



DISTRICT: BRITISH COLUMBIA
DIVISION NO. 02 - VICTORIA
ESTATE NO. 11-3165762
COURT NO. B-240583
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
LLAMAZOO INTERACTIVE INC.**

CERTIFICATE OF COMMISSIONER

I, Nicholas Tsang, commissioner for taking affidavits of British Columbia, am satisfied that the process of utilizing video technology for remote commission of affidavits was necessary because there was no other practical way for the deponent and any commissioner to be physically present together.

Dated: December 18, 2024

A stylized, handwritten signature in blue ink, consisting of a large, sweeping 'N' followed by a horizontal line.

Nicholas Tsang
Dentons Canada LLP
20th Floor, 250 Howe Street
Vancouver, BC V6C 3R8
Fax: (604) 683-5214
Tel: (604) 622-5177
Email: nicholas.tsang@dentons.com



This is the 1st affidavit
of Charles Lavigne in this case
and was made on 18/DEC/2024

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INSOLVENT PERSON

AFFIDAVIT

I, **CHARLES LAVIGNE**, of 200 – 1019 Wharf St Victoria, BC, Businessman, **AFFIRM THAT:**

1. I am the president, chief executive officer, and co-founder of LlamaZOO Interactive Inc. ("LlamaZOO" or the "Company") and as such have personal knowledge of the facts and matters hereinafter deposed to save and except where stated to be based on information and belief and where so stated, I verily believe the same to be true.
2. On December 13, 2024, LlamaZOO initiated proceedings (the "NOI Proceedings") under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended, (the "BIA") when it filed a Notice of Intention to Make a Proposal (the "NOI") pursuant to subsection 50.4(1) of the BIA and appointed Crowe MacKay LLP as proposal trustee (in such capacity, the "Proposal Trustee"). Now shown to me and attached hereto as Exhibit "A" is a copy of the NOI certificate.
3. I make this affidavit in support of LlamaZOO's application for an order (the "Order") which, among other things:
 - (a) extends the time for filing a proposal by 45 days;
 - (b) approves the interim financing (the "Interim Financing") of LlamaZOO by KPMG LLP ("KPMG" or the "Interim Lender") substantially in accordance with the terms of an interim financing term sheet between LlamaZOO and the Interim Lender (the "Interim Financing Term Sheet"); and

- (c) grants the following priority charges over the assets of LlamaZOO, which charges shall rank in the priority set out in the proposed order:
- (i) a priority charge in favour of counsel to LlamaZOO, the Proposal Trustee, and counsel to the Proposal Trustee, in the amount of \$100,000 (the "Administration Charge"); and
 - (ii) a priority charge in favour of the Interim Lender for all amounts owing under the Interim Financing Term Sheet (the "Interim Financing Charge").
4. I am authorized to make this affidavit on behalf of LlamaZOO and LlamaZOO has authorized the filing of the NOI.
5. All dollar amounts described in this affidavit are in Canadian dollars, unless otherwise stated.

Overview of LlamaZOO's Business Operations

6. LlamaZOO is a British Columbia company incorporated in 2015. Our head office is in Victoria, BC.
7. LlamaZOO is a software development technology company, specializing in development of Spatial Business Intelligence platforms. Since its formation, LlamaZOO has developed products tailored to the needs of clients in various industries, such as mining, oil and gas, and forestry.
8. The Company was co-founded by myself and Kevin Oke. Both myself and Mr. Oke had years of experience in the gaming industry prior to founding LlamaZOO, and our vision was to transform gaming technologies into real-world applications.
9. Over its 10 years of operations, LlamaZOO has garnered international recognition for its products and quality of workplace for its employees, and has received 20 award nominations internationally.
10. The Company has developed several technologies and products, including its flagship solutions called MineLife, TimberOps, and Guardian, which have been used by various clients, including First Nations, mining companies, and forestry companies.
11. Prior to the onset of its financial difficulties, as further outlined below, the Company employed approximately 40 people.

Financial Difficulties:

12. Despite its early successes, the Company began to experience financial difficulties throughout 2021 and 2022, due to various factors including rising interest rates, a reduction in investment opportunities in the venture capital space, supply chain disruptions in key customer industries such as forestry and mining, and unexpected lags in technological developments.
13. In 2022, one of LlamaZOO's US-based investors halted its ongoing support offered to the Company. Other key investors and banks that previously provided venture capital financing to emerging technology companies also began to make less capital available and certain key banks,

such as Silicon Valley Bank, collapsed in 2023. As such, LlamaZOO found itself in a tight venture capital market through 2022 and into 2023.

14. In 2022, the Company began to take steps to address these financial challenges, including by reducing its workforce from 40 employees to approximately 20 employees.
15. Throughout 2023, LlamaZOO approached over 60 venture capital funds and investors with the goal of raising additional funds to service its critical research and development operations. However, the Company was unsuccessful in securing additional financing in 2023.
16. In early 2024, LlamaZOO obtained a loan in the amount of \$250,000, with the hope of sustaining operations until it could secure additional financing.
17. By March of 2024, the Company was not able to secure additional financing to sustain its operations, and as such, laid off all its employees temporarily in March 2024 (the "Layoff").
18. Following the Layoff, the Company began searching for a buyer for its assets and engaged in negotiations with several parties.
19. At the time of filing the NOI, the Company had two (2) secured creditors and approximately twenty-six (26) unsecured creditors and indebtedness totalling approximately \$2,334,709.

