Deloitte.

Court File No. S-226773
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE BUSINESS CORPORATIONS ACT, S.B.C. 2002, c. 57

AND

IN THE MATTER OF MEDIPURE PHARMACEUTICALS INC. AND MEDIPURE HOLDINGS INC.

MONITOR'S SECOND REPORT TO COURT

DELOITTE RESTRUCTURING INC.

SEPTEMBER 28, 2022

TABLE OF CONTENTS

APPENDICES

INTRODUCTION AND BACKGROUND

1) On August 19, 2022 (the "**Initial Order Date**"), on application by Medipure Pharmaceuticals Inc. ("**MPI**") and Medipure Holdings Inc. ("**MHI**", together with MPI, "**Medipure**" or the "**Companies**"), the Supreme Court of British Columbia (the "**Court**") made an order (the "**Initial Order**") granting the Companies protection from their creditors pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985 as amended (the "**CCAA**"). Under the Initial Order, Deloitte Restructuring Inc. ("**Deloitte**") was appointed as the Monitor of the Companies with enhanced powers (the "**Monitor**") and the Monitor, counsel to the Monitor, counsel to the Companies, and counsel to SHP Capital LLC (with respect to the fees and disbursements incurred in the hearing of the Initial Order) were granted a $300,000 charge on the Companies' assets (the "**CCAA Administration Charge**"). These proceedings (the "**CCAA Proceedings**") are a continuation of the proceedings (the "**BIA Proceedings**") which commenced on May 11, 2022 pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") under which Deloitte was appointed as the proposal Trustee of the Companies (the "**Proposal Trustee**"). The Initial Order discharges Deloitte as the Proposal Trustee of the Companies under the BIA Proceedings.

2) The Initial Order appointed the Monitor and granted an initial stay of proceedings until August 22, 2022 (the "**Initial CCAA Stay**").

3) The first report of the Monitor dated August 22, 2022 (the "**Monitor's First Report**") was prepared for the Companies' application on August 22, 2022 (the "**Comeback Hearing**") to, among other things, extend the Initial CCAA Stay and provided information to this Court on the Companies in respect of the Monitor's view on the enhanced powers to be included in the Amended and Restated Initial Order (the "**ARIO**"), including the retention of Helmsman Management Ltd. as chief restructuring officer of the Companies (the "**CRO**"), commented on the Companies' updated cash flow forecast dated August 17, 2022 for the period from August 20, 2022 to November 18, 2022 (the "**August 17 Cash Flow Forecast**"), commented on the additional DIP financing required pursuant to the August 17 Cash Flow Forecast, commented on the extension of the Initial CCAA Stay, commented on the CCAA Administration Charge, the proposed CRO charge of $50,000 (the "**CRO Charge**"), and the proposed debtor-in-possession ("**DIP**") lender's charge of $3.6 million (the "**CCAA DIP Charge**").

4) As a result of the Comeback Hearing and pursuant to a Court Order dated August 22, 2022, the Court approved the ARIO, which included the appointment of the CRO, extended the Initial CCAA Stay to August 24, 2022 (the "**First CCAA Stay Extension**"), and granted the CRO Charge. The CCAA DIP Charge was not granted as the Court application for interim financing was moved to August 24, 2022 (the "**August 24 Application**").

5) Despite the August 24 Application and a subsequent application on August 30, 2022, the Companies have been unable to secure interim funding for the CCAA Proceedings and the Court granted a short extension of the CCAA stay to September 1, 2022 to see if suitable funding could be sourced by the Companies.

6) The Monitor's first supplement to the Monitor's First Report dated September 1, 2022 (the "**First Supplement to the Monitor's First Report**") was prepared for the Monitor's application on September 1, 2022 (the "**September 1 Application**") to, among other things, amend the ARIO (the "**Second ARIO**") to give additional powers to the CRO to sell the Companies' property, to grant an additional charge to the maximum of $200,000 as security for fees and disbursements of the Monitor, counsel to the Monitor and the CRO (the "**Liquidation Charge**"), to determine (the "**WEPPA**

Determination") that any employees terminated after the date of the Second ARIO are former employees for the purposes of the *Wage Earners Protection Program Act* ("**WEPPA**"), and to extend the CCAA stay of proceedings (the "**Stay**") to October 17, 2022. At the September 1 Application, the Companies also brought an application to, among other things, approve a DIP facility commitment letter dated August 31, 2022 as between SHP Capital LLC ("**SHP**") and MHI (the "**SHP Proposed DIP Facility**") and a related charge on the assets (the "**Interim Lender's Charge**"). The First Supplement to the Monitor's First Report also provided information to Court on the SHP Proposed DIP Facility and Interim Lender's Charge.

7) As a result of the September 1 Application and pursuant to a Court Order dated September 1, 2022, the Court approved the Second ARIO, Liquidation Charge, WEPPA Determination, and the extension of the Stay to October 17, 2022. The Court's decision on the SHP Proposed DIP Facility and Interim Lender's Charge was adjourned to September 8, 2022 (the "**September 8 Application**") to allow the parties impacted by certain conditions of the Interim Lender's Charge, being Canada Revenue Agency ("**CRA**") and HFS Management Inc. ("**HFS**"), time to prepare for the application. The SHP Proposed DIP Facility was conditional on the Interim Lender's Charge, which included $2.75 million to fund the repayment of a pre-filing SHP secured loan with Medipure, ranking in priority to 1) HFS for any prior DIP charges and 2) all deemed trust claims arising under any applicable statutes (the "**CRA Priority Issue**").

8) As a result of the September 8 Application and, due to the wide-ranging impacts of the CRA Priority Issue, Mr. Justice Walker reserved judgement on the approval of the SHP Proposed DIP Facility and Interim Lender's Charge. Mr. Justice Walker also requested that the Monitor provide an update report to the Court early during the week of September 12, 2022 on the steps taken by the Monitor and CRO to deal with the employees and operations due to the lack of funding in the CCAA Proceedings (the "**September 8 Court Request**").

9) On September 11, 2022, the Monitor received an amended version of a DIP facility commitment letter dated September 9, 2022 as between MHI and SHP (the "**Amended SHP Proposed DIP Facility**") which included some minor adjustments to the terms and amounts in the SHP Proposed DIP Facility due to the delayed funding date.

10) The Monitor's second supplement to the Monitor's First Report under the CCAA Proceedings dated September 12, 2022 (the "**Second Supplement to the Monitor's First Report**") was prepared to provide information to this Honourable Court in respect of the September 8 Court Request and the Amended SHP Proposed DIP Facility.

11) Mr. Justice Walker rendered an oral judgement related to the September 8 Application on September 15, 2022 (the "**CRA Priority Issue Ruling**") where he ruled in favour of CRA with respect to the CRA Priority Issue. As a result of this decision, SHP retracted its Amended SHP Proposed DIP Facility and the Monitor and CRO had no choice but to undertake immediate steps to commence an accelerated sales process (the "**Accelerated Sales Process**") for Medipure's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

12) The Companies are bringing an application to Court on September 29, 2022 (the "**September 29 Application**") to, among other things, obtain the approval of the Court of a proposed DIP facility and interim lender's charge pursuant to a DIP facility commitment letter dated September 27, 2022 as between MHI and the Peretz-Lalli Group (the "**Shareholder Group Proposed DIP Facility**") in order for the Peretz-Lalli

Group (the "**Shareholder Group**") to obtain additional time to complete due diligence and assemble an offer for the Property under an extended Accelerated Sales Process.

13) The Monitor is bringing an application to Court at the September 29 Application to, among other things, obtain the approval of the Court of an asset purchase agreement for certain of the Property dated September 28, 2022 as between Apogee Pharmaceuticals, Inc. ("**Apogee**"), a company 100% owned by SHP, and Medipure (the "**Apogee Proposed Sale Agreement**").

14) This is the Monitor's second report to the Court under the CCAA Proceedings (the "**Monitor's Second Report**") which has been prepared for the September 29 Application.

PURPOSE

15) The purpose of the Monitor's Second Report is to provide information to this Honourable Court for the September 29 Application in respect of:

a) The Monitor's activities to date in the CCAA Proceedings, including steps taken with respect to the Accelerated Sales Process, in support of a request for the Court to approve the activities and steps outlined;

b) The details of the Apogee Proposed Sale Agreement;

c) The details of the Shareholder Group Proposed DIP Facility and the conditions around extending the Accelerated Sales Process; and

d) The fees and costs of the professionals involved in the BIA Proceedings and CCAA Proceedings.

TERMS OF REFERENCE

16) In preparing the Monitor's Second Report, the Monitor has relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the Companies ("**Management**") and the Companies' legal counsel, Boughton Law Corporation ("**Boughton**" or "**Companies' Counsel**"). Although this information has been reviewed, Deloitte has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management or otherwise provided by the Companies in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the *Chartered Professional Accountants Canada Handbook*. Accordingly, Deloitte expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in, or otherwise used to prepare this report.

17) Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and procedures as outlined by the *Chartered Professional Accountants of Canada* has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projections and the variations could be significant.

18) All monetary amounts contained in this report are expressed in Canadian dollars, unless otherwise indicated.

19) Terms not defined in the Monitor's Second Report are defined in the Monitor's First Report, the First Supplement to the Monitor's First Report, Second Supplement to the Monitor's First Report, Initial Order, ARIO or Second ARIO.

20) The Monitor's reports and other information in respect of the CCAA Proceedings are posted on the Monitor's website at www.insolvencies.deloitte.ca/en-ca/Pages/Medipure (the "**Monitor's Website**").

ACTIVITIES OF THE MONITOR

21) The Monitor has completed the following activities since the date of the Initial Order:

a) Continued to monitor the financial affairs of the Companies and obtained updates from Management on the operations and projected cash flow as no interim financing has been obtained since the Initial Order Date;

b) Prepared and mailed the notices for the CCAA Proceedings to the Companies' creditors and corresponded with the Office of the Superintendent of Bankruptcy in regards to same;

c) Prepared and coordinated the advertising of the CCAA Proceedings in the Vancouver Sun;

d) Met with and held video conference calls with the Companies' employees to provide updates and answer questions;

e) Reviewed and updated various employee correspondence and wage calculations with Management and the CRO and prepared the related WEPPA letters;

f) Responded to creditor and other enquiries in relation to the NOI Proceedings and CCAA Proceedings and updated the Monitor's Website;

g) Met and corresponded with Management, the Companies' Board of Directors (the "**Board**") and Boughton around various proposed DIP financings, general restructuring plan and future financing;

h) Met and corresponded with SHP and SHP's legal counsel in regards to the operations, potential financings and the CCAA Proceedings;

i) Met and corresponded with the CRO in regards to the operations, employees, banking, cash flow and other matters;

j) Continued discussions with the British Columbia Securities Commission ("**BCSC**") in regards to the cease trade order issued to MHI by the BCSC on November 4, 2015 ("**CTO**");

k) Met with and held discussions with the Monitor's counsel, Clark Wilson LLP (the "**Monitor's Counsel**"), in regards to the CCAA Proceedings;

l) Held discussions with SHP, SHP's counsel, the CRO, Boughton, and the Monitor's Counsel to clarify the terms and amounts included in the SHP Proposed DIP Facility as a result of the Court reserving judgement and the related impacts on the Medipure employees, operations, asset values, and the CCAA Proceedings and the various paths forward and steps which the Monitor and CRO would be taking;

m) Met with the Medipure employees by video conference with the CRO on September 9, 2022 (the "**September 9 Employee Meeting**") to provide an update on the September 8 Application, the SHP Proposed DIP Facility, Medipure's operations, and to answer any questions;

n) Notified the employees at the September 9 Employee Meeting that the Medipure CCAA Proceedings, as a result of no funding, were moving into a liquidation process and that all employees, with some exceptions, were terminated as of September 9, 2022. As of September 23, 2022, only two employees remain who include Mr. Rman Walia, the Chief Financial Officer, and Mr. Nihar Pandey, the Chief Executive Officer and Chief Scientific Officer (the "**Remaining Employees**"). The Remaining Employees have not been compensated for their services despite providing valuable assistance to the Monitor and CRO as part of the CCAA Proceedings and with the Accelerated Sales Process. The former employees were issued formal termination letters and records of employment and the Monitor has provided them with the letters and proof of claims required to claim their wage arrears through WEPPA;

o) Took various steps with the CRO around the Accelerated Sales Process, as outlined further in the next section of the Monitor's Second Report;

p) Prepared for and attended four Court applications since the Initial Order Date and reviewed the related applications and pleadings; and

q) Prepared the Monitor's First Report, the First Supplement to the Monitor's First Report, the Second Supplement to the Monitor's First Report, and the Monitor's Second Report.

