

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. )

FRIDAY, THE 26<sup>th</sup>

JUSTICE HAINES )

DAY OF APRIL, 2019



**HSBC BANK CANADA**

Applicant

-and-


**ROYAL CANADIAN BEDROCK INC.**

Respondent

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by Deloitte Restructuring Inc. ("**Deloitte**"), in its capacity as Court-appointed receiver (in such capacity, the "**Receiver**") of certain property, assets and undertaking (the "**Property**") of Royal Canadian Bedrock Inc. (the "**Debtor**"), for an order, *inter alia*, i) approving an auction proposal between the Receiver and Platinum Asset Appraisals, dated as of April 1, 2019 (the "**Auction Agreement**"); and ii) vesting in the prospective purchaser(s) ("**Prospective Purchaser(s)**"), all the Receiver's and the Debtors' right, title and interest in and to the property described as the "**Assets**" in the Auction Agreement (the "**Purchased Assets**"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Second Report of the Receiver dated April 23, 2019 (the "**Second Report**") and appendices thereto, and on hearing the submissions of counsel for the Receiver,

 the Applicant ~~and the Debtor~~ and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Katie Parent sworn April 23, 2019, filed,

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Second Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with. All terms not otherwise defined herein shall have the meanings ascribed to them in the Second Report.

2. **THIS COURT ORDERS AND DECLARES** that the Auction Agreement is hereby approved, and the execution of the Auction Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation and administration of the sale process contemplated in the Auction Agreement, and such further agreements which may be necessary or desirable for the completion of any transaction contemplated by the Auction Agreement and for the conveyance of the Purchased Assets to such Purchaser or Purchasers as the case may be.

3. **THIS COURT FURTHER ORDERS AND DECLARES** that upon the completion of a sale pursuant to the terms of the Auction Agreement all the Receiver's and the Debtor's right, title and interest in and to the Purchased Assets subject to such sale, shall vest absolutely in the Prospective Purchaser(s), free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, leases, notices of lease, subleases, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute

or contingent), obligations, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of Justice Hailey dated December 6, 2018 (the "**Appointment Order**"); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the completion of sales pursuant to the Auction Agreement all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** that (i) the Debtor, (ii) all of its current and former directors, officers, authorized signing officers, employees, agents, accountants, legal counsel (subject to the solicitor and client privilege) and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall not interfere with (i) the implementation of the sale process contemplated in the Auction Agreement, (ii) access to the Purchased Assets for the purposes of permitting Prospective Purchaser to collect such assets

pertaining to their respective sale, and (iii) shall not purport to exert any liens, charges or encumbrances against the Purchased Assets in violation of this Order and the Receivership Order.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Prospective Purchaser(s), pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS** that the unredacted Auction Agreement, attached to the Second Report as Confidential Appendix “N”, be and is hereby sealed pending the closing of the completion of the auction process.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this

Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in blue ink, reading "Hainey J.", is written over a horizontal line.

ENTERED AT / INSCRIT A MONTREAL  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO

APR 26 2019

PER / PAR: RW

**ONTARIO**

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**Proceeding commenced TORONTO**

**APPROVAL AND VESTING ORDER**

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Lawyers for the Receiver