costs	(47,686)	(57,453)	9,767
Packaging	(13,450)	(6,283)	(7,167)
Infrastructure	(42,605)	(20,802)	(21,803)
Utilities	(1,987)	(2,943)	956
Insurance	(91,994)	(36,612)	(55,382)
Technology	(30,204)	(51,120)	20,916
Marketing	(28,361)	(25,062)	(3,300)
Professional Fees (Non Restructuring)	(56,846)	(73,372)	16,526
Professional Fees (Restructuring)	(303,657)	(464,300)	160,643
Restructuring - Strategic Advisor fees	(91,980)	(57,750)	(34,230)
Restructuring - Critical supplier payments	(175,908)	(150,000)	(25,908)
Other Miscellaneous Costs	(55,630)	(37,496)	(18,134)
Total Disbursements	**$(3,364,027)**	**$(2,694,026)**	**$(670,001)**
Ending Cash Balance, Operating Accounts	**$241,977**	**$207,850**	
Add: Cash in Receiver's Account from Receiver's Borrowings	**$3,148**		
Add: Cash Held in Trust	**$162,500**		
Total Ending Cash Balance	**$407,625**	**$207,850**	

Notes:

(1) Actual results represent actual cash receipts and cash disbursements for the period November 3, 2023 to March 24, 2024 and representing an additional approximate two week period from the original cash flow forecast provided in the Receiver's First Report.

(2) Projections represent the original cashflow forecast as provided in the Receiver's First Report. The forecast represents estimated cashflows for the period November 3, 2023 to March 9, 2024.

Appendix “D”

In the Matter of the Receivership of Mednow Inc. et al.
Details of the Receiver's Invoices - Ernst & Young Inc.

Appendix D

Invoice	Date	Period Covered		Trustee Fees	Other Charges	Courtesy Discount	Sub-Total	GST (Trustee Fees)	GST (Other Charges)	Total	Hours
CA12C500010173	23-Jan-24	October 5, 2023 to December 31, 2024		194,102.50	114.00	-	194,216.50	9,705.13	5.70	203,927.33	**406.7**
CA12C500010298	20-Feb-24	January 1, 2024 to January 31, 2024		57,619.50	-	(21,153.00)	36,466.50	1,823.33	-	38,289.83	**138.1**
CA12C500010399	21-Mar-24	February 1, 2024 to Completion[1]		62,088.00	-	(33,774.59)	28,313.41	1,415.67	-	29,729.08	**127.9**
		TOTAL	**$**	**313,810.00**	**114.00**	**(54,927.59)**	**258,996.41**	**12,944.12**	**5.70**	**271,946.23**	**672.70**

Note 1: The Receiver's fees include a $5,000 charge for the costs expected to be incurred to completion.

Ernst & Young Inc.
Vancouver, BC

Invoice

Mednow Pharmacy Inc
4484 Main St
Vancouver, BC V5V 3R3
Canada

Invoice No.: CA12C500010173
Please include this number with payment

Invoice Date:	January 23, 2024
Due Date:	Upon receipt
Client No.:	0013500820
Engagement No.:	E-67812236

Please see last page of the invoice for payment instructions.

Re: Mednow Receivership

For professional services rendered up to December 31, 2023

		Net	Tax	Rate	Tax Amount	**CAD** Total
Fee (details attached):		194,102.50	GST	5 %	9,705.13	203,807.63
Expenses (details attached):		114.00	GST	5 %	5.70	119.70
		194,216.50			**9,710.83**	**203,927.33**
Invoice summary		**194,216.50**				
Tax:	5% GST				9,710.83	
Total:		**194,216.50**			**9,710.83**	**203,927.33**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Ernst & Young Inc.
Vancouver, BC

Invoice

Mednow Pharmacy Inc
4484 Main St
Vancouver, BC V5V 3R3
Canada

Invoice No.: CA12C500010298
Please include this number with payment

Invoice Date:	February 20, 2024
Due Date:	Upon receipt
Client No.:	0013500820
Engagement No.:	E-67812236

Please see last page of the invoice for payment instructions.