ACCELERATED SALES PROCESS

22) The Monitor and/or CRO have taken the following steps around the Accelerated Sales Process for the Property:

a) On September 15, 2022, after the CRA Priority Issue Ruling, the CRO sent an email (the "**September 15 Sales Notice**") to the key stakeholders of Medipure. These stakeholders included shareholders who hold 95% of the Medipure shares, 100% of the Medipure noteholders, 100% of the parties that provided funds for a potential DIP financing but are not Medipure shareholders or noteholders, GCB Capital LLC ("**GCB**"), and SHP (the "**Major Stakeholders**"). The September 15 Notice included, among other things, an update on the CRA Priority Issue Ruling and the resulting withdrawal of the Amended SHP Proposed DIP Facility, that a rapid wind-down of the Companies and liquidation of the Property was proceeding, and that any parties interested in the Property should contact the CRO by September 21, 2022. A copy of the September 15 Sales Notice is attached hereto as **Appendix "A"**.

b) On September 17, 2022, the CRO sent an email to the Major Stakeholders (the "**September 17 Sales Notice**") stating that, due to the limitation of access to the Court and the short time frame available for a sales process, the CRO was proceeding directly with the sales process, was not contemplating any DIP financing, and that the sale process was intended to complete on or before September 30, 2022. The terms and conditions (the "**LOI Terms**") around a request for letters of intent (the "**LOI**"), along with a template LOI, were attached

to the September 17 Sales Notice, a copy of which is attached here as **Appendix "B"**.

c) The more significant LOI Terms were as follows:

i) The parties agree that, other than the acceptance of the LOI, conclusion of an asset purchase agreement ("**APA**"), and approval of the APA by the Court, there are no other approvals or authorizations required to conclude the transaction which will be on an "as is where is" basis;

ii) Non-binding LOIs were due by 5:00pm (PDT) on September 21, 2022 (the "**LOI Deadline**"), or such other date as determined by the CRO, using the LOI template (the "**LOI Form**") provided;

iii) Proof of the proposed purchase price (the "**Proposed Purchase Price**") was required in the form of confirmation from a lawyer that the funds, net of the deposit required, are being held in a lawyer's trust account with no conditions;

iv) A deposit of twenty percent (20%) of the Proposed Purchase Price was to be paid by the purchaser concurrently with execution and delivery of the LOI (the "**Deposit**");

v) The APA was to be finalized and executed on or before September 27, 2022 unless extended by agreement in writing between the parties; and

vi) Court approval of the APA would be sought by the Monitor and CRO on or before September 29, 2022 (or such later date as may otherwise be agreed) and closing of the transaction will occur only after Court approval and by no later than September 30, 2022, or as may otherwise be agreed.

d) On September 19, 2022, the CRO sent an email to the Major Stakeholders (the "**September 19 Sales Notice**") stating that a number of inquiries were received from interested parties for detailed information on the Companies and that a virtual data room ("**VDR**") was prepared containing various information on Medipure and the CCAA Proceedings and that access could be gained to the VDR by signing a non-disclosure agreement ("**NDA**") that could be requested from the CRO. A copy of the September 19 Sales Notice is attached hereto as **Appendix "C"**.

i) The VDR includes the following information on Medipure:

i. Contracts and licences;

ii. Research and development information;

iii. Intellectual property information and status of patents;

iv. General corporate information, market and product reports, management discussion and analysis, and financial statements;

v. Croatia property details;

vi. Drug substance details;

vii. Asset details;

viii. Liability details;

ix. Recent correspondence from SHP and GCB to stakeholders including a document prepared by SHP titled "Imperative Disclosures to Potential Bidders on Medipure Assets or Stock" (the "**SHP Disclosure Document**"); and

x. Key affidavits from the BIA Proceedings and CCAA Proceedings.

e) On September 20, 2022 the VDR went live and parties signing NDAs were granted access.

23) The results of the Accelerated Sales Process are as follows:

a) Five (5) parties/groups, including SHP on behalf of Apogee, expressed an interest in the Property;

b) Three (3) parties/groups, excluding Apogee, signed NDAs and were granted access to the VDR;

c) One (1) party, Apogee, submitted a LOI Form (the "**Apogee LOI Form**") by the LOI Deadline along with a $925,000 deposit (the "**Apogee Deposit**"). The original Apogee LOI Form included an asset purchase transaction with a proposed purchase price which included a credit bid for certain tracing and other claims of SHP that ranked behind the various charges and claims on the Property of other parties. Based on feedback from the Monitor's Counsel, Apogee amended and resubmitted the LOI Form on September 23, 2022 and the purchase price was updated to be the lesser of $800,000 or the final vetted and approved fees and expenses of Deloitte, Monitor's Counsel, the CRO, and Boughton in the BIA Proceedings and CCAA Proceedings. The proposed purchase price was to be offset by the $375,000 retainer previously provided to Deloitte by SHP (the "**CCAA Retainer**") leaving cash consideration of $425,000; and

d) One (1) party, the Shareholder Group, submitted an expression of interest on September 20, 2022 and requested and was granted an extension to September 26, 2022 at 12:00pm PT to file the LOI Form. Due to an apparent misunderstanding, the Shareholder Group did not submit the LOI Form (the "**Shareholder Group LOI Form**") until September 27, 2022. The Shareholder Group LOI Form proposes an asset purchase or reverse vesting order transaction with an anticipated purchase price between $7.5 million and $20.0 million, subject to a 30-day extension to October 27, 2022 to allow the Shareholder Group to complete due diligence. No deposit was provided with the Shareholder Group LOI Form, but the Shareholder Group proposes to fund the extension of the Accelerated Sales Process with the Shareholder Group Proposed DIP Facility that was submitted with the Shareholder Group LOI Form.

24) The Monitor and CRO have had several discussions with the Shareholder Group and understand that they are not willing to provide a deposit with a non-binding LOI without first completing further due diligence. The CRO requested further details from the Shareholder Group late on September 27, 2022 around how the proposed purchase price would be funded and the related financing strategy and no response was received before the release of the Monitor's Second Report.

25) On September 26, 2022, the Monitor and CRO notified Apogee that no other conforming bids were received as part of the Accelerated Sales Process and that the Monitor was moving forward with the Apogee LOI Form subject to some adjustments.

26) On September 27, 2022, Apogee provided a draft APA that was updated based on comments from the Monitor's Counsel and a final and unexecuted copy of the Apogee Proposed Sale Agreement dated September 28, 2022 is attached hereto as **Appendix "D"**. The Apogee Proposes Sale Agreement has not been executed by the CRO at the time of the release of the Monitor's Second Report as the schedules were still being finalized.

27) The more significant terms of the Apogee Proposed Sale Agreement are as follows:

a) The asset purchase is on an "as is where is" basis and Apogee agrees to purchase all of the Property with the exception of the excluded assets free and clear of all encumbrances (other than permitted encumbrances) pursuant to Court approval and a vesting order (the "**Approval and Vesting Order**").

b) The proposed purchase price (the "**Apogee Proposed Purchase Price**") is the lesser of the maximum purchase price of $925,000 (increased from $800,000 in the Apogee LOI Form) or the final vetted and approved fees and expenses of Deloitte, Monitor's Counsel, the CRO, and Boughton in the BIA Proceedings and CCAA Proceedings, plus the $40,000 in costs to wind-down the Companies through bankruptcies (the "**Wind-Down Costs**"). The Apogee Proposed Purchase Price is to be offset by the repayment of the CCAA Retainer of $375,000 from the Apogee Deposit, leaving cash consideration of $550,000.

c) The Apogee Proposed Purchase Price shall be satisfied by the Apogee Deposit and will include:

i) Payment of the CCAA Retainer to SHP;

ii) Payment of the Wind-Down Costs to a separate account for Deloitte to administer the bankruptcies;

iii) Payment of the outstanding invoices of Boughton approved by Apogee;

iv) Payment of the outstanding invoices of Deloitte, Clark Wilson and the CRO after taxation by the Court; and

v) Payment of any remaining amount of the Apogee Deposit, after payment of the above items, to Apogee.

d) The conditions for both parties include:

i) The Approval and Vesting Order is obtained and shall not have been stayed, varied or vacated;

ii) No order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the transaction; and

iii) No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the transaction.

e) The closing date is scheduled for October 1, 2022 (the "**Proposed Closing Date**").

28) The Monitor's comments on the Accelerated Sales Process are as follows:

a) The CRO's sales notices were only sent to the Major Stakeholders as there was limited time and funds to solicit offers from outside groups that would not have enough time or knowledge to submit meaningful non-binding offers by the LOI Deadline;

b) The Major Stakeholders were determined to be the only logical buyers in this situation as the Companies have a complicated history with the CTO, pending forensic audit, strained relationship with SHP, and no funding. In addition, it is assumed that most of the Major Stakeholders have been made aware of the BIA Proceedings and CCAA Proceedings and have had time to consider providing funds for DIP or a potential purchase of the Property;

c) The accelerated timeline was required as, without funding at the time, the value of the Property would continue to decline as the premises cannot be retained, ongoing studies cannot continue, the Remaining Employees committed to only work on an unpaid basis to September 30, 2022, and the Health Canada Licence cannot be maintained;

d) The Shareholder Group LOI Form has an anticipated purchase price of between $7.5 million and $20.0 million, but unfortunately is subject to a 30-day extension for the completion of due diligence and there is no guarantee that a binding offer will be made then or that sufficient funding will be raised to support the purchase price. In addition, no deposit was provided by the Shareholder Group as the Monitor understands that the group requires more time to get comfortable with the Property. The Monitor and CRO understand that the timeline in the Accelerated Sales Process was very tight and that the Shareholder Group has had limited time to complete due diligence, but they have not provided the Monitor and CRO with sufficient comfort around what a transaction may look like and how it would be funded. The Shareholder Group LOI Form is being supported through the Shareholder Proposed DIP Facility, but there are concerns with this as further outlined in the next section of the Monitor's Second Report.

e) Apogee has complied with the Accelerated Sales Process and the Apogee LOI Form was the only LOI received by the LOI Deadline. With the exception of the Apogee Proposed Purchase Price, which may be at the lower range of the estimated net realizable value ("**NRV**") of the Property in a liquidation scenario (as discussed later in the Monitor's Second Report), the Apogee Proposed Sale Agreement includes reasonable terms and conditions and a closing by October 1, 2022. The Apogee Proposed Sale Agreement is the only unconditional offer currently in place as a result of the Accelerated Sales Process and only requires Court approval. The Monitor does have the following comments in regards to the actions taken by SHP and Mr. Anderson during the Accelerated Sales Process:

    i) The Medipure Board arranged for a shareholder call on September 14, 2022 to which the Monitor and CRO were invited to attend to provide an update on the CCAA Proceedings and to answer any questions.

    ii) On September 16, 2022, after receipt of the September 15 Sales Notice and after not being included in the shareholder call on September 14, 2022, Mr. Anderson provided the Monitor and CRO with the SHP Disclosure Document and strongly suggested that it be provided to any potential bidders to ensure full disclosure of the Companies' prior actions with SHP and to notify that SHP had hired certain former key employees of Medipure.

iii) On September 17, 2022, Mr. Anderson sent an email (the "**September 17 Anderson Email**") addressed to Medipure's stakeholders (the Monitor has not requested the distribution list) along with the SHP Disclosure Document. A copy of the SHP Disclosure Document was attached to the September 17 Anderson Email and both documents were included in the VDR and are attached hereto as **Appendix "E"**.

iv) On September 27, 2022, after receipt of Medipure's September 29 Application materials, the Monitor has been advised that Mr. Anderson had a phone call with one of Board members to understand the Shareholder Group Proposed DIP Facility, reiterated the importance of the Medipure Board to meet their fiduciary duties and consider the Apogee Proposed Sale Agreement in the context of all stakeholders, and that the Medipure Board could be exposed legally if fiduciary duties are not met. In addition, the Monitor has been informed that Mr. Anderson has reached out to one of the members of the Shareholder Group.

29) In deciding whether to make an order for the sale of assets, section 36(1) of the CCAA directs the Court to consider, among other things, several factors. These factors are outlined below, along with the Monitor's comments.

a) Whether the process leading to the proposed sale or disposition was reasonable in the circumstances.

i) As outlined earlier, the Accelerated Sales Process was required due to a lack of funding after the Amended SHP Proposed DIP Facility was retracted and there was no ability for Medipure to fund prior and ongoing post-filing expenses. In addition, the value of the Property was at risk and the CCAA Proceedings needed to move to a liquidation versus a restructuring. The Monitor and CRO understand that the timeline in the Accelerated Sales Process was very tight and that the Shareholder Group has had limited time to complete due diligence, but they have not provided the Monitor and CRO with sufficient comfort around what a transaction may look like and how it would be funded. Based on this situation, the Monitor is of the view that the Accelerated Sales Process was reasonable in the circumstances.

b) Whether the Monitor approved the process leading to the proposed sale or disposition.

i) The Monitor and CRO approved and executed the Accelerated Sales Process undertaken to sell the Property based on the circumstances at the time.

c) Whether the Monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy.

i) The Monitor and CRO are of the opinion that a sale of the Property during the CCAA Proceedings, and while the Health Canada Licence is still in place and before the Property value declines further, is more beneficial to the creditors than a disposition under a bankruptcy. Unfortunately, the creditors would not see any direct recovery of their claims with the Apogee Proposed Sale Agreement, but the former Medipure employees may be re-employed through Apogee if the sale is approved by Court.

d) The extent to which the creditors were consulted.

i) The Major Stakeholders, including the Medipure Noteholders and employees, have been notified of the Accelerated Sales Process through the CRO's sales notices and through various updates and meetings with the Monitor, CRO and the Board. SHP, the only secured creditor of Medipure, is the sole owner of Apogee and has been consulted throughout the Accelerated Sales Process.

e) The effects of the proposed sale or disposition on the creditors and other interested parties.

i) The Apogee Proposed Sale Agreement will not result in any direct recovery to the creditors and other interested parties, but the former Medipure employees may be re-employed through Apogee if the sale is approved by Court.

f) Whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

i) Medipure's primary asset consists of its intellectual property associated with its suite of early stage development drugs, which are very difficult to value, as outlined in the BIA Proceedings' Reports. The Companies Property also includes lab and office equipment, computers, servers, software, leasehold improvements, and shares held in its wholly owned subsidiaries in India and Croatia.

ii) The Monitor has completed an analysis of the net realizable value ("**NRV**") of Medipure's Property as at June 30, 2022 in a liquidation scenario where operations are ceased and assets are sold through the CCAA Proceedings with a concurrent bankruptcy (the "**NRV Analysis**"). The NRV Analysis includes several assumptions and is based on the reported net book values of the Property as at June 30, 2022 and various realization assumptions that are based on the Monitor's past experience with similar assets in similar scenarios without any recent appraisals. All of the assumptions are outlined in the notes to NRV Analysis and the Monitor cautions that the NRV Analysis was completed for indicative purposes only and actual realizations would be different and the differences could be significant. Based on the NRV Analysis and related assumptions, the Monitor estimates that the NRV of the Property in a liquidation scenario could range from approximately $830,000 to $1.3 million. A copy of the NRV Analysis is attached hereto as **Appendix "F"**.

iii) The Apogee Proposed Purchase Price of $925,000 is within the lower range of $830,000 to $1.3 million estimated in the NRV Analysis.

