

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.**

INSOLVENT PERSON

NOTICE OF APPLICATION

Name of applicant: LlamaZOO Interactive Inc. ("**LlamaZOO**" or the "**Company**")

To: The Service List attached hereto as **Schedule "A"**

And To: Those parties listed in **Schedule "E"** to the Approval and Vesting Order (the "**Additional Notice Parties**")

TAKE NOTICE that an application will be made by the applicant to the presiding judge or associate judge at the courthouse at 800 Smithe Street, Vancouver British Columbia on 24 / FEB / 2025 at 9:45 a.m. for the orders set out in Part 1 below.

The applicant estimates that the application will take 20 minutes.

- This matter is within the jurisdiction of an associate judge.
 This matter is not within the jurisdiction of an associate judge.

PART 1 ORDERS SOUGHT

1. An order (the "**Approval and Vesting Order**") substantially in the form attached hereto as **Schedule "B"**, which, among other things:
 - (a) extends the stay of proceedings (the "**Stay of Proceedings**") and the deadline for filing a proposal by an additional 45 days from February 26, 2025 to April 12, 2025; and
 - (b) approves the sale of and vesting of the assets of LlamaZOO (the "**Transaction**") to KPMG LLP ("**KPMG**" or the "**Purchaser**") pursuant to an asset purchase agreement dated February 7, 2025 (the "**Purchase Agreement**"), and grants other ancillary relief.

2. Such other relief as this honourable Court may deem just.

PART 2 FACTUAL BASIS

Background

3. 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**") by filing a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the BIA and appointed Crowe MacKay & Company Ltd. as proposal trustee (in such capacity, the "**Proposal Trustee**").
4. By a notice of application filed on December 18, 2024 (the "**Extension Application**"), the Company sought, among other things, an extension of the time for filing a proposal in the NOI Proceedings by an additional 45 days, and the approval of an interim financing of the Company by KPMG (the "**Interim Financing**") together with a charge in favour of KPMG securing up to \$400,000 in principal advances, plus fees, costs and interest (the "**Interim Financing Charge**").
5. By an order granted by the Honourable Justice Whately and entered on December 20, 2024 (the "**Extension Order**"), this Court approved the relief sought in the Extension Application.
6. Pursuant to the Extension Order, the stay of proceedings expiry date and deadline for filing a proposal in the NOI Proceedings is February 26, 2025.
7. As is noted in the Extension Application, the Company had entered into a letter of intent with KPMG in or about October 2024 (the "**LOI**"), pursuant to which KPMG agreed to purchase substantially all of the Company's assets subject to certain conditions. However, the terms of this transaction were not yet settled when LlamaZOO commenced the NOI Proceedings in December, 2024, and as such, the Company sought the Extension Order to allow additional time to finalize the terms of the Transaction and secure funding for its continued operations with the Interim Financing.
8. The terms of the Transaction have now been agreed upon by the Purchaser and Company, and as such, the Company seeks the Approval Order.

Financial Challenges and Current Operations

9. LlamaZOO began to experience financial challenges throughout 2021 and 2022 arising from various factors, including heightened interest rates, reduced venture capital investment, supply chain disruptions in certain customer markets, and slowdowns in technological development.

10. The Company took an initial step to reduce its workforce in 2022 from 40 to 20 employees in response to its financial challenges, and later laid off the remainder of its employees in or about March 2024 (the "**Layoff**").
11. In or about October 2024, at which time the Company was in negotiations with the Purchaser on the terms of the Transaction, the Company rehired five (5) of the employees, which was funded by an exclusivity fee paid by KPMG to the Company.
12. Having entered into the LOI prior to the commencement of the NOI Proceedings, KPMG also agreed to extend the Interim Financing to the Company to assist the Company in funding its operations, professional fees, and other steps necessary to complete the Transaction.
13. Since filing the NOI, the Company's operations have been limited to the following:
 - (a) engaging in discussions with the Proposal Trustee about the Company's affairs and options available;
 - (b) working with the Proposal Trustee to prepare the Company's cash flow statements;
 - (c) communicating with stakeholders regarding the NOI Proceedings; and
 - (d) engaging in negotiations with the Purchaser to finalize the terms of the Transaction.