Current Assets

20. LlamaZOO's assets are primarily in the form of intellectual property, including but not limited to the following:
 - (i) its digital platforms, including without limitation the source codes, data, and design information used in conjunction therewith;
 - (ii) various trademarks; and
 - (iii) a patent registered in the United States.
21. LlamaZOO has minimal cash on hand as of the date it filed the NOI.

Proposed Sale to KPMG:

22. In or about October, 2024, LlamaZOO entered into a letter of intent (the "LOI") with KPMG for a proposed sale of all of the Company's assets to KPMG (the "Proposed Transaction").
23. The Proposed Transaction presents the best path to recovery for LlamaZOO's creditors because the Company does not have any available cash or reasonable prospects of securing any form of financing. With the proceeds from the Proposed Transaction, the Company expects to repay secured creditors in full, and provide at least some recovery to its unsecured creditors. Alternatively, in a bankruptcy, the company anticipates a shortfall to secured creditors and no recovery for unsecured creditors.

24. Furthermore, the Proposed Transaction will allow for certain former and existing employees of LlamaZOO to continue their employment and preserve value in the Company's technologies under the leadership of KPMG.

Interim Financing

25. Pending the closing of the Proposed Transaction, KPMG has agreed to advance the Interim Financing up to \$400,000, of which \$100,000 shall be made available prior to the execution of an asset purchase agreement for the Proposed Transaction, pursuant to the terms of the Interim Financing Term Sheet.
26. I expect to receive a final executed copy of the Interim Financing Term Sheet shortly after affirming my affidavit.
27. The LOI contemplates that KPMG will acquire all of LlamaZOO's assets, including retaining some of the Company's existing employees. Given the Company's current financial situation, it is unable to continue paying its employees and sustain its operations without additional financing, but the Interim Financing will allow the Company to continue operating until the Proposed Transaction is complete.
28. For the aforementioned reasons, the Interim Financing is necessary for the Company to sustain its operations and preserve its assets through the NOI Proceedings pending the completion of the Proposed Transaction.
29. The Interim Financing Charge secures LlamaZOO's obligations under the Interim Financing Term Sheet.

Administration Charge

30. LlamaZOO believes that the expertise of the Proposal Trustee and its legal counsel, and the Company's legal counsel are essential for continuing to advance the NOI Proceedings and for completing the Proposed Transaction and ultimately filing a proposal pursuant to the BIA.
31. The Administration Charge will secure payment of the fees of each of the Proposal Trustee, the Proposal Trustee's counsel, and the Company's counsel, up to the amount of \$100,000, which I believe is necessary and appropriate in these circumstances.

Extension of the Stay of Proceedings

32. As a result of the filing of the NOI, all proceedings against LlamaZOO and its assets were automatically stayed as of December 13, 2024 for an initial period of thirty (30) days, ending January 12, 2025, which period may be extended by further court approval.
33. In these circumstances, LlamaZOO requires an extension of this stay period while it continues to work with KPMG to finalize the terms of the Proposed Transaction. The Company is confident that the Proposed Transaction will be successfully completed, but requires more time to continue negotiations and complete closing steps.
34. Upon closing the Proposed Transaction, the Company intends to file its proposal, but requires the proceeds from the Proposed Transaction to do so. As such, the requested forty-five (45) day

extension is necessary for the Company to be able to complete its work in closing the Proposed Transaction.

Urgency

35. Without the Interim Financing and the proceeds from the Proposed Transaction, the Company will not be able to make its upcoming payroll or otherwise sustain its ongoing operations.
36. For the reasons summarized above, I believe the relief sought in the Order is reasonable and necessary in these circumstances.


Virtual Commissioning:

37. I was not physically present before the person before whom this affidavit was affirmed but was in that person's presence using video conferencing.

VIRTUALLY AFFIRMED BEFORE ME at
Vancouver, British Columbia on 18/12/2024.



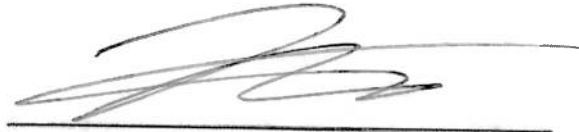
A Commissioner for taking Affidavits for British
Columbia


CHARLES LAVIGNE

DENTONS CANADA LLP
Barristers & Solicitors
20th Floor, 250 Howe Street
Vancouver, B.C. V6C 3R8
Telephone (604) 687-4460

NICHOLAS TSANG
Expiry: May 21, 2025

This is Exhibit "A" referred to in the affidavit of Charles Lavigne virtually affirmed before me at Vancouver, BC this 18 day of December 2024.

A handwritten signature in black ink, consisting of several fluid, overlapping loops and strokes, positioned above a horizontal line.

A Commissioner for taking Affidavits

For British Columbia



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 02 - Victoria
Court No. 11-3165762
Estate No. 11-3165762

In the Matter of the Notice of Intention to make a proposal of:

LlamaZoo Interactive Inc.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

December 13, 2024

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

E-File/Dépôt Electronique

Date: December 13, 2024, 18:15

Official Receiver

Canada

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902