30) Based on the above, and despite the actions taken by Mr. Anderson during the Accelerated Sales Process, the Monitor and CRO support the Apogee Proposed Sale Agreement and it is subject only to Court approval.

SHAREHOLDER PROPOSED DIP FACILITY

31) The Monitor was provided with the signed Shareholder Group Proposed DIP Facility on September 27, 2022, a copy of which is attached hereto as **Appendix "G"**.

32) The structure and more significant terms of the Shareholder Group Proposed DIP Facility are as follows:

a) The total principal amount (the "**Total Principal**") is up to $816,000 (excluding fees) and would be fully funded on September 30, 2022, subject to the conditions below.

b) The loan will bear interest at 8.0% per annum calculated and compounded monthly.

c) The facility is a DIP loan (the "**Interim Loan**") in the form of a non-revolving facility which becomes fully due and payable on the earlier of September 30, 2023 or on default.

d) Debt covenants include, among other items, compliance with the most current cash flow forecast, regular variance and other reporting, and compliance with any Court orders made in the CCAA Proceedings.

e) Conditions include the following:

i) The Interim Loan is subject to the issuance of an order by the Court in the CCAA Proceedings approving the Interim Loan and granting a ratable first-place super priority charge over the assets of the Borrower (the "**Interim Lender's Charge**"). The Interim Lender's Charge ranks only behind the $700,000 in Liquidation and Administration Charges granted in the BIA Proceedings and CCAA Proceedings and the $50,000 CRO Charge (collectively the "**Administration Charges**") and shall rank in priority to all deemed trust claims arising under any applicable statutes.

ii) The Interim Lender's Charge shall rank in priority to the BIA DIP charges granted to HFS.

iii) The agreement of the Monitor and CRO to extend the Accelerated Sales Process to October 31, 2022.

iv) Funds will be held by Boughton and returned unless all conditions are satisfied.

v) The Court grants a 30-day extension of the stay in the CCAA Proceedings.

33) The larger use of the proceeds that comprise the Total Principal, and any related comments from the Monitor, are as follows:

a) $125,000 for the Monitor's fees to continue the Accelerated Sales Process.

b) $125,000 for Boughton's legal fees.

c) $120,000 is being made available for the continuation of the MP-20X animal trials. These costs are required to ensure the trials continue without delay.

d) $50,000 to continue the forensic audit being completed by BDO Dunwoody LLP. The Monitor understands that these costs are being incurred to help determine the value of any potential future claims.

e) $108,00 for the payroll arrears for the Remaining Employees. This does not cover the payroll arrears for the terminated employees that total over $200,000 (before any WEPPA offsets).

f) $43,000 for the four weeks of wages for the Remaining Employees.

g) $78,000 for a contingency.

34) The Monitor has the following comments on the structure and more significant terms of the Shareholder Group Proposed DIP Facility:

a) The Interim Lender's Charge which, if approved by Court, would rank ahead of all claims except the Administration Charges. These other charges includes the BIA DIP charges for up to $335,000, the BIA director's charge of $65,000, the CRA deemed trust claim of $1.6 million and the SHP secured claim of $3.8 million.

b) The proposed interest rate of 8.0% appears reasonable.

c) While the use of the proceeds that comprise the Total Principal appear to be reasonable and will assist in funding some of the costs to extend a sales process, the Monitor does have concerns around other post-filing expenses not being covered, including the wage arrears of the terminated employees which it understands would be funded if the Shareholder Group was the successful purchaser. The Monitor also expressed concerns about a further DIP facility being entered into to extend the sales process with the Monitor not having sufficient comfort and details around what an offer would look like from the Shareholder Group and how it would be funded.

35) In deciding whether to make an order, subsection 11.2(4) of the CCAA directs the Court to consider, among other things, several factors. These factors are outlined below, along with the Monitor's comments.

a) The period during which the debtor is expected to be subject to proceedings under the CCAA.

i) Due to a lack of funding, the CCAA Proceedings have moved into a liquidation of the Property and this is now a much shorter timeframe than if a plan was being put forward to the creditors.

b) How the debtor's business and financial affairs are to be managed during the proceedings.

i) The Monitor and CRO are in place to oversee the operations and run the sales process which would extend to managing and/or monitoring the DIP financing if approved.

c) Whether the debtor's management has the confidence of its major creditors.

i) SHP is the only secured creditor of the Companies who does not have confidence in Management and does not support the Shareholder Group Proposed DIP Facility.

d) Whether the loan would enhance the prospects of a viable Plan being made in respect of the debtor.

i) There is no viable plan for the Companies as they are now in a liquidation process. However, a successful purchase by the Shareholder Group would likely result in a better recovery for the stakeholders than the Apogee Proposed Sale Agreement.

e) The nature and value of the debtor's property.

i) The value of the Property remains unknown and the Accelerated Sales Process resulted in one binding offer, albeit in a very short time-frame.

f) Whether any creditor would be materially prejudiced as a result of the security or charge.

i) All Medipure creditors behind the Administration Charges would be prejudiced by the Interim Charge, but may see a better recovery if the Shareholder Group had a superior bid to Apogee based on an extended Accelerated Sales Process.

g) The monitor's report referred to in paragraph 23(1)(b), if any. Not applicable here.

36) The Monitor understands that SHP is opposed to the Shareholder Group Proposed DIP Facility and is concerned about a DIP financing with a contingent purchase by the Shareholder Group.

37) The Monitor had a discussion with staff at the BCSC on August 23, 2022 in response to clarifying the Monitor's First Report. The BCSC indicated at that time that it did not have enough information on the WMEI Proposed DIP Facility to provide a position on whether the DIP financing is a "security" under the *Securities Act* and if the DIP financing requires relief from the terms of the CTO. The BCSC previously provided its position that the DIP financing obtained in the BIA Proceedings did not meet the definition of a "security" and did not require relief from the CTO. The Monitor understands that the BCSC is not saying that its position would be different in the current circumstances, but these are new circumstances, and it has not been provided full details, or the opportunity to take a different position.

PROFESSIONAL FEES AND COSTS

38) The estimated fees and costs to September 23, 2022 for Deloitte, Clark Wilson, and the CRO in the BIA Proceedings and the CCAA Proceedings total approximately $466,000 and are covered by $465,000 in retainers received, including the CCAA Retainer. Boughton has not provided a statement or copies of any invoices, but the Monitor understands that Boughton's outstanding fees, net of any retainers already applied, total approximately $390,000 to September 23, 2022. Details of the invoices and work in process ("**WIP**") amounts are included in the following table.

Total Estimated Fees as at September 23, 2022

Deloitte Restructuring Inc.		
Invoices from May 10 to June 30, 2022	$	81
Invoice for July 2022		11
Invoice from August 1 to 19, 2022		16
WIP as at September 23, 2022		95
		203
CRO		
WIP as at September 23, 2022		79
Clark Wilson LLP		
Invoices from May 9 to June 30, 2022		56
Invoice for July 2022		3
Invoice for August 2022		98
WIP as at September 23, 2022		27
		184
Total fees for Deloitte, CRO and Clark Wilson		466
Boughton Law Corp.		
Estimated unpaid invoices to July 2022		250
Estimated WIP for August 2022		100
Estimated WIP as at September 23, 2022		40
		390
Total fees	$	856

39) The Administration Charges more than cover the $390,000 estimated owing to Boughton, but the professionals do not currently have any retainer funds to cover Boughton's outstanding fees or the go forward costs of all of the professionals.

CONCLUSION AND RECOMMENDATION

40) The Accelerated Sales Process, although truncated, was carried out by the Monitor and CRO to meet the urgent needs of the CCAA Proceedings and the situation being faced by the Companies with no funding. The only bidder that complied with the Accelerated Sales Process timeline and provided a deposit was Apogee. The Shareholder Group LOI Form is attractive in terms of the range of the proposed purchase price, but it is subject to further due diligence and the Shareholder Group has not given the Monitor or CRO sufficient comfort, through a deposit or any details of the proposed funding, that an offer will come forward. Based on the foregoing, the Monitor recommends that the Court:

a) Approve the actions of the Monitor and the Accelerated Sales Process undertaken, as detailed in the Monitor's Second Report; and

b) Absent special circumstances, such as an approval of the Court of the Shareholder Group Proposed DIP Facility, approve the Apogee Proposed Sale Agreement.

All of which is respectfully submitted to this Honourable Court this 28th day of September, 2022.

DELOITTE RESTRUCTURING INC.
In its capacity as CCAA Monitor of
Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.
and not in its personal or corporate capacity.

Per: Jeff Keeble, CPA, CA, CIRP, LIT, CBV
Senior Vice-President

Appendix A

September 15, 2022 sales notice sent by the CRO to the major stakeholders

From: John Parkinson
Sent: September 15, 2022 2:16 PM
Cc: John Parkinson <john.parkinson@helmsmangroup.ca>; Keeble, Jeff <jkeeble@deloitte.ca>
Subject: Medipure Update - IMPORTANT INFORMATION

Dear Medipure stakeholder

We are providing this summary update to you in order to keep you informed of the current status of the CCAA proceedings for Medipure Holdings Inc. and Medipure Pharmaceuticals Inc. (the "**Companies**").

As you know, the Supreme Court of British Columbia (the "**Court**") made an order (the "**Initial Order**") granting the Companies protection from their creditors pursuant to the *Companies Creditors Arrangement Act, R.S.C. 1985* as amended (the "**CCAA**"). Under the Initial Order, Deloitte Restructuring Inc. was appointed as the Monitor of the Companies with enhanced powers (the "**Monitor**") and the restructuring professionals were granted an initial $300,000 charge on the Companies' assets to initiate the necessary actions under the proceedings. As a reminder, these proceedings (the "**CCAA Proceedings**") are a continuation of the Companies' proceedings under the *Bankruptcy and Insolvency Act* which commenced on May 11, 2022.

Further details of the CCAA Proceedings, along with the Monitor's reports and Court Orders, can be located on the Monitor's dedicated webpage by clicking the following LINK.

As a summary, on August 22, 2022 the Court, amongst other things, approved the appointment of Helmsman Management Ltd. as Chief Restructuring Officer of the Companies (the "**CRO**"), and it is in that capacity that I am reaching out to you today. Despite numerous subsequent submissions to the Court and discussions with various parties, the Companies have been unable to secure debtor-in-possession financing for the CCAA Proceedings ("**DIP Financing**"). The Companies were back in Court on September 8, 2022 to seek the approval of the latest DIP Financing proposal, but Canada Revenue Agency ("**CRA**") has opposed the DIP Financing proposal as it is conditional on the DIP lenders' pre-filing secured loan ranking in priority to CRA for its trust claims arising under any applicable statutes. As a result of the wide ranging impacts of the CRA priority issue, Mr. Justice Walker reserved judgement on the approval of the DIP Financing proposal. Due to a complete lack of working capital, the CRO and Monitor took steps to further curtail the Companies' operations, including termination of most employees.

Today, September 15th, Mr. Justice Walker rendered his decision and rejected the proposal to allow the DIP lenders pre-filing loan ahead of the CRA. As a result, the proposed DIP Financing is no longer valid.

Without any funding in hand, the Companies cannot continue to operate as going concerns and the Monitor and CRO have no choice but to initiate a rapid wind-down of the Companies and commence a liquidation and sale process for the Companies' assets.

The anticipated sales process for the Companies' assets will commence quickly and be of a short duration. The CRO will be marketing the Companies' assets, including the intellectual property, lab equipment, and the Croatia property, as a bundle. If no meaningful offers are received on an en-bloc basis, the assets will need to be sold on a piece meal basis.

If you are interested in participating in the sales process, please contact the CRO by phone at 250.999.8929 or by email at john.parkinson@helmsmangroup.ca. by close of business on Wednesday September 21th 2022.

We will keep you updated as to how the process progresses.

Sincerely
John Parkinson
Medipure Chief Restructuring Officer

Helmsman
Navigating the Way

John Parkinson
President - *Helmsman Management Ltd.*
T: +1 250.999.8929 | **W:** www.helmsmangroup.ca
#400 – 602 Broughton Street, Victoria, BC, V8W 1C7

Appendix B

September 17, 2022 sales notice sent by the CRO to the major stakeholders

From: John Parkinson <john.parkinson@helmsmangroup.ca>
Sent: Saturday, September 17, 2022 4:16 PM
Cc: John Parkinson <john.parkinson@helmsmangroup.ca>; Keeble, Jeff <jkeeble@deloitte.ca>
Subject: [EXT] Medipure Update - further information

Dear Medipure Stakeholder

Further to my September 15th email, I wanted to provide a further update in regard to the CCAA proceedings for Medipure Holdings Inc. and Medipure Pharmaceuticals Inc. (the "**Companies**").

Due to the limitation of access to the CCAA court in the short time frame available for a sales process, we are proceeding directly with the sales process and are not contemplating further DIP financing. The sales process is intended to complete on or before September 30th 2022.

As such, a template Letter of Intent ("LOI") is attached to this email for any parties interested in entering the sales process. The attachment contains details of the process, including timing, information requirements, and bidder qualification.

Please note, due to the short time frame of the process, interested parties are required to follow the requirements set out in the LOI, including return of a completed and signed Letter of Intent to me no later than Wednesday September 21st 2022.