Re: Mednow Receivership

For professional services rendered from January 1, 2024 to January 31, 2024

		Net	Tax	Rate	Tax Amount	**CAD** Total
Fee (details attached):		36,466.50	GST	5 %	1,823.33	38,289.83
		36,466.50			**1,823.33**	**38,289.83**
Invoice summary		**36,466.50**				
Tax:	5% GST				1,823.33	
Total:		**36,466.50**			**1,823.33**	**38,289.83**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Ernst & Young Inc.
Vancouver, BC

Invoice

Mednow Pharmacy Inc
4484 Main St
Vancouver, BC V5V 3R3
Canada

Invoice No.: CA12C500010399
Please include this number with payment

Invoice Date:	March 21, 2024
Due Date:	Upon receipt
Client No.:	0013500820
Engagement No.:	E-67812236

Please see last page of the invoice for payment instructions.

Re: Mednow Receivership

For professional services rendered from February 1, 2024 up to completion

		Net	Tax	Rate	Tax Amount	**CAD** Total
Fee (details attached):		28,313.42	GST	5 %	1,415.67	29,729.09
		28,313.42			**1,415.67**	**29,729.09**
Invoice summary		**28,313.42**				
Tax:	5% GST				1,415.67	
Total:		**28,313.42**			**1,415.67**	**29,729.09**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Appendix “E”

In the Matter of the Receivership of Mednow Inc. et al. **Appendix E**

Details of the Receiver's Legal Counsel Invoices - McCarthy Terault LLP

Invoice	Date	Period Covered		Legal Fees	Other Charges	Other Charges Non-Taxable	Sub-Total	GST (Legal Fees)	GST (Other Charges)	PST (Legal Fees)	Total	Hours
No. 8573106	20-Dec-23	October 28, 2023, to November 30, 2023	$	52,679.50	1,329.00	488.94	54,497.44	2,633.98	66.45	3,687.57	60,885.44	**95.9**
No. 8574357	31-Dec-23	December 1, 2023 to December 31, 2023		23,265.50	876.54	198.00	24,340.04	1,163.28	43.83	1,628.59	27,175.74	**41.9**
No. 8575681	20-Feb-24	January 1, 2024 to January 31, 2024		4,285.00	61.24	-	4,346.24	214.25	3.06	299.95	4,863.50	**7.6**
No. 8577093	21-Mar-24	February 1, 2024 to February 29, 2024		8,395.00	-	-	8,395.00	419.75	-	587.65	9,402.40	**14.4**
		TOTAL	**$**	**88,625.00**	**2,266.78**	**686.94**	**91,578.72**	**4,431.26**	**113.34**	**6,203.76**	**102,327.08**	**159.80**

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, British Columbia
V6E 0C5
Tel: 604-643-7100
Fax: 604-643-7900

Ernst & Young Inc.
1133 Melville Street
Suite 1900
Vancouver, BC V6E 4E5

Invoice No:	8573106
GST/HST Reg. No:	116532839
Date:	December 20, 2023

Attention: Peter Venetsanos
Vice President

Ernst & Young Inc.
Reference: Mednow Receivership
027042-581049

For Professional Services Rendered for the period ending November 30, 2023

OUR FEES				$	52,679.50
Disbursements	Non-Taxable	$	488.94		
	Taxable		1,329.00		1,817.94
				$	54,497.44
GST	Fees	$	2,633.98		
	Disbursements		66.45		2,700.43
PST (BC)	Fees	$	3,687.57		3,687.57
TOTAL DUE ON ABOVE-NOTED MATTER				$	60,885.44

McCarthy Tétrault LLP

Lance Williams

PLEASE NOTE THIS ACCOUNT IS PAYABLE IN CANADIAN DOLLARS.