Sales Process

14. There was no formal sales process approved in the NOI Proceedings with respect to the sale of the Company's assets. Rather, the Company undertook substantial marketing efforts prior to filing the NOI throughout 2023 and 2024 after it began to experience financial difficulties in the years prior, with the objective of securing additional financing or, alternatively, finding a buyer for substantially all of its assets.
15. The Company's marketing efforts throughout 2023 and 2024 included:
 - (a) engaged a marketing agency to develop investor-focused marketing materials, including investor-targeted videos and digital assets for presentations;
 - (b) engaged a an investment group to source investors in the Middle East, New York, and Miami, which set over thirty (30) meetings with various investors;

- (c) engaged Fort Capital Partners ("**Fort Capital**") in or about April 2023 to assist the Company with raising capital until about September 2023, after which Fort Capital informed the Company that raising capital in the slowed market was infeasible;
- (d) Signed a fee agreement with Turner Ridge International in or about June 2023, who helped the Company with sourcing investors and secured one letter of intent for the Company that ultimately did not proceed to a successful transaction;
- (e) hired James Hurthouse ("**Mr. Hurthouse**") as the Company's director of corporate development in or about August 2023 with a mandate to source buyers, investors partners, and clients;
- (f) engaged Jahani & Associates in or about October, 2023, a boutique investment banking firm, to help raise capital in target markets, including New York, Abu Dhabi, and Singapore;
- (g) travelled to Dubai with Mr. Hurthouse to meet with a Canadian investor with active investments in Canada and the Middle East, who introduced the Company to Raven Indigenous Capital Partners ("**Raven Capital**"), a Vancouver-based Indigenous capital fund;
- (h) facilitated due diligence with Raven Capital from October 2023 to late November 2023, after they expressed interest in investing in the Company, which ultimately did not yield a definitive agreement due to misalignments with Raven Capital's investment strategies;
- (i) refinanced its SRED Loan in early 2024 to secure some additional runway;
- (j) engaged in discussions with Acuity Brands about a potential asset purchase;
- (k) engaged in discussions with FPInnovations; and

- (l) engaged with potential investors or buyers in Saudi Arabia, through one of the Company's shareholders.
16. Despite the efforts summarized above, LlamaZOO was unable to conclude an investment, purchase, or financing transaction prior to commencing the NOI Proceedings. The LOI from KPMG was the best offer received by LlamaZOO through all of the foregoing marketing efforts, and represents the best outcome for creditors in this proceeding.

The Transaction with KMPG:

17. After executing the LOI in or about October, 2024, the Company and the Purchaser continued to engage in negotiations with respect to the definitive terms of the Transaction.
18. On or about February 7, 2025, the Company and the Purchaser executed the Purchase Agreement.
19. The Purchase Agreement contemplates the sale of substantially all of the Company's assets vesting in the Purchaser.
20. The key terms of the Purchase Agreement include the following:

<u>Purchase Price</u>	\$1,450,000, plus applicable HST.
<u>Closing Date</u>	Five business days after court approval, unless otherwise agreed upon.
<u>Conditions</u>	<ul style="list-style-type: none"> (i) all representations and warranties of the Vendor are true and correct at the Closing; (ii) no injunction or restraining order of any Governmental Authority shall be in effect prohibiting the purchase and sale of the Purchased Assets; (iii) no events shall have occurred that might reasonably be expected to have a materially adverse effect to the Purchased Assets; (iv) all closing documents from Vendor have been received by the Purchaser; and

	(v) the Court shall have made the Vesting Order.
<u>Outside Date</u>	March 31, 2025
<u>Vesting of Assets</u>	the Purchased Assets shall vest in the Purchaser free and clear of all Encumbrances.

21. The proceeds from the Transaction will allow the Company to pay off the Interim Financing Charge and make a proposal to pay off a portion of the amounts owing to the Company's creditors.
22. Furthermore, having completed the marketing efforts summarized above throughout 2023-2024, the Company is satisfied that the Transaction represents the best value for a purchase of its assets and that the Transaction will give LlamaZOO the best recovery for its creditors in the circumstances.

Approval and Vesting Order:

23. As noted above, the Transaction is conditional upon, *inter alia*, the Court having made the "Vesting Order" in the form of the Approval and Vesting Order sought in this application.
24. The Approval and Vesting Order substantially aligns with the model order, save and except for paragraph 3(iv) which provides (in relevant part):

"all of the Applicant's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all [Claims] including, without limiting the generality of the foregoing: ... (iv) any interests or claims by the parties listed on Schedule "E" hereto; ..."

(emphasis added)

25. The "Additional Notice Parties" listed on Schedule "E" to the Approval and Vesting Order were identified by the Purchaser as parties who may have an interest in certain Purchased Assets.
26. LlamaZOO is not aware of any claim or right held by the Additional Notice Parties in or to the Purchased Assets. However, out of an abundance of caution, notice of this application is being expressly given to the Additional Notice Parties.

Extension of Proposal Proceeding:

27. In order to give the Company sufficient time to close the Transaction and prepare its proposal thereafter, the Company requires an additional extension of the Stay of Proceedings for another 45 days.

PART 3 LEGAL BASIS

28. LlamaZOO relies on:
- (a) Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3 (the "BIA");
 - (b) the inherent and equitable jurisdiction of this Honourable Court; and
 - (c) such further and other legal bases and authorities as counsel may advise and this Honourable Court may permit.