Sincerely
John Parkinson
Chief Restructuring Officer of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.

Helmsman
Navigating the Way

John Parkinson
President - *Helmsman Management Ltd.*
T: +1 250.999.8929 | **W:** www.helmsmangroup.ca
#400 – 602 Broughton Street, Victoria, BC, V8W 1C7

Helmsman
Navigating the Way

IN THE MATTER OF THE CCAA PROCEEDINGS OF
MEDIPURE HOLDINGS INC. AND MEDIPURE PHARMACEUTICALS INC.

REQUEST FOR LETTERS OF INTENT

SEPTEMBER 17, 2022

Deloitte Restructuring Inc. was appointed by the Supreme Court of British Columbia (the "**Court**") on August 19, 2022 as the Monitor (the "**Monitor**") of Medipure Holdings Inc. ("**MHI**") and Medipure Pharmaceuticals Inc. ("**MPI**", together with MPI, "**Medipure**" or the "**Companies**") pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985 as amended (the "**CCAA**"). Helmsman Management Ltd. was appointed by the Court on August 22, 2022 as the Chief Restructuring Officer (the "**CRO**") of the Companies and has the power, under the supervision of the Monitor, to conduct a sale of Medipure's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**").

The Monitor's reports and other information in respect of the Companies' CCAA proceedings are posted on the Monitor's website at www.insolvencies.deloitte.ca/en-ca/Pages/Medipure.

The CRO is seeking non-binding letters of intent ("**LOI**") for the Property until 5:00 p.m. (PDT) on **Wednesday, September 21, 2022** or such other date as determined by the CRO (the "**LOI Deadline**"). A form of the LOI is attached as **Appendix "1"**.

If you would like to make arrangements to obtain additional information, please contact the CRO by phone at 250.999.8929 or by email at john.parkinson@helmsmangroup.ca.

LOI's can be provided to the CRO as follows:

Helmsman Management Ltd.
CRO of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc.
400 – 602 Boughton Street, Victoria, BC V8W 1C7

Attention: **John Parkinson, President**
john.parkinson@helmsmangroup.ca
Mobile: 250-889-0116

The sale of the Property by the CRO will be subject to Court approval and will be on an "as is, where is" basis, without any representations or warranties provided by the Monitor or CRO, whether as to title, condition, book value, realizable value or otherwise, without limitation. Each offeror will need to perform its own due diligence and satisfy itself with respect to the Property.

The highest or best LOI or offer may not be accepted by the CRO. The CRO reserves the right to not accept any LOI or offer for the Property, or to vary the terms of or terminate its request for LOI's at any time, in its sole discretion, without notice to any party. The CRO reserves the right to deal with any one or more offerors to the exclusion of any others and to accept any offer or LOI for the Property at any time, including prior to the LOI Deadline, without notice to any party.

APPENDIX 1

LETTER OF INTENT

THIS LETTER OF INTENT (the "**LOI**") made as of this _____ day of September, 2022 (the "**Execution Date**"),

BETWEEN: _____

(the "**Purchaser**")

- AND -

Helmsman Management, in its capacity as the Court appointed Chief Restructuring Officer of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc. ("**Medipure**"), and not in its personal capacity

(the "**Vendor**")

BACKGROUND:

A. The Vendor has the authority to conduct a sale of Medipure's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**") pursuant to an order made by the Supreme Court of British Columbia (the "**Court**") on August 22, 2022.

B. The Purchaser wishes to purchase the Property from the Vendor.

C. The parties agree that, if accepted by the Vendor, this LOI will establish the non-binding material terms for a binding definitive asset purchase agreement (the "**APA**") for the transaction contemplated by this LOI.

D. The parties agree that this LOI supersedes and replaces any earlier expressions of interest or letters of intent submitted by the Purchaser.

E. The parties agree that other than acceptance of this LOI by the Vendor, conclusion of the APA and approval of the APA by the Court, there are no other approvals or authorizations required to conclude the transaction.

Transaction Description

1. The Property to be included in this contemplated transaction is described in **Schedule "A"** attached hereto. The Purchaser can opt to include or exclude any of the Property listed in **Schedule "A"**. The Purchaser will purchase the Property selected in **Schedule "A"** for $_____ (the "**Proposed Purchase Price**").

2. Proof of the Proposed Purchase Price is required in the form of confirmation from a lawyer that the funds, net of the deposit required in paragraph 4, are being held in a lawyer's trust account with no conditions.

3. The Vendor will prepare a draft APA for review by the Purchaser or will review the suitability of any APA provided by the Purchaser. The APA will contain limited covenants, representations, warranties, terms and conditions, typical of a transaction to be concluded subject to a court-supervised CCAA sale. The APA will be finalized and executed on or before September 27, 2022. If the APA is not executed by that date, the offer contemplated by this LOI shall be null and void, unless extended by agreement in writing between the Purchaser and the Vendor.

4. A deposit of twenty percent (20%) of the Proposed Purchase Price will be paid by the Purchaser to the Vendor concurrently with execution and delivery of this LOI (the "**Deposit**"), by way of bank draft or solicitor's trust cheque payable to the CRO's legal counsel "Clark Wilson, in Trust", or wired to the CRO's legal counsel. Should this LOI not be accepted by the Vendor, the Deposit will be returned to the Purchaser without interest. Should this LOI be accepted, and the parties enter into an APA, the Deposit will be dealt with in accordance with the terms of the APA or as may otherwise be agreed in writing among the Purchaser and the Vendor.

5. Should the Vendor accept this LOI, the Vendor and Purchaser agree to negotiate the terms and conditions of the APA in good faith. Upon the execution of an APA, it is understood by the Purchaser that the Deposit may become forfeited in accordance with the terms of the APA.

6. The Vendor and Purchaser acknowledge that any sale of the Property will be subject to approval by the Court (the "**Court Approval**"), to be sought by the Monitor and CRO on or before September 29, 2022 (or such later date as may otherwise be agreed between the Vendor and Purchaser) and closing of the transaction will occur only after Court approval and by no later than September 30, 2022, or as may otherwise be agreed by the Vendor and Purchaser.

7. The Vendor will make best efforts to obtain the Court Approval vesting the Property in the name of the Purchaser (or its nominee) free and clear of any liens, charges, encumbrances, or rights of others. If the Court Approval is not obtained, the Purchaser or the Vendor may terminate the transaction contemplated by the APA, the Deposit shall be refunded without interest, the transaction contemplated by the APA shall be null and void, and neither the Purchaser nor Vendor shall have any recourse against the other.

8. The Vendor and Purchaser acknowledge and agree that a Non-Disclosure Agreement shall be executed by the Purchaser to obtain additional information about the Property and any other information which may be available which is not publicly available.

9. The Purchaser acknowledges and agrees that the Property is being sold on an "as is, where is" basis and that the Monitor CRO have not made, nor will have made, any representation, warranty, statement or promise of any kind, except as may be expressly provided for in any APA.

10. The Vendor and Purchaser agree that each party shall bear its own costs associated with this LOI and subsequent APA.

This LOI accurately reflects the understanding between the Vendor and the Purchaser, signed on this _____ day of September _____, 2022.

Per: _____
(Purchaser)

Per: _____
Helmsman Management Ltd., in its capacity as the Chief Restructuring Officer of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc., and not in its personal capacity (Vendor)

SCHEDULE "A"

Medipure Summary Asset Listing

No.	Description	Included in LOI (Yes or No)
1	Lab equipment and furniture	
2	Computer hardware and software	
3	Office equipment and furniture	
4	Intellectual property (including patents)	
5	Drug substance	
6	In process trials	
7	Licences	
8	Contracts	
9	Agreements	
10	Equipment leases	
11	Real estates leases	
12	Choses in action	
13	Books and records	
14	100% of shares in Medipure d.o.o (Croatia)	
15	100% of shares in Medipure Life Sciences India Pvt Ltd. (India)	

Appendix C

September 19, 2022 sales notice sent by the CRO to the major stakeholders

From: John Parkinson <john.parkinson@helmsmangroup.ca>
Sent: Monday, September 19, 2022 8:38 PM
Cc: John Parkinson <john.parkinson@helmsmangroup.ca>; Keeble, Jeff <jkeeble@deloitte.ca>
Subject: [EXT] Virtual data room available for Medipure

Dear Medipure Stakeholder

Further to my emails of September 15th & 17th, in regard to the CCAA proceedings for Medipure Holdings Inc. and Medipure Pharmaceuticals Inc. (the "**Companies**").

We have received a number of inquiries from interested parties for detailed information on the Companies.

To facilitate access to information on the Companies, we have prepared a virtual data room ("VDR") that contains information on the assets, liabilities, R&D program etc - and we will add more as information becomes available.

In order to access the VDR, we require all interested parties to review and sign a non-disclosure agreement ("NDA").

If you wish to access the VDR, please respond to this email to request a copy of the NDA.

Sincerely
John Parkinson
Chief Restructuring Officer of Medipure Holdings Inc. and Medipure Pharmaceuticals Inc

Helmsman
Navigating the Way

John Parkinson
President - *Helmsman Management Ltd.*
T: +1 250.999.8929 | **W:** www.helmsmangroup.ca
#400 – 602 Broughton Street, Victoria, BC, V8W 1C7

Appendix D

Asset purchase agreement dated September 28, 2022 as between Medipure and Apogee Pharmaceuticals, Inc.

MEDIPURE HOLDINGS INC., and MEDIPURE PHARMACEUTICALS INC.

collectively, as Vendor

and

APOGEE PHARMACEUTICALS, INC.

as Purchaser

SHP CAPITAL, LLC

as Covenantee

ASSET PURCHASE AGREEMENT

September 28, 2022

ASSET PURCHASE AGREEMENT

This asset purchase agreement is made as of September 28, 2022, between Medipure Holdings Inc. ("**MHI**") and Medipure Pharmaceuticals Inc. ("**MPI**", and together with MHI, collectively, "**Medipure**" or the "**Vendor**"), Apogee Pharmaceuticals, Inc. (the "**Purchaser**"), and SHP Capital, LLC ("**SHP**"), as covenantee in respect of the covenants set out in Section 5.3 herein.

RECITALS:

(1) On August 19, 2022, the Vendor obtained relief under the CCAA (as defined herein) pursuant to the Initial Order issued by the Supreme Court of British Columbia (the "**Court**"), and Deloitte Restructuring Inc. was appointed as Monitor.

(2) In order to finance the Monitor's participation in the CCAA Proceedings, SHP advanced to the Monitor a retainer of CAD$375,000 (the "**Retainer Payment Amount**"), on the condition that such amount either be secured by or be repaid from the first advance under a debtor-in-possession financing facility to be approved, which conditions were unable to be fulfilled.

(3) The Court issued an Amended and Restated Initial Order on August 22, 2022 (the "**ARIO**"), among other things, appointing the CRO (as defined herein) and empowering it to carry on the activities and operations of the Medipure Entities, including in respect of carrying out the CCAA Proceedings (as defined herein), and granting the CRO Charge in favour of the CRO and the Administration Charge in favour of the Administrative Professionals.

(4) The Court issued a Second Amended and Restated Initial Order on September 1, 2022 ("**Second ARIO**"), among other things, approving the Liquidation Charge (as defined herein).

(5) The Court declined to approve debtor-in-possession financing offered by SHP, and the Retainer Payment Amount remains unpaid as of the date hereof.

(6) Due to lack of financing to carry on the CCAA Proceedings, on September 14, 2022, the CRO advised that it would be immediately commencing a liquidation of the Vendors' assets for the benefit of the Vendors' creditors, generally (the "**Sale Process**").

(7) On September 23, 2022, the Purchaser submitted a letter of intent to the Monitor under the Sale Process.

(8) The Vendor desires to sell the Purchased Assets, and the Purchaser has agreed to purchase such assets subject to the terms and conditions set forth in this Agreement, the Sale Process and the applicable provisions of the CCAA.

(9) SHP is the Vendor's sole secured creditor with a perfected security interest by virtue of a Promissory Note dated October 21, 2021, as secured by a General Security Agreement dated November 2, 2021, both of which are in default, which default remains outstanding as of the date hereof.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Vendor and the Purchaser agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Agreement and the recitals above, the following terms have the following meanings:

"**Administrative Professionals**" means the Vendors' legal counsel, the Monitor, the Monitor's legal counsel, and the CRO.

"**Affiliate**" has the meaning given to the term "affiliate" in the *Canada Business Corporations Act*.

"**Agreement**" means this asset purchase agreement, as amended from time to time in accordance with the terms hereof.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Vesting Order**" means an order issued by the Court substantially in the form of the British Columbia model vesting order, with such modifications as may be requested or required by the Purchaser, in its sole discretion, authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of the Vendor in and to the Purchased Assets.

"**Assignment Order**" means an order or orders of the Court pursuant to section 11.3 of the CCAA and other applicable provisions of the CCAA, in form and substance satisfactory to the Purchaser and the Vendor, each acting reasonably, authorizing and approving: (i) the assignment of any Consent Required Contract for which a consent, approval or waiver necessary for the assignment of such Consent Required Contract has not been obtained; (ii) the prevention of any counterparty to such Consent Required Contracts from exercising any right or remedy under such Consent Required Contracts by reason of any defaults arising from the CCAA Proceedings or the insolvency of the Vendor; and (iii) the vesting in the Purchaser (or as it may direct) of all right, title and interest of the Vendor in such Consent Required Contracts.

"**Assumed Obligations**" has the meaning set out in Section 2.4.

"**BIA Proceedings**" means the proposal proceedings commenced by MHI and MPI under Part 3 of the *Bankruptcy and Insolvency Act* (Canada), having Court File Nos. B220220 and B22021, respectively.