Direct Deposit or Wire Transfer Instructions –TD Canada Trust, 55 King Street West, Toronto, Ontario M5K 1A2, Canada, Bank: 004, Transit Number: 10202, Acct No.: 5307124 (CDN$) or 7349662 (US$), Swift Code TDOMCATTTOR, Canadian Routing No. //CC0004 10202. Please email TOR-AR@mccarthy.ca with payment details indicating invoice no.(s), our matter number and the lawyer's name.
Cheque by Mail: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$), PO Box 9647, Station A, Toronto, ON M5W 1P8.
Cheque by Courier: TD Wholesale Lockbox, 4 Prince Andrew Place, Dock 4, Toronto, Ontario M3C 2H4, Attention: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$).

Terms: Invoice payable upon receipt. Interest charged on any unpaid balance at a rate of 12.00% per annum calculated 30 days from invoice date. Any charges not posted to your account by the date of this invoice will be billed at a later date.

8573106B

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, British Columbia
V6E 0C5
Tel: 604-643-7100
Fax: 604-643-7900

Ernst & Young Inc.
1133 Melville Street
Suite 1900
Vancouver, BC V6E 4E5

Invoice No:	8574357
GST/HST Reg. No:	116532839
Date:	December 31, 2023

Attention: Peter Venetsanos
Vice President

Ernst & Young Inc.
Reference: Mednow Receivership
027042-581049

For Professional Services Rendered for the period ending December 31, 2023

OUR FEES				$	23,265.50
Disbursements	Non-Taxable	$	198.00		
	Taxable		876.54		1,074.54
				$	24,340.04
GST	Fees	$	1,163.28		
	Disbursements		43.83		1,207.11
PST (BC)	Fees	$	1,628.59		1,628.59
TOTAL DUE ON ABOVE-NOTED MATTER				$	27,175.74

McCarthy Tétrault LLP

DocuSigned by:
0B38D88CABCB430...

Lance Williams

PLEASE NOTE THIS ACCOUNT IS PAYABLE IN CANADIAN DOLLARS.

Direct Deposit or Wire Transfer Instructions –TD Canada Trust, 55 King Street West, Toronto, Ontario M5K 1A2, Canada, Bank: 004, Transit Number: 10202, Acct No.: 5307124 (CDN$) or 7349662 (US$), Swift Code TDOMCATTTOR, Canadian Routing No. //CC0004 10202. Please email TOR-AR@mccarthy.ca with payment details indicating invoice no.(s), our matter number and the lawyer's name.
Cheque by Mail: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$), PO Box 9647, Station A, Toronto, ON M5W 1P8.
Cheque by Courier: TD Wholesale Lockbox, 4 Prince Andrew Place, Dock 4, Toronto, Ontario M3C 2H4, Attention: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$).

Terms: Invoice payable upon receipt. Interest charged on any unpaid balance at a rate of 12.00% per annum calculated 30 days from invoice date. Any charges not posted to your account by the date of this invoice will be billed at a later date.

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, British Columbia
V6E 0C5
Tel: 604-643-7100
Fax: 604-643-7900

Ernst & Young Inc.
1133 Melville Street
Suite 1900
Vancouver, BC V6E 4E5

Invoice No:	8575681
GST/HST Reg. No:	116532839
Date:	February 20, 2024

Attention: Peter Venetsanos
Vice President

Ernst & Young Inc.
Reference: Mednow Receivership
027042-581049

For Professional Services Rendered for the period ending January 31, 2024

OUR FEES				$	4,285.00
Disbursements	Non-Taxable	$	0.00		
	Taxable		61.24		61.24
				$	4,346.24
GST	Fees	$	214.25		
	Disbursements		3.06		217.31
PST (BC)	Fees	$	299.95		299.95
TOTAL DUE ON ABOVE-NOTED MATTER				$	4,863.50

McCarthy Tétrault LLP

DocuSigned by:

0B38D88CABCB430...

Lance Williams

PLEASE NOTE THIS ACCOUNT IS PAYABLE IN CANADIAN DOLLARS.