Approval of the Transaction:

29. An insolvent person in respect of whom a notice of intention is filed under section 50.4 or a proposal is filed under subsection 62(1) may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

BIA, Section 65.13(1)

30. In deciding whether to grant approval of a sale or disposition of assets outside of the ordinary course of business, the court is to consider the following factors, among other things:
- (a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;
 - (b) whether the trustee approved the process leading to the proposed sale or disposition;
 - (c) whether the trustee 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;
 - (d) the extent to which the creditors were consulted;
 - (e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

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

BIA, Section 65.13(4).

31. The Transaction should be approved because:

- (a) LlamaZOO has worked to market its assets to prospective investors and buyers since early 2023 to find a buyer for its assets or other funding but no other deals materialized;
- (b) Having marketed the Company's assets prior to filing the NOI, the Company is of the view that the consideration to be received from the Purchaser is reasonable and fair in light of the market value of the Company's assets;
- (c) In light of the previous marketing efforts, the Company does not believe further marketing of the Purchased Assets would yield a better outcome, and in any event the Company does not have the resources to pursue further marketing;
- (d) The proceeds from the Transaction will allow the Company to repay secured creditors in full and provide some recovery to its unsecured creditors, whereas in a bankruptcy, there would likely be a shortfall to secured creditors; and
- (e) Closing the Transaction will allow the Company to make a proposal to its unsecured creditors pursuant to the BIA.

Stay extension

32. Section 50.4(9) of the BIA states:

The insolvent person may, before the expiration of the thirty day period mentioned in subsection (8) or any extension thereof granted under this subsection, apply to the court for an extension, or further extension, as the case may be, of that period, and the court may grant such extensions, not exceeding forty-five days for any individual extension and not exceeding in the aggregate five months after the expiration of the thirty day period mentioned in subsection (8), if satisfied on each application that:

- a) the insolvent person has acted, and is acting, in good faith and with due diligence;
- b) the insolvent person would likely be able to make a viable proposal if the extension being applied for were granted
- c) no creditor would be materially prejudiced if the extension being applied for were granted.

BIA, s.50.4(9).

33. The section 50.4(9) factors are assessed from an objective standard, considering what is reasonable in the circumstances.

**In the Matter of the Proposal of Cantrail Coach Lines Ltd., 2005 BCSC 351 at para. 11.
Andover Mining Corp. (Re), 2013 BCSC 1833 at paras. 50, 58.**

34. A court should consider the intent of the BIA, specifically the rehabilitative purpose of a proposal. Further, a court should take a broad approach and consider the impact on all stakeholders, including employees, secured creditors, unsecured creditors and other impacted parties.

In the Matter of the Proposal of Cantrail Coach Lines Ltd., 2005 BCSC 351 at paras. 11-12.

35. To find good faith and due diligence, a court must be satisfied that the insolvent company is not acting in bad faith and making initial steps towards forming a proposal. A court need only look for "some diligence".

Andover Mining Corp. (Re), 2013 BCSC 1833 at paras. 64-65.

36. LlamaZOO has acted with good faith and due diligence by continuing to work with KPMG to finalize the Purchase Agreement and work toward closing the Transaction. LlamaZOO has also worked with the Proposal Trustee throughout the NOI Proceedings.
37. There are no alternative, better offers available for the Company's assets, so approving the Transaction will give the Company's creditors the best chance of recovery in the circumstances, relative to the alternative of a deemed bankruptcy in the NOI Proceedings.
38. To find the insolvent company would likely be able to make a viable proposal, a court must be satisfied that the insolvency company "would likely be able to make a viable proposal, a proposal that is at least feasible, a proposal that would be practicable from an economic standpoint, if the extension being applied for were granted."

**In the Matter of the Proposal of Cantrail Coach Lines Ltd., 2005 BCSC 351 at paras. 19-20.
59.**

39. Evidence of a viable proposal need not be certain, but rather, an insolvent company must show that a viable proposal "might well happen."

Andover Mining Corp. (Re), 2013 BCSC 1833 Mining at para. 66.

40. The Company expects that the proceeds from the Transaction will position it to make a successful proposal in the circumstances, and it does not have any alternative sources of financing to make a proposal.