"**Books and Records**" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), used or intended for use by, and in the possession of the Vendor, in connection with the ownership, or operation of the Purchased Assets, including the Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records (but only as it relates to Transferred Employees), sales literature, advertising and marketing data and records, credit records, records relating only to suppliers and other data, in each case, relating to the Purchased Assets, MHI and MPI.

"**Business Day**" means a day on which banks are open for business in Vancouver, British Columbia but does not include a Saturday, Sunday or statutory holiday in the Province of British Columbia.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada).

"**CCAA Proceedings**" means the proceedings commenced by, among others, the Vendor under the CCAA.

"**Claims**" means any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person.

"**Closing**" means the successful completion of the Transaction.

"**Closing Date**" means October 1, 2022, unless the conditions set forth in Article 6 have not been satisfied or waived, other than the conditions set forth in Article 6 that by their terms are to be satisfied or waived at the Closing (or such other date agreed to by the Parties in writing); provided that the Closing Date shall be no later than the Outside Date.

"**Closing Time**" means 12:00:01 a.m. (Vancouver time) on the Closing Date.

"**Consent Required Contract**" has the meaning set out in Section 2.2(a).

"**Contracts**" means the contracts and other written agreements to which the Vendor is a party constituting part of the Purchased Assets listed in Appendix I to Schedule "A" to this Agreement.

"**Court**" means the Supreme Court of British Columbia.

"**CRO**" means Helmsman Management Ltd., in its capacity as chief restructuring officer of the Vendor.

"**CRO Charge**" means the charge in the maximum amount of $50,000 in favour of the CRO granted by the Court pursuant to the ARIO.

"**Cure Costs**" means all amounts required to be paid pursuant to section 11.3 of the CCAA to effect, pursuant to the CCAA, the assignment by the Vendor and assumption by the Purchaser of Consent Required Contracts under the Assignment Order and to otherwise satisfy all requirements imposed by section 11.3 of the CCAA.

"**Deposit**" means CAD$925,000, which amount has been provided by wire transfer, in trust, to Clark Wilson LLP, in its capacity as legal counsel for the Monitor.

"**D&O Claims**" means, collectively, all claims and causes of action (whether asserted or unasserted) possessed by or on behalf of MHI and/or MPI against the former directors and officers for, among other things, breach of fiduciary duty, negligence, and conversion.

"**Employee**" means an individual who is employed by the Vendor, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long-term disability leave.

"**Encumbrances**" means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or

kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"**Excise Tax Act**" means the *Excise Tax Act* (Canada).

"**Excluded Assets**" means all of the Vendor's right, title and interest, in and to those assets and rights set forth in Schedule "B".

"**Excluded Equipment**" means any equipment or machinery and any parts and components thereof, that are Excluded Assets.

"**Final Invoice**" has the meaning set out in Section 3.1(b).

"GCB Claims" means collectively, all claims and causes of action (whether asserted or unasserted) possessed by or on behalf of MHI and/or MPI against GCB Capital LLC, its affiliates, advisors, past or current employees, officers, and managers or similar.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

"**HST**" means the goods and services tax and harmonized sales tax levied under Part IX of the Excise Tax Act.

"**Income Tax Act**" means the *Income Tax Act* (Canada).

"**Intellectual Property**" means all intellectual property and industrial property related to the Vendor's business throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all: (i) copyrights, patents, patent rights, trademarks, certification marks, corporate names, business names, trade names and brand names; (ii) inventions and plant breeders' rights; (iii) works and subject matter in which copyright, neighboring rights or moral rights subsist; (iv) industrial designs; (v) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Business or relate to business opportunities for the Business, in whatever form communicated, maintained or stored; (vi) telephone numbers and facsimile numbers; (vii) registered domain names, IP addresses, websites, email addresses; and (viii) social media usernames and other internet identities and all account information relating thereto;

"**Liquidation Charge**" means the charge in the maximum amount of $200,000 in favour of Monitor, legal counsel to the Monitor and the CRO, granted by the Court pursuant to the Second ARIO.

"**Maximum Purchase Price Amount**" means CAD$925,000.

"**Medipure**" has the meaning set out in the recitals hereto.

"**Medipure Croatia**" means Medipure d.o.o.

"**Medipure Croatia Shares**" means all the issued and outstanding shares in the capital of Medipure Croatia.

"**Monitor**" means Deloitte Restructuring Inc., in its capacity as the monitor in the CCAA Proceedings.

"**Monitor's Certificate**" means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties.

"**Non-Assignable Interests**" means any Purchased Assets, which, by their nature, cannot be legally or practically sold and assigned by the Vendor to the Purchaser hereunder, including without limitation any Consent Required Contracts and licenses for which an Assignment Order or counterparty consent has not been obtained or which by their nature are not assignable.

"**Outside Date**" means January 31, 2023.

"**Party**" means each of the Purchaser and the Vendor.

"**Permitted Encumbrances**" means those Encumbrances set forth in Schedule "C".

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Purchase Price**" means an amount equal to the lesser of (i) the professional fees and expenses incurred by the Administrative Professionals in connection with the CCAA Proceedings and the BIA Proceedings as evidenced by Final Invoice issued in accordance with Section 3.1(b), plus the amount approved in any Court order issued in the CCAA Proceedings approving the fees and disbursements of the Administrative Professionals, plus the Wind-Down Amount, and (ii) the Maximum Purchase Price Amount.

"**Purchased Assets**" means all of the Vendor's right, title and interest, in and to the assets used in the business of the Vendor, being those assets set forth in Schedule "A" and for greater certainty shall exclude all Excluded Assets.

"**Purchaser**" has the meaning set out in the recitals hereto.

"**Retainer Payment Amount**" has the meaning set out in the recitals hereto.

"**Sale Process**" has the meaning set out in the recitals hereto.

"**SHP**" means SHP Capital, LLC, the parent company of the Purchaser.

"**SHP Claims**" means SHP's trust and/or tracing claims against MHI and MPI relating to SHP's investment in MHI in the amount of US$5,065,001.

"**SHP Claims Release**" means the release of the SHP Claims by SHP in accordance with Section 5.3.

"**Representative**" means, in respect of a Party, each director, officer, employee, agent, Affiliate, manager, lender, solicitor, accountant, professional advisor, consultant, contractor and other representative of such Party or such Party's Affiliates.

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement.

"**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including HST but excluding any taxes imposed or payable under the Income Tax Act and any other applicable income tax legislation.

"**Vendor**" has the meaning set out in the recitals hereto.

"**Wind Down Amount**" means CAD$40,000, being a fixed agreed upon amount needed to fund the Monitor's activities necessary to wind down and dissolve the Medipure entities under the *Bankruptcy and Insolvency Act*.

Section 1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.3 General Construction.

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

Section 1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

Section 1.5 Currency

All references in this Agreement to dollars, monetary amounts or to $ are expressed in Canadian currency unless otherwise specifically indicated.

Section 1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

Section 1.7 Schedules

The following Schedules are incorporated in, and form part of, this Agreement:

Schedule "A" – Purchased Assets

Schedule "B" – Excluded Assets

Schedule "C" – Permitted Encumbrances

ARTICLE 2
SALE AND PURCHASE AND ASSIGNMENT

Section 2.1 Sale and Purchase of Assets

Subject to the terms and conditions hereof, at the Closing Time, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor, the Purchased Assets free and clear of all Encumbrances (other than Permitted Encumbrances) pursuant to the Approval and Vesting Order.

Section 2.2 Assignment of Contracts

In the event that there are any Contracts which are not assignable in whole or in part without the consent, approval or waiver of another party or parties to them and such consents, approvals or waivers have not yet been obtained as of the Closing Date, then:

(a) nothing in this Agreement will be construed as an assignment of any such Contract (each a "**Consent Required Contract**");

(b) until the Approval and Vesting Order is granted, the Vendor shall use its commercially reasonable efforts to obtain any such consent, approval or waiver, and the Purchaser shall provide its reasonable cooperation to assist the Vendor in obtaining any such consent, approval or waiver;

(c) if any consent, approval or waiver is not obtained for any Consent Required Contract prior to the service of the motion for the Approval and Vesting Order, the Purchaser may request that the Vendor bring a motion to the Court for issuance of an Assignment Order with respect to such Consent Required Contracts together with the motion for the Approval and Vesting Order; and

(d) once the consent, approval or waiver to the assignment of a Consent Required Contract is obtained, or the assignment of such Contract has been ordered by the Court, such Consent Required Contract shall be deemed to be assigned to the Purchaser on Closing.

With respect to each Consent Required Contract, subject to Closing and to either: (i) the consent of the other parties thereto to the assignment thereof; or (ii) in the absence of such consent, the obtaining of an Assignment Order, in addition to its other obligations under this Agreement, the Purchaser shall pay the applicable Cure Costs related to such Consent Required Contract on Closing.

Section 2.3 "As is, Where is"

The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an "as is, where is" basis as they shall exist as at the Closing Time. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets. No representation,

warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell or assign same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Assets contained in the Schedules is for purpose of identification only. Except as otherwise provided in Section 4.2, no representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such descriptions.

Section 2.4 Assumed Obligations

The Purchaser shall assume and perform, discharge and pay when due the following obligations and liabilities of the Vendor (the "**Assumed Obligations**"):

(a) all debts, liabilities and obligations under the Contracts (to the extent assigned or transferred to the Purchaser on Closing) for the period from and after the Closing Time;

(b) the obligations and liabilities of the Vendor to pay Cure Costs in respect of any Contract; and

(c) all debts, liabilities and obligations arising from ownership and use of the Purchased Assets for the period from and after the Closing Time.

Section 2.5 Excluded Obligations

Other than the Assumed Obligations, the Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any debts, liabilities or other obligations of the Vendor, including, without limiting the generality of the foregoing:

(a) all debts, liabilities, obligations or Claims related to any Excluded Asset;

(b) subject to Section 2.2 and Section 2.4(b), all debts, liabilities and obligations related to any Purchased Assets or the business of the Vendor arising out of or related to the period prior to the Closing Time;

(c) all obligations and liabilities owing by the Vendor to any Affiliate;

(d) all taxes imposed on or relating to the Purchased Assets that are attributable to any pre-Closing tax period whether or not any such period ends or before the Closing Date (other than any Transfer Taxes that may be imposed on the Vendor in accordance with Section 3.2); and

(e) all debts, liabilities and obligations of the Vendor arising under this Agreement.

ARTICLE 3
PURCHASE PRICE

Section 3.1 Satisfaction of Purchase Price

The Purchase Price shall be satisfied by the Purchaser as follows:

(a) On Closing, the Monitor shall be and is hereby authorized to transfer the Wind-Down Amount from the Deposit to a separate account, in partial satisfaction of the Purchase Price, such amount to be used by the Monitor solely to administer Medipure's bankruptcy proceedings.

(b) No less than two (2) Business Days after Closing, legal counsel to the Vendor shall submit duly issued invoices to the Vendor with a copy to the Purchaser for fees and expenses incurred through to Closing (collectively "**Final Invoice**").

(c) Promptly following the Purchaser's receipt of the Final Invoice, and subject to the Purchaser's approval of the Final Invoice, which approval shall not be unreasonably withheld, the Monitor shall be and is hereby authorized to promptly distribute from the Deposit in partial satisfaction of the Purchase Price the amounts stipulated (or as revised) in the approved Final Invoice to legal counsel to the Vendor by wire transfer to accounts to be specified in writing on the Final Invoice.

(d) Following the issuance of a Court Order approving of the fees and disbursements incurred by the CRO, Monitor, and legal counsel to the Monitor in the CCAA Proceedings and the BIA Proceedings, the Monitor shall be and is hereby authorized to promptly distribute from the Deposit to the Administrative Professionals entitled to receive the amounts approved by such Court Order, in full and final satisfaction of the Purchase Price.

(2) The remaining amount of the Deposit following the satisfaction of the Purchase Price in accordance with Section 3.1 shall be returned to the Purchaser, in accordance with Section 3.2.

For greater certainty, the value of the Assumed Obligations and the SHP Claims Release has been taken into account with respect to the determination of the aggregate Purchase Price payable pursuant to this Article 3.

Section 3.2 Deposit

(a) The Parties hereby acknowledge and confirm that the Purchaser has provided the Deposit to legal counsel to the Monitor, in trust, prior to the execution of this Agreement.

(b) The Monitor shall provide the Retainer Payment Amount to SHP by wire transfer from the Deposit account to an account to be specified by SHP in writing, within four (4) Business Days after Closing.

(c) The Monitor shall return the surplus remaining of the Deposit, if any, after satisfaction of the Purchase Price in accordance with Section 3.1, to the Purchaser by wire transfer to an account to be specified by the Purchaser in writing, within four (4) Business Days after Closing.

(d) Except for termination by the Vendor pursuant to Section 7.6(3), if the Closing does not occur for any reason, the full amount of the Deposit shall be forthwith returned by the Monitor to the Purchaser.

(e) If the Agreement is terminated by the Vendor pursuant to Section 7.6(3), a portion of the Deposit in an amount equal to the Retainer Payment Amount shall become the property of, and may be retained by, the Vendor as liquidated damages (and not as a penalty) to compensate it for the expenses incurred and opportunities foregone as a result of the failure of the transaction of purchase

and sale contemplated hereby to close. In this case, the remaining portion of the Deposit shall be returned to the Purchaser within one (1) Business Day.