Direct Deposit or Wire Transfer Instructions –TD Canada Trust, 55 King Street West, Toronto, Ontario M5K 1A2, Canada, Bank: 004, Transit Number: 10202, Acct No.: 5307124 (CDN$) or 7349662 (US$), Swift Code TDOMCATTTOR, Canadian Routing No. //CC0004 10202. Please email TOR-AR@mccarthy.ca with payment details indicating invoice no.(s), our matter number and the lawyer's name.
Cheque by Mail: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$), PO Box 9647, Station A, Toronto, ON M5W 1P8.
Cheque by Courier: TD Wholesale Lockbox, 4 Prince Andrew Place, Dock 4, Toronto, Ontario M3C 2H4, Attention: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$).

Terms: Invoice payable upon receipt. Interest charged on any unpaid balance at a rate of 12.00% per annum calculated 30 days from invoice date. Any charges not posted to your account by the date of this invoice will be billed at a later date.

McCarthy Tétrault LLP
Suite 2400, 745 Thurlow Street
Vancouver, British Columbia
V6E 0C5
Tel: 604-643-7100
Fax: 604-643-7900

Ernst & Young Inc.
1133 Melville Street
Suite 1900
Vancouver, BC V6E 4E5

Invoice No:	8577093
GST/HST Reg. No:	116532839
Date:	March 21, 2024

Attention: Peter Venetsanos
Vice President

Ernst & Young Inc.
Reference: Mednow Receivership
027042-581049

For Professional Services Rendered for the period ending February 29, 2024

OUR FEES			$ 8,395.00
Disbursements	Non-Taxable	$ 0.00	
	Taxable	0.00	0.00
GST	Fees	$ 419.75	
	Disbursements	0.00	419.75
PST (BC)	Fees	$ 587.65	587.65
TOTAL DUE ON ABOVE-NOTED MATTER			$ 9,402.40

McCarthy Tétrault LLP

DocuSigned by:

0B38D88CABCB430...

Lance Williams

PLEASE NOTE THIS ACCOUNT IS PAYABLE IN CANADIAN DOLLARS.

Direct Deposit or Wire Transfer Instructions –TD Canada Trust, 55 King Street West, Toronto, Ontario M5K 1A2, Canada, Bank: 004, Transit Number: 10202, Acct No.: 5307124 (CDN$) or 7349662 (US$), Swift Code TDOMCATTTOR, Canadian Routing No. //CC0004 10202. Please email TOR-AR@mccarthy.ca with payment details indicating invoice no.(s), our matter number and the lawyer's name.
Cheque by Mail: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$), PO Box 9647, Station A, Toronto, ON M5W 1P8.
Cheque by Courier: TD Wholesale Lockbox, 4 Prince Andrew Place, Dock 4, Toronto, Ontario M3C 2H4, Attention: McCarthy Tétrault LLP, C/O T9647 (CDN$) or T9647U (US$).

Terms: Invoice payable upon receipt. Interest charged on any unpaid balance at a rate of 12.00% per annum calculated 30 days from invoice date. Any charges not posted to your account by the date of this invoice will be billed at a later date.

Appendix “F”

RECEIVER CERTIFICATE

To: 1000699590 Ontario Inc.

CERTIFICATE NO. 003

AMOUNT $ 200,000

1. THIS IS TO CERTIFY that Ernst & Young Inc., the Receiver and Manager (the **"Receiver")** of all of the assets, undertakings and properties of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC, MEDNOW PHARMACY MB LTD, MEDNOW PHARMACY SERVICES INC, MEDNOW TECHNOLOGY INC, MEDNOW VIRTUAL CARE LTD. (Collectively the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property")** appointed by Order of the Supreme Court of British Columbia (the **"Court")** dated the 3rd day of November, 2023 (the "Order") made in SCBC Action No. S-237444 has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $200,000, being part of the total principal sum of $1,475,000 which 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 monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 8 per cent above the prime commercial lending rate of 7.2 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the 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 Harris + Harris LLP

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 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 under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 18th day of December, 2023.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name: Peter Venetsanos CPA, CIRP, LIT
Title: Vice President

RECEIVER CERTIFICATE

To: 1000699590 Ontario Inc.