Section 3.3 Transfer Taxes

(1) The Parties agree that:

(a) the Purchase Price is exclusive of all Transfer Taxes and the Purchaser shall be liable for and shall pay any and all applicable Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets;

(b) the Purchaser shall pay any applicable Transfer Taxes on the Purchaser's acquisition of the Purchased Assets in addition to the Purchase Price, either to the Monitor on behalf of the Vendor or directly to the appropriate Governmental Authority, as required by Applicable Law; and

(c) if applicable, the Vendor and the Purchaser shall jointly elect under section 167 of the Excise Tax Act that no HST will be payable pursuant to the Excise Tax Act with respect to the purchase and sale of the Purchased Assets under this Agreement, and the Purchaser shall file such election(s) no later than the due date for the Purchaser's HST return for the first reporting period in which HST would, in the absence of filing such election, become payable in connection with the purchase and sale of the Purchased Assets under this Agreement. Notwithstanding this election(s), in the event it is determined by a Governmental Authority that there is a liability of the Purchaser to pay, or of the Vendor to collect and remit, HST in respect of the purchase and sale of the Purchased Assets hereunder, the Purchaser shall forthwith pay such HST to the applicable Governmental Authority, or to the Vendor for remittance to the appropriate Governmental Authority, as the case may be, and shall indemnify and save harmless the Vendor from any penalties and interest which may be payable by or assessed against the Vendor (or its representatives, agents, employees, directors or officers) under the Excise Tax Act in respect thereof.

(2) If requested by the Purchaser, the Vendors shall make a joint election(s) to have the rules in section 22 of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the Accounts Receivable.[1]

If requested by the Purchaser, the Vendor shall make a joint election(s) to have the rules in subsection 20(24) of the Income Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Vendor in respect of undertakings which arise from the operation of the business to which the Purchased Assets related and to which paragraph 12(1)(a) of the Income Tax Act applies.

Section 3.4 Wind-Down Amount

(1) On Closing, the Monitor shall be authorized to take possession of the Wind-Down Amount in accordance with Section 3.1(a), to be held in trust for the benefit of the Administrative Professionals entitled to be paid costs in connection with the bankruptcy of Medipure. The Wind-Down Amount is a fixed amount estimated to cover the costs of the Administrative Professionals and there will be no upward or downward adjustment if the actual costs are higher or lower.

(2) The Monitor shall be entitled to distribute the Wind Down Amount to the Administrative Professionals from time to time, subject only to the provision to the Monitor of duly rendered invoices.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

Section 4.1 Purchaser's Representations

The Purchaser represents and warrants to the Vendor as of the date hereof and acknowledges that, as of the Closing Time, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) the Purchaser is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation and has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(b) the Purchaser has the requisite power and authority to enter into this Agreement and to complete the transactions contemplated hereunder;

(c) neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Governmental Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

(d) the Purchaser is not a non-resident of Canada for purposes of the Income Tax Act of the Excise Tax Act, as applicable;

(e) the Purchaser is a registrant for purposes of the HST, and its registration number is 73441 5300 RC0001; and

(f) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

Section 4.2 Vendor's Representations

The Vendor represents and warrants to the Purchaser as of the date hereof and as of the Closing Time as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) the Vendor is a corporation duly incorporated, organized and subsisting under the laws of its jurisdiction of incorporation;

(b) the Vendor is not a non-resident of Canada for purposes of the Income Tax Act or the Excise Tax Act, as applicable;

(c) MHI and MPI are registrants for purposes of the HST, and their registration numbers are 80734 2175 RC0001 in the case of MHI, and 81812 4232 RC0001 in the case of MPI; and

(d) subject to obtaining the Approval and Vesting Order and, if applicable, the Assignment Order(s), the Vendor has the requisite power and authority to enter into this Agreement and to complete the Transaction contemplated hereunder.

Section 4.3 Limitations

With the exception of the Vendor's representations and warranties in Section 4.2 and the Purchaser's representations and warranties in Section 4.1, neither of the Vendor or the Purchaser, or their respective Representatives, nor any of their respective officers, directors or Employees make, have made or shall be deemed to have made any other representation or warranty, express or implied, at law or in equity, in respect of the Vendor, the Purchaser, or the Purchased Assets or the sale and purchase of the Purchased Assets pursuant to this Agreement.

ARTICLE 5
COVENANTS

Section 5.1 Conduct of Business in the Ordinary Course

(1) The Vendor shall use its commercially reasonable efforts to:

(a) remain in possession of the Purchased Assets until Closing, use the Purchased Assets only in the ordinary course of business and maintain, preserve and protect the Purchased Assets in the condition in which they exist on the date hereof, other than ordinary wear and tear and other than replacements, dispositions, modifications or maintenance in the ordinary course of business,

(b) not dispose of any of the Purchased Assets, other than in the ordinary course of business,

(c) not disclaim any Contract that is materially applicable to the Purchased Assets without the prior written consent of the Purchaser; and

(d) not enter into any material contract or other material written agreement in respect of any of the Purchased Assets other than in the ordinary course of business; except, in each case, with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, or an order of the Court, and provided that such consent of the Purchaser shall be deemed to have been given with respect to any request for such a consent to which the Purchaser fails to respond within two (2) Business Days after such request is made.

Section 5.2 Actions to Satisfy Closing Conditions

The Vendor agrees to take all commercially reasonable actions so as to ensure compliance with all of the conditions set forth in Section 6.1 and Section 6.3.

Section 5.3 Release of SHP Claims

Conditional upon Closing, SHP agrees to fully and finally release and discharge the Vendor in respect of the SHP Claims. This release shall not extend to the former directors and officers of the Vendor. SHP reserves its right to pursue actions against former directors and officers of the Vendor. For greater certainty, if the Closing does not occur for any reason, the release contemplated by this Section shall be voided and SHP shall remain at liberty to pursue the SHP Claims.

ARTICLE 6
CONDITIONS PRECEDENT

Section 6.1 Conditions Precedent in favour of the Purchaser

(1) The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed:

(a) all representations and warranties of the Vendor contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date; and

(b) the Vendor shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.3;

(2) The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 6.1 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 6.1 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

Section 6.2 Conditions Precedent in favour of the Vendor

(1) The obligation of the Vendor to complete the Transaction is subject to the following conditions being fulfilled or performed:

(a) all representations and warranties of the Purchaser contained in this Agreement shall be true in all material respects as of the Closing Time with the same effect as though made on and as of that date; and

(b) the Purchaser shall have performed in all material respects each of its obligations under this Agreement to the extent required to be performed at or before the Closing Time, including the delivery of each of the items required pursuant to Section 7.2.

(2) The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 6.2 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in Section 6.2 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

Section 6.3 Conditions Precedent in favour of both the Purchaser and the Vendor

(1) The obligations of the Vendor and the Purchaser to complete the Transaction are subject to the following conditions being fulfilled or performed:

(a) the Approval and Vesting Order shall have been obtained and shall not have been stayed, varied, or vacated;

(b) no order shall have been issued by a Governmental Authority which restrains or prohibits the completion of the Transaction; and

(c) no motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(2) The Parties hereto acknowledge that the foregoing conditions are for the mutual benefit of the Vendor and the Purchaser. If the conditions set out in this Section 6.3 are not satisfied performed or mutually waived on or before the Outside Date, any Party shall have the option to terminate this Agreement upon written notice to the other Parties.

ARTICLE 7
CLOSING

Section 7.1 Closing

Subject to the conditions set out in this Agreement, the completion of the Transaction shall take place at the Closing Time by electronic means, or as otherwise determined by mutual agreement of the Parties in writing and the Parties shall exercise commercially reasonable efforts to cause the Closing to occur at the Closing Time, and, in any event, prior to the Outside Date.

Section 7.2 Purchaser's Deliveries on Closing

At or before the Closing Time, the Purchaser shall execute and deliver, or arrange for the delivery, as the case may be, to the Vendor the following, each of which shall be in form and substance satisfactory to the Vendor, acting reasonably:

(a) payment of Transfer Taxes required by Applicable Law to be collected by the Vendor, or alternatively, if applicable, the election referred to in Section 3.3(1)(c) executed by the Purchaser;

(b) an executed assignment and assumption agreement evidencing the assumption by the Purchaser of the Assumed Obligations;

(c) in accordance with Section 5.3, a full and final release by SHP in favour of the Vendor forever releasing and discharging the Vendor in respect of the SHP Claims;

(d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all respects the covenants to be performed by it prior to the Closing Time; and

(e) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

Section 7.3 Vendor's Deliveries on Closing

At or before the Closing Time, the Vendor shall execute and deliver, or arrange for the delivery, as the case may be, to the Purchaser the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

(a) the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;

(b) stock/unit certificates or similar documents registered in the name of the Purchaser representing all of the Medipure Croatia Shares, and any other documents which may be reasonably requested by the Purchaser, if any, to transfer good title to the Medipure Croatia Shares from the Vendor to the Purchaser and to enable the Purchaser to procure registration of such Medipure Croatia Shares in its name or as it may direct;

(c) the Approval and Vesting Order;

(d) an executed assignment and assumption agreement evidencing the assignment by the Vendor of the Assumed Obligations to the Purchaser;

(e) all Assignment Orders entered by the Court, if any;

(f) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor have performed in all material respects the covenants to be performed by them prior to the Closing Time;

(g) if applicable, the election referred to in Section 3.3(1)(c) executed by the Vendor;

(h) the executed Monitor's Certificate; and

(i) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement.

Section 7.4 Possession of Assets

(1) On Closing, the Purchaser shall take possession of the Purchased Assets where situated at Closing. The Purchaser acknowledges that the Vendor shall have no obligation to deliver physical possession of the Purchased Assets to the Purchaser. In no event shall the Purchased Assets be sold, assigned, transferred or sent over to the Purchaser until the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived by the Purchaser or Vendor, as applicable, and the Purchaser has satisfied all delivery requirements outlined in Section 7.2. The Purchaser shall promptly notify the Vendor of any Excluded Assets which may come into the possession or control of the Purchaser, whether before or after Closing, and thereupon shall promptly release such Excluded Assets to the Vendor, or to such other Person as the Vendor may direct in writing and, for greater certainty, title shall not be deemed to vest to the Purchaser in respect of any Excluded Assets. The Vendor shall have no obligation to remove any Excluded Equipment from any premises that constitute part of the Purchased Assets.

(2) The Purchased Assets shall be and remain until Closing at the risk of the Vendor. In the event of material damage by fire or other hazard to the Purchased Assets or any part thereof occurring before the Closing Date, the Vendor shall immediately advise the Purchaser thereof by notice in writing. Where such damage is of such a nature that the Purchaser determines that it no longer wishes to complete the Transaction, acting in its sole and unfettered discretion, then the Purchaser, at its sole option, may within one (1) Business Day of receiving such written notice, terminate this Agreement without liability or obligation to the Vendor. Forthwith thereafter, the Deposit, without interest, shall be returned to the Purchaser.

Section 7.5 Dispute Resolution

If any dispute arises with respect to any matter related to the Transaction or the interpretation or enforcement of this Agreement such dispute will be determined by the Court, or by such other Person or in such other manner as the Court may direct.

Section 7.6 Termination

(1) This Agreement shall automatically terminate at any time prior to the Closing Time by mutual written agreement of the Vendor and the Purchaser and on consent of the Monitor.

(2) This Agreement may be terminated at any time prior to the Closing Time should Closing not have occurred on or prior to the Outside Date in accordance with Section 6.3 and any of the Parties shall have delivered written notice of termination to the other Parties terminating this Agreement as a result thereof (provided that the terminating Party has not failed to satisfy a closing condition under this Agreement).

(3) This Agreement may be terminated by the Vendor, if there has been a material violation or breach by the Purchaser of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.2 or Section 6.3 by the Outside Date and such violation or breach has not been waived by the Vendor or cured within two Business Days of the Vendor providing notice to the Purchaser of such breach, unless the Vendor is in material breach of its obligations under this Agreement.

(4) This Agreement may be terminated by the Purchaser, if there has been a material violation or breach by the Vendor of any agreement, covenant, representation or warranty of the Vendor in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 6.1 or Section 6.3 by the Outside Date and such violation or breach has not been waived by the Purchaser or cured within two Business Days of the Purchaser providing notice to the Vendor of such breach, unless the Purchaser is in material breach of its obligations under this Agreement.

Section 7.7 Effects of Termination and Closing

(1) If this Agreement is terminated pursuant to Section 7.6, all further obligations of the Parties under or pursuant to this Agreement shall terminate without further liability of any Party to the other except for the provisions of this Section 7.7 (Effects of Termination and Closing) and Section 3.2 (Deposit), each of which will survive termination.

(2) Under no circumstance shall any of the Parties, their Representatives or their respective directors, officers, employees or agents be liable for any special, punitive, exemplary, consequential or indirect damages (including loss of profits) that may be alleged to result, in connection with, arising out of, or relating to this Agreement or the transactions contemplated herein.

ARTICLE 8
GENERAL

Section 8.1 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

Section 8.2 Notice

(1) Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

Apogee Pharmaceuticals, Inc.
c/o Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: Craig Anderson
Email: cea@shpam.com

with a copy to:

Bennett Jones LLP
Suite 2500, 666 Burrard Street
Vancouver, BC V6C 2X8

Attention: David Gruber / Jesse Mighton
Email: gruberd@bennettjones.com / mightonj@bennettjones.com

(b) in the case of the Vendor, as follows:

Medipure Holdings Inc.
302-267 West Esplanade Ave
North Vancouver, BC V7M 1A5

Attention: Nihar Pandey
Email: nrpandey@medipurepharma.com

with a copy to:

Boughton Law Corporation
595 Burrard Street, Suite 700

Vancouver, BC V7X 1S8

Attention: Martin Sennott
Email: msennott@boughtonlaw.com

(c) in the case of the CRO, as follows:

Helmsman Management Ltd.
400-602 Broughton Street
Victoria, BC V8W 1C7

Attention: John Parkinson / Stephen Albinati
Email: john.parkinson@helmsmangroup.ca / stephen.albinati@helmsmangroup.ca

(d) in the case of the Monitor, as follows:

Deloitte Restructuring Inc.
410 West Georgia Street
Vancouver, BC V6B 0S7

Attention : Jeff Keeble, Senior Vice-President
Email: jkeeble@deloitte.ca

with a copy to:

Clark Wilson LLP
900-885 West Georgia Street
Vancouver, BC V6C 3H1

Attention: Christopher Ramsay
Email: cramsay@cwilson.com

(2) Any such notice or other communication, if transmitted by email before 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Vancouver time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

(3) Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Vendor and the Purchaser.

Section 8.4 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing and the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

Section 8.5 Personal Information

The Purchaser hereby acknowledges that it is aware, and that it will advise its Representatives, that privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada), applies to certain information that may be disclosed to the Purchaser and its Representatives pursuant to this Agreement and/or the Transaction. The Purchaser agrees to comply, and cause its Representatives to comply, with such privacy legislation in connection with any such information disclosed to it or any of them.

Section 8.6 Benefit of Agreement

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

Section 8.7 Entire Agreement

This Agreement, the attached Schedules hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

Section 8.8 Assignment

Neither this Agreement nor any of the rights or obligations hereunder may be assigned by any Party without the prior written consent of the other Party; provided, however, that the Purchaser may assign the right to purchase certain Purchased Assets to one or more of its wholly-owned subsidiaries. Any purported assignment without such consent shall be void and unenforceable.

Section 8.9 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

Section 8.10 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court.

Section 8.11 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances,

transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

Section 8.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

Section 8.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant, an agreement or the transfer of any Purchased Asset herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant, agreement or transfer shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

Section 8.14 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived (other than the payments contemplated in Section 3.1(c) and the delivery of the executed Monitor's Certificate), the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

Section 8.15 Monitor and CRO's Capacity

The Vendor and the Purchaser acknowledge and agree that the Monitor and the CRO, each acting in its respective capacity in the CCAA Proceedings, will have no liability, in its personal capacity or otherwise, in connection with this Agreement whatsoever as Monitor or as CRO, as the case may be, except for gross negligence or willful misconduct.

[*The remainder of this page has been left intentionally blank*]

IN WITNESS WHEREOF, the Parties have executed this Agreement.

PURCHASER:

APOGEE PHARMACEUTICALS, INC.

By: _____
Name: Craig Anderson
Title: Chief Executive Officer

VENDOR:

MEDIPURE HOLDINGS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

By: _____
Name: John Parkinson
Title: President

MEDIPURE PHARMACEUTICALS INC., by its authorized signatory, HELMSMAN MANAGEMENT LTD., in its capacity as Court-appointed Chief Restructuring Officer, and not in its personal capacity

By: _____
Name: John Parkinson
Title: President

COVENANTEE:

SHP CAPITAL, LLC

By: _____
Name: Craig Anderson
Title: Manager

SCHEDULE "A"
PURCHASED ASSETS

1. All inventory of the Vendor used in the carrying on of its business;

2. The Medipure Croatia Shares;

3. The D&O Claims;

4. All Intellectual Property;

5. all vehicles, tools, equipment, furniture, furnishings, computer hardware and peripheral equipment, supplies and accessories;

6. all inventories and all production, shipping and packaging supplies;

7. all accounts receivable, pre-paid expenses and deposits relating to the Purchased Assets;

8. The proceeds from any SRED tax credits payable to the Vendor.

9. The benefit of all contracts or other agreements listed in Appendix 1 to this Schedule A in each case, as amended, extended, assigned or otherwise modified (the "**Assumed Contracts**");

10. All other government licenses, approvals, permits or similar used in connection with the business, to the extent they are assignable;

11. All supplies owned by the Vendor and used in connection with the business;

12. All movable property, leasehold improvements and equipment, furniture, fixtures and other fixed assets, if any (excluding those that are subject to capital leases), in addition to all computer hardware used in connection with the business; and

13. All Books and Records;

14. All goodwill associated with the business or the Purchased Assets, including the right to carry on the business in continuation of the Vendor; and

15. The GCB Claims.

Appendix 1 to Schedule "A"
Assumed Contracts

[NTD: to be populated]

SCHEDULE "B"
EXCLUDED ASSETS

[NTD: To be populated]

SCHEDULE "C"
PERMITTED ENCUMBRANCES

None.

Appendix E

Email dated September 17, 2002 from Craig Anderson to Medipure's stakeholders

From: Craig Anderson <cea@shpam.com>
Sent: Saturday, September 17, 2022 8:45 AM
Cc: Craig Anderson <cea@shpam.com>
Subject: IMPORTANT MESSAGE: From Medipure's Largest Stakeholder

EXTERNAL.

Dear Medipure Stakeholder:

I am the largest stakeholder in Medipure and have invested approximately US$11.6 million directly or indirectly in Medipure or relating to Medipure. When Medipure desperately needed capital, I sent wire transfers directly to Medipure for: (a) US$5.1 million in July 2021 and (b) US$2.0 million in the fourth quarter of 2021.

In June/July 2021, I was introduced to Medipure by Chris Condon who is the lead principal behind GCB Capital, LLC and Chris introduced me to Boris Weiss, the ousted previous Chairman and CEO of Medipure. I was materially misled and deceived by them in July 2021 and invested US$8.4 million. I did not realize the fraudulent nature of things at the time but discovered this in the months that followed. I later came to realize that Boris misappropriated millions of dollars from Medipure through a scheme with GCB and Chris Condon. There is a pending forensic accounting review done by the auditing firm, BDO, that should prove this beyond a doubt.

Medipure desperately needed capital in October 2021, and I agreed to provide money under the condition that Boris resign as Chairman and CEO, and he very reluctantly complied. Upon his resignation in October 2021, I executed a term sheet and loan agreements with Medipure to provide an additional US$17.2 million of financing to Medipure. It was US$2.0 million in senior secured debt financing and US$15.2 million of future equity financing. This term sheet also provided me direct access to management and all company records to do the necessary due diligence to complete the transactions.

Boris had previously stated that certain of Medipure's drugs were in Phase 1 clinical trials and about to enter Phase 2 clinical trials. In October I learned that this was untrue and instead the drugs were not even close to being in Phase 1 – they hadn't even begun the pre-clinical animal toxicology phase that is required to advance to Phase 1. This was a huge and disappointing discovery. During my due diligence, I learned many other things about Medipure and the incestuous relationship between Boris and Chris.

You should be aware that Chris was buying stock from Medipure at US$0.08 per share and simultaneously selling it to many of you at prices ranging from US$0.62 to US$5.00 per share. The overall average price that Chris sold shares to many of you was about US$2.07 per share, except for some shares that were essentially gifted to certain parties. The 27 million shares that GCB is currently the shareholder of record were purchased at a price of US$0.08 per share. Most investors in GCB were under the impression that their money was going to fund the capital and scientific needs of Medipure, when in fact, the vast majority of money went to GCB/Chris.

In March 2022, I reached a revised agreement with Medipure management and its legal advisors to provide additional capital to the company. The Medipure board was comprised of two members at this time and my financing agreement was voted on at a board meeting on March 25, 2022. One board member, Mark Donahue, voted in favor and one board member, Lorne Nystrom, voted no, so the financing agreement was not approved. After this board meeting, the following parties were so

disappointed in the behavior of Lorne Nystrom that they resigned: (i) Mark Donahue, (ii) Blair Hogg, Medipure's internal legal counsel, and (iii) one of the outside law firms representing Medipure.

Since the board was comprised of only one member at this time, Lorne Nystrom, he had the authority to control the appointment of additional directors, and two new directors were appointed by him. I later learned that Boris and Chris were greatly influencing Lorne's decision making. I advised Medipure and Chris that if they didn't take alternative action that I would have no choice but to commence litigation against Medipure. My warnings were completely disregarded, and I commenced litigation in British Columbia courts shortly thereafter. It appears they didn't take me seriously, which was a grave mistake by Medipure and Chris.

I have been involved in protracted litigation with Medipure for nearly six months. SHP has argued for many months that the board of three that took over after the March 2022 board meeting was incapable of properly running the company and that there needed to be "adult supervision" of Medipure's activities. The judge stated several times that he was not comfortable with Medipure's board and management proceeding without outside supervision. He clearly agreed with my position and appointed a super-monitor and chief restructuring officer to run the company and displace the board and management.

Medipure has been saddled with tens of millions of dollars of debt, liabilities and contingent liabilities and has been unable to raise additional capital. This has resulted in Medipure being left with no alternative but to liquidate its assets and be declared bankrupt.

The sale of Medipure's assets is a very complicated matter and I have drafted a two-page summary of the substantial risks associated with someone bidding on the assets of Medipure. That summary is attached hereto, and I strongly encourage you to read it. One of my companies will be bidding on the assets of Medipure and I fully expect to be the prevailing party when this process is complete.

Once I acquire the assets of Medipure, it will have none of the debts, liabilities, or toxic baggage from the past. It will emerge as a fresh company with no debt and no cease trade order. I intend to reach out to some of you in the future to raise capital for the company to advance its scientific initiatives.

I also plan to aggressively pursue Boris and Chris and their affiliated companies for their terrible improprieties of the past. At an appropriate point in the future, I intend to commence additional litigation against these two parties and possibly others. Someone needs to hold them accountable for their misdeeds and I intend to be the person to bring justice to this unfortunate situation. There might be an opportunity for some of us to work together to seek justice, but I am happy to lead the effort since I have the most at stake and know the situation better than anyone else.

Thank you for taking the time to read this and I look forward to (i) advancing Medipure's past scientific initiatives as the new owner of its assets, and (ii) bringing justice to those that have sorely taken advantage of us.

Sincerely,

Craig Anderson
President, SHP Capital, LLC
Chief Executive Officer, Apogee Pharmaceuticals, Inc.
E: cea@shpam.com
C: 917-952-7284

Imperative Disclosures to Potential Bidders on Medipure Assets or Stock

This document relates to business relationships and transactions between SHP Capital, LLC ("**SHP**"), Medipure Holdings Inc. ("**Medipure Holdings**"), Medipure Pharmaceuticals Inc. ("**Medipure Pharmaceuticals**"), Medipure d.o.o. ("**Medipure Croatia**") and GCB Capital LLC ("**GCB**"). Medipure Holdings, Medipure Pharmaceuticals and Medipure Croatia are collectively defined as the "**Medipure Group.**"

Deloitte Restructuring Inc. has been appointed by the court as CCAA Monitor of Medipure Holdings and Medipure Pharmaceuticals (the "**Monitor**") and Helmsman Management Ltd. has been appointed by the court as Chief Restructuring Officer of Medipure Holdings and Medipure Pharmaceuticals (the "**CRO**").

SHP hereby advises the Monitor and the CRO of material matters that are imperative for disclosure to any parties that are considering making an offer for any or all assets or stock of the Medipure Group ("**Potential Bidders**").

SHP Tracing and Other Claims Against the Medipure Group and GCB

On July 16, 2021, SHP entered two stock purchase agreements with GCB pursuant to which SHP agreed to acquire 5.5 million common shares of Medipure Holdings from GCB for aggregate consideration of approximately US$8.35 million (collectively, the "**GCB Stock Purchase Agreements**") and in accordance with the GCB Stock Purchase Agreements, SHP paid approximately US$5.1 million directly to Medipure Holdings (the "**SHP Investment Funds**") and approximately US$3.3 million to GCB.

SHP alleges that GCB, the Chairman of Medipure Holdings, and the Chief Executive Officer of Medipure Pharmaceuticals fraudulently induced SHP into the GCB Stock Purchase Agreements. Contemporaneous with the execution of the GCB Stock Purchase Agreements, SHP entered a term sheet with Medipure Holdings, among others, providing for certain conditions to be fulfilled as an inducement for SHP to enter the GCB Stock Purchase Agreements (the "**Medipure Term Sheet**"). SHP alleges that (i) Medipure Holdings, among others, breached the Medipure Term Sheet, and (ii) GCB breached the GCB Stock Purchase Agreements.

The SHP Investment Funds were to be held in trust. SHP alleges that the SHP Investment Funds were not held in trust, but were instead converted by certain of the former directors and officers of Medipure Holdings, Medipure Pharmaceuticals and Medipure Croatia and fraudulently used for either personal gain or improper corporate purposes, including without limitation, certain intercompany advances from Medipure Holdings to Medipure Croatia and Medipure Pharmaceuticals in the days, weeks and months following the payment of the SHP Investment Funds. SHP asserts that such improper use of trust funds caused irreparable harm to SHP and give rise to actionable proprietary and/or trust claims that are entitled to the remedy of tracing, in addition to other causes of action against (i) Medipure Holdings, Medipure Pharmaceuticals, Medipure Croatia, and GCB, among others, (ii) the respective past or current directors, officers and managers of Medipure Holdings, Medipure Pharmaceuticals, Medipure Croatia, and GCB, among others, and (iii) the assets, property and stock of Medipure Holdings, Medipure Pharmaceuticals, Medipure Croatia, and GCB, among others, as well as potential additional causes of action for various torts and other economic misdeeds (collectively, the "**SHP Claims**").

Any party that attempts to bid on the assets or stock of the Medipure Group needs to be advised that SHP intends to vigorously pursue the SHP Claims in the courts of British Columbia and Delaware. In the very unlikely event that an affiliate of SHP is not the prevailing bidder in the rapid liquidation described by the CRO in its email of September 15, 2022, and the assets or stock of the Medipure Group are proposed to be transferred to a third party that is not an affiliate of SHP, SHP will oppose the approval of any such transaction, and intends to pursue any such purchaser to strenuously assert that clear title cannot be conveyed to such Potential Bidder. Tracing claims may not be vested out in any court approved sale that may occur under a CCAA sale process and therefore survive post-closing in any court approved sale. Potential Bidders are forewarned that the purchase of any assets or stock of the Medipure Group may result in the loss of all or some assets or stock that they may acquire and pay for in the CCAA sale process.