CERTIFICATE NO. 004

AMOUNT $ 300,000

1. THIS IS TO CERTIFY that Ernst & Young Inc., the Receiver and Manager (the **"Receiver")** of all of the assets, undertakings and properties of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC, MEDNOW PHARMACY MB LTD, MEDNOW PHARMACY SERVICES INC, MEDNOW TECHNOLOGY INC, MEDNOW VIRTUAL CARE LTD. (Collectively the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property")** appointed by Order of the Supreme Court of British Columbia (the **"Court")** dated the 3rd day of November, 2023 (the "Order") made in SCBC Action No. S-237444 has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $300,000, being part of the total principal sum of $ 1,475,000 which 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 monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 8 per cent above the prime commercial lending rate of 7.2 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the 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 Harris + Harris LLP

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 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 under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 29th day of January, 2024.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:

Name: Peter Venetsanos CPA, CIRP, LIT

Title: Vice President

RECEIVER CERTIFICATE

To: 1000699590 Ontario Inc.

CERTIFICATE NO. 005 - Revised

AMOUNT $ 450,000

1. THIS IS TO CERTIFY that Ernst & Young Inc., the Receiver and Manager (the **"Receiver")** of all of the assets, undertakings and properties of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC, MEDNOW PHARMACY MB LTD, MEDNOW PHARMACY SERVICES INC, MEDNOW TECHNOLOGY INC, MEDNOW VIRTUAL CARE LTD. (Collectively the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property")** appointed by Order of the Supreme Court of British Columbia (the **"Court")** dated the 3rd day of November, 2023 (the "Order") made in SCBC Action No. S-237444 has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of $450,000, being part of the total principal sum of $ 1,475,000 which 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 monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 8 per cent above the prime commercial lending rate of 7.2 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the 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 Harris + Harris LLP

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 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 under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 19th day of March, 2024.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name: Peter Venetsanos CPA, CIRP, LIT
Title: Vice President

RECEIVER CERTIFICATE

To: 1000699590 Ontario Inc.

CERTIFICATE NO. 006

AMOUNT $ 162,500

1. THIS IS TO CERTIFY that Ernst & Young Inc., the Receiver and Manager (the **“Receiver”)** of all of the assets, undertakings and properties of 2716725 ONTARIO INC., 10111132 MANITOBA LTD. (DBA MEDNOW MB), MEDNOW CLINIC SERVICES INC., MEDNOW INC., MEDNOW EAST INC., MEDNOW MEDICAL INC., MEDNOW ONTARIO LIMITED, MEDNOW PHARMACY AB LTD., MEDNOW OPERATIONS INC., MEDNOW PHARMACY INC, MEDNOW PHARMACY MB LTD, MEDNOW PHARMACY SERVICES INC, MEDNOW TECHNOLOGY INC, MEDNOW VIRTUAL CARE LTD. (Collectively the "**Debtor**") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the **"Property”)** appointed by Order of the Supreme Court of British Columbia (the **"Court")** dated the 3rd day of November, 2023 (the “Order”) made in SCBC Action No. S-237444 has received as such Receiver from the holder of this certificate (the “Lender”) the principal sum of $ 162,500, being part of the total principal sum of $ 1,475,000 which 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 monthly not in advance on the 1st day of each month after the date hereof at a notional rate per annum equal to the rate of 8 per cent above the prime commercial lending rate of 7.2 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, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the Bankruptcy and Insolvency Act, and the right of the Receiver to indemnify itself out of the 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 Harris + Harris LLP

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 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 under this Certificate in respect of which it may issue certificates under the terms of the Order.

DATED the 19th day of March, 2024.

Ernst & Young Inc., solely in its capacity as Receiver of the Property, and not in its personal capacity

Per:
Name: Peter Venetsanos CPA, CIRP, LIT
Title: Vice President