SHP's Senior Secured Loan to Medipure Holdings

On October 21, 2021, Medipure Holdings issued a secured term grid promissory note to SHP (the "**SHP Note**"). In conjunction with the SHP Note, Medipure Pharmaceuticals entered a general security agreement in favor of SHP granting a first ranking security interest in all the Collateral (as defined) of Medipure Pharmaceuticals (the "**GSA**"). The Collateral includes all present and after-acquired personal property, including intellectual property, patents, patents pending, etc. SHP is the only pre-filing secured creditor with a perfected security interest in the assets of Medipure Pharmaceuticals.

Medipure Holdings has been in default on the SHP Note since the fourth quarter of 2021. The SHP Note is currently accruing interest at a default rate of 15% per annum on all principal and disbursements of SHP made pursuant to the SHP Note, including disbursements to its legal counsel and other advisors in relation to collecting or enforcing the terms of the SHP Note and the GSA, among other factors. The current balance due under the SHP Note is approximately US$3.25 million. In addition to any rights or remedies available to SHP under the SHP Claims, SHP and or an assignee of SHP have the right to use this US$3.25 million owing under the SHP Note and apply it to any bid made by SHP or its assignee for the assets or stock of the Medipure Group.

Hiring of Key Employees of Medipure Pharmaceuticals by a Wholly Owned Subsidiary of SHP

SHP has formed a British Columbia corporation, Apogee Pharmaceuticals, Inc. ("**Apogee**"). Apogee currently has no active trade or business and is owned 100% by SHP. Craig Anderson is the Chief Executive Officer of Apogee. SHP has the option of assigning the SHP Note and the SHP Claims to Apogee to use as it relates to the CCAA sale process. As of today, September 16, 2022, Apogee has hired more than half the scientists that previously worked at Medipure Pharmaceuticals. It is anticipated that one more scientist will be signing their employment agreement with Apogee today, with another scientist anticipated to sign with Apogee next week. Apogee also intends to imminently hire certain other past or present employees of Medipure Pharmaceuticals that are not scientists. Apogee will be bidding on the assets and certain stock of the Medipure Group and fully expects to be the successful bidder.

Summary

The Medipure Group and GCB have a terrible history of selective, incomplete, or inaccurate disclosure. SHP and Apogee do not intend to continue this pattern of deceptive behavior and intend to fully disclose material facts, their positions and intentions so that parties may make fully informed investment

decisions. SHP and Apogee come forward today to ensure that any Potential Bidder has full information and cannot complain in the future that material information has been withheld. If a Potential Bidder is interested in the assets or stock of the Medipure Group and wants to discuss making appropriate cash payments to SHP to settle the SHP Claims such that the Potential Bidder may have clear title to the acquired assets or stock, SHP welcomes having a discussion with such party to enable them to close on the assets or stock of the Medipure Group in lieu of SHP or its assignee being the successful bidder. SHP's intent is not to restrict other Potential Bidders from bidding but is intended to make sure that they understand the risk factors relating thereto. A potential bidder may reach Craig Anderson, the principal of SHP, by email at cea@shpam.com or by cell phone at 917-952-7284. Thank you very much.

Appendix F

Estimated net realizable value of the Companies' assets in a liquidation scenario as at June 30, 2022

DRAFT - For Discussion Purposes Only

MEDIPURE HOLDINGS INC. AND MEDIPURE PHARMACEUTICALS INC.
Estimated Net Realizable Value of the Companies' Assets in a Liquidation Scenario
As at June 30, 2022

In CAD Assets	Net Book Value at June 30, 2022 [1]	Liquidation Estimated Realizable Value [1] Low	 High	Liquidation Estimated Realizable % Low	 High	Notes
Cash held in Companies' accounts	$ -	$ -	$ -	100%	100%	
Cash held in India	15,000	7,500	11,250	50%	75%	2
Computers, servers and software	294,485	58,897	117,794	20%	40%	
Furniture and equipment	144,606	14,461	28,921	10%	20%	
Lab equipment	368,956	73,791	147,582	20%	40%	
Leasehold improvements	820,309	-	-	0%	0%	3
Right of use asset	172,206	-	-	0%	0%	4
Building and improvements (Croatia)	2,275,480	1,023,966	1,251,514	45%	55%	5
Estimated realizable value of Companies' assets before realization costs and priority claims	4,091,043	1,178,615	1,557,062			
Less: estimated realization costs						6
Professional fees		200,000	150,000			
Costs - occupation rent, utilities, insurance, etc.		75,000	50,000			
Contingency		75,000	50,000			
		350,000	250,000			
Estimated realizable value of Companies' assets after realization costs but before priority claims		$ 828,615	$ 1,307,062			

Notes:

1 This analysis assumes an unorderly liquidation of the assets of Medipure Holdings Inc. ("**MHI**") and Medipure Pharmaceuticals Inc. ("**MPI,**" collectively the "**Companies**") through the CCAA proceedings along with a concurrent bankruptcy of the Companies whereby the operations of the Companies are ceased and assets are liquidated. This analysis is based on the net book value of the assets provided by Management as at June 30, 2022 and was completed for indicative purposes only based on Deloitte's prior experience with similar assets in similar scenarios. No formal third party appraisals or assessments were commissioned as part of the analysis. Readers should be cautioned that actual results would be different and the differences may be significant.

2 MHI has a wholly owned subsidiary in India (Medipure Life Sciences India Pvt Ltd.) whose only asset is a small amount of funds being held in a bank account which Rajesh Rao and Nihar Pandey are signatories. There will be some costs to repatriate these funds to Canada which are assumed to range from 25% to 50% of the $15,000 of funds being held.

3 Leasehold improvements related mainly to the Burnaby Lab and have no realizable value in this liquidation scenario.

4 The right of use asset has no realizable value in this liquidation scenario.

5 The building and improvements are located in Croatia and are owned by Medipure d.o.o. (Croatia), a wholly owned subsidiary of MHI. The building and improvements were appraised at $2.4 million (1.8 million euros) in September 2021 and was purchased for $2.7 million (1.8 million euros) in July 2021. It is assumed that between 40% and 50% of the net book value could be recovered through a sale after incorporating the selling costs, holding costs, legal costs, and the process and related costs to repatriate the funds to Canada.

6 Estimated realization costs are the estimated professional fees of the Monitor, CRO, and its legal counsel to liquidate the Companies' assets along with costs for rent, utilities, insurance, etc.

Appendix G

Debtor-in-possession facility commitment letter dated September 27, 2022 between Medipure Holdings Inc. and Peretz-Lalli Group

Debtor-in-Possession Facility Commitment Letter

September 27, 2022

Medipure Holdings Inc.
302 – 267 West Esplanade Avenue
North Vancouver, BC V7M 1A5

Attention: Nihar Pandey

Re: Debtor-in-Possession (DIP) Facility Commitment Letter

The Lender is pleased to confirm that it will make available to the Borrower the credit facilities described below on, and subject to, the terms and conditions described in this letter and the attached Schedule A (together, this "**Commitment Letter**").

1.	**Borrower:**	Medipure Holdings Inc., a corporation incorporated under the laws of the Province of British Columbia (the "**Borrower**") with a mailing address at 302 – 267 West Esplanade, North Vancouver, BC V7M 1A5.
2.	**Lender:**	Peretz-Lalli Group.
3.	**Principal Amount:**	$816,000 CDN, **[excluding fees.]**
4.	**Instrument:**	Debtor in possession loan (the "**Interim Loan**"), in the form of a non-revolving facility, subject to a satisfactory order (the "**Interim Loan Approval Order**") of the Supreme Court of British the CCAA proceedings initiated by the Borrower (the "**Proceedings**") approving the Interim Loan and granting the Lender a first-place super priority charge over the assets of the Borrowers (the "**Interim Lender's Charge**") in form and substance acceptable to the Lender in its sole discretion.

5. Use of Proceeds:

1	Deloitte Fee	$	125,000.00
2	Boughton Law Corporation legal fees	$	125,000.00
3	Invoice of MP-20X animal trials	$	120,000.00
4	BCIT lab and North Vancouver office - Rent	$	39,113.00
5	BCIT lab lease security deposit (4 mos.)	$	45,170.00
6	Employee benefits	$	12,000.00
7	Croatia expenses	$	20,000.00
8	Gowlings law firm	$	15,000.00
9	Critical Expense reimbursement	$	13,350.00

10	Forensic Audit	$	50,000.00
11	Security Lawyer	$	15,000.00
12	Payroll arrears for 2 employees	$	107,692.31
13	Payroll for 4 weeks for 2 key employees	$	43,076.92
14	Critical Service payment	$	7,500.00
15	Contingency	$	78,000.00
	Total (CAD $)	**$**	**815,902.23**

6. **Closing Date:** Monday, September 30th, 2022, upon fulfillment of Conditions below.

7. **Maturity:** The Interim Loan, including any outstanding principal, interest and fees becomes fully due and payable upon a date (the "**Maturity Date**") which is the earlier of:

   a) September 30th, 2023; or

   b) such further defaults as may be customary in the Lender's form of loan agreement.

8. **Accelerated Maturity:** The Interim Loan shall be suspended, and the Maturity Date may be accelerated (at the option of the Lender) upon the occurrence of a Default.

9. **Defaults:** Any of the following will constitute defaults (collectively, the "**Defaults**"):

   a) if the Interim Loan Approval Order has been vacated, stayed or otherwise caused to be ineffective or is otherwise amended in a manner not approved by the Lender (which approval may be withheld in the sole discretion of the Lender);

   b) any steps are taken by the Borrower or any other person to challenge the Interim Loan Approval Order or the validity, enforceability, or priority of the Interim Lender's Charge; or

   c) failure of the Borrower to comply in any way with: (i) any Cash Flow Forecast; (ii) the requirements and procedures set out herein for the drawdown of the Interim Loan; or (iii) failure of the Borrower to perform or comply with any other term or covenant under this Commitment Letter.

10. **Waiver:** The Defaults may be waived by the Lender in its sole discretion.

11. **Repayment:** The full amount of all outstanding principal and interest will be repaid on the Maturity Date.

12. Interest: The Interim Loan shall bear interest at the rate of 8% per annum calculated and compounded monthly and in arrears on any amounts disbursed to the Borrower.

13. Expense: The Borrower will reimburse the Lender for all reasonable and customary legal, professional, and other due diligence costs associated with the Interim Loan and the Proceedings.

14. Additional Agreements and Security: If required by the Lender, the Borrower will execute the following additional agreements and obtain the following security:

a) a loan agreement.

b) the Interim Lender's Charge whereby all other charges other than an administration charge in the amount of **[$750,000]** securing the Borrower's obligations to its legal counsel, the proposal trustee and the proposal trustee's legal counsel, shall be subordinated to the Interim Lender's Charge; and

c) such other security instruments as the Lender may reasonably require.

15. Debt Covenants: The debt covenants associated with the Interim Loan shall include, but are not limited to, the following (collectively, the "**Debt Covenants**"):

a) operate in compliance with the most current Cash Flow Forecast.

b) prepare and deliver to the Lender by noon on Tuesday bi-weekly following the Closing Date a cashflow variance report showing the variance from the most current Cash Flow Forecast.

c) comply with the provisions of any orders of the court made in the Proceedings.

d) keep the Lender informed of the Borrower's activities and consult the Lender with respect to any matters that could reasonably be expected to affect the Lender; and

e) no further encumbrances of the assets of the Borrower.

16. Conditions: In addition to the matters described elsewhere in this Commitment Letter, the completion of the transaction and each drawdown of the Interim Loan will be subject to the following conditions:

a) the granting by the court in the CCAA proceedings of the DIP order, including approval of this Commitment Letter and granting the Interim Lenders' Charge

b) the court appointed Monitor, Jeff Keeble (Deloitte) and their appointed Chief Restructuring Officer, John Parkinson (Helmsman Management Ltd) agree to an extension of the Bid Process to October 31st, 2022.
c) Funds will be held in Boughton Law's Trust Account (Martin Sennott, Medipure counsel) and returned unless all conditions are satisfied
d) The DIP order will provide a priority for such loan subject only to the Administrative Charge.
e) The court grants a 30-day extension to the company to continue in the proposal proceedings.

17.	**Representation and Warranties:**	As normal for a transaction of this nature (which shall be, in each case, subject to materiality qualifiers, exceptions, thresholds and limitations to be mutually agreed upon).
18.	**Confidentiality:**	Except as otherwise provided herein, unless and until such time as approval of this Commitment Letter is sought in the Proceedings, the Borrower, its shareholders, employees, and other representatives will not disclose the existence or contents of this Commitment Letter except to their advisors and representatives who need to know the existence and contents hereof in order to facilitate the completion of the Interim Loan by the Lender.
19.	**No Broker:**	The Borrower represents and warrants that no commissions or other payments shall be due to any broker, consultant or any other third party in connection with this Interim Loan.
20.	**Further Assurances:**	The Borrower will, at its expense, do, execute, acknowledge, and deliver or will cause to be done, executed, acknowledged, and delivered all and every such further and other acts, agreements, instruments, registrations, filings and assurances as the Lender may require for the purpose of giving effect to this Commitment Letter.
21.	**Governing Law:**	This Commitment Letter and all related agreements shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

Yours truly,

Peretz-Lalli Group

Name: Geoffrey Peretz

The undersigned hereby acknowledges, accepts, and agrees to the terms and conditions of this Commitment Letter (including Schedule A attached hereto) this 27th day of September 2022.

MEDIPURE HOLDINGS INC.
by its authorized signatory:

Name: Nihar Pandey
Title: CEO/CSO & Director