PART 4 MATERIAL TO BE RELIED ON

- (a) Affidavit #1 of Charles Lavigne, affirmed December 18, 2024;
- (b) Affidavit #2 of Charles Lavigne, affirmed February 12, 2025;
- (c) Affidavit #1 of Chelsea Denton, sworn December 18, 2024;
- (d) Proposal Trustee's first report, filed December 19, 2024;
- (e) Proposal Trustee's second report, to be filed; and
- (f) Order made December 20, 2024.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this Notice of Application, you must, within 5 business days after service of this Notice of Application or, if this application is brought under Rule 9-7, within 8 business days of service of this Notice of Application,

- (a) file an Application Response in Form 33,
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding, and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed Application Response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

Date: 12 / FEB/ 2025

for: 
Signature of lawyer for applicant

Jordan Schultz

To be completed by the court only:

Order made

- in the terms requested in paragraphs _____ of Part 1 of this Notice of Application
- with the following variations and additional terms:

Date:

Signature of Judge Associate Judge

APPENDIX

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- other matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts

SCHEDULE "A"

District: British Columbia
Division No. 02 - Victoria
Estate No.11-3165762
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INSOLVENT PERSON

SERVICE LIST

As at January 30, 2025

<p>Dentons Canada LLP 20th Floor, 250 Howe Street Vancouver, BC V6C 3R8</p> <p>Attention: Jordan Schultz Cassandra Federico</p> <p>Emails: jordan.schultz@dentons.com cassandra.federico@dentons.com chelsea.denton@dentons.com nav.sidhu@dentons.com</p> <p><i>Counsel for LlamaZoo Interactive Inc.</i></p>	<p>Crowe Mackay & Company Ltd. 1177 W Hastings St Vancouver, BC V6E 4T5</p> <p>Attention: Derek Lai Nelson Allan</p> <p>Email : derek.lai@crowemackay.ca nelson.allan@crowemackay.ca</p> <p><i>Proposal Trustee</i></p>
<p>Gehlen Dabbs Cash LLP 1201-1030 West Georgia Street Vancouver, BC V6E 2Y3</p> <p>Attention: Carol Cash</p> <p>Email: cc@gdlaw.ca</p> <p><i>Counsel for the Proposal Trustee, Crowe Mackay & Company Ltd.</i></p>	<p>Fasken Martineau DuMoulin LLP 550 Burrard St #2900 Vancouver, BC V6C 0A3</p> <p>Attention: Lisa Hiebert Mishaal Gill</p> <p>Email: lhiebert@fasken.com mgiill@fasken.com</p> <p><i>Counsel for KPMG LLP</i></p>

<p>Christine Gossland</p> <p>Email: christinegossland@gmail.com</p> <p><i>Preferred Creditor</i></p>	<p>Michael Fuller</p> <p>Email: michael.fuller444@gmail.com</p> <p><i>Preferred Creditor</i></p>
<p>Nicola Wealth Real Estate 700 - 880 Douglas Street Victoria BC V8W 2B7</p> <p>Email: dquon@nicolawealth.com</p> <p>Attention: Dan Quon</p> <p><i>Preferred Creditor</i></p>	<p>David Paul Richards</p> <p>Email : canadadevguy@gmail.com</p> <p><i>Preferred Creditor</i></p>
<p>Tabitha Lee</p> <p>Email: leetabithagemma@gmail.com</p> <p><i>Preferred Creditor</i></p>	<p>Tim Webb</p> <p>Email: webb.timo@gmail.com</p> <p><i>Preferred Creditor</i></p>
<p>Tony Woollven</p> <p>Email: tonywoollven@gmail.com</p> <p><i>Preferred Creditor</i></p>	<p>Bonsai Growth Solutions Inc. 408 - 55 Water Street, Unit 8933 Vancouver BC V6B 1A1</p> <p>Email: kirby@bonsaigrowth.ca</p> <p><i>Secured Creditor</i></p>
<p>RBC Royal Bank c/o BankruptcyHighway.com PO Box 57100 Etobicoke ON M8Y 3Y2</p> <p>Attention: Razel Bowen</p> <p><i>Secured Creditor</i></p>	<p>Anoroc Holdings Ltd.</p> <p>Attention: Kerry Gallager</p> <p>Email: kerry@gallagherbros.com</p> <p><i>Unsecured Creditor</i></p>
<p>Audrey Topliss</p> <p>Email: audreytoplissdesign@gmail.com</p> <p><i>Unsecured Creditor</i></p>	<p>Business Development Bank of Canada 1500 - 1133 Melville St Vancouver BC V6E 4E5</p> <p>Attention: Adriane Grabarevic</p> <p>Email: adriane.grabarevic@bdc.ca</p> <p><i>Unsecured Creditor</i></p>

<p>Canada Revenue Agency – Tax Surrey National Verification and Collection Centre 9755 King George Blvd Surrey, BC V3T 5E1</p> <p>Fax: (833) 697-2389</p> <p><i>Unsecured Creditor</i></p>	<p>Dentons Canada LLP 250 Howe Street, 20th Floor Vancouver, BC V6C 3R8</p> <p>Attention: Arik Broadbent</p> <p>Email: arik.broadbent@dentons.com</p> <p><i>Unsecured Creditor</i></p>
<p>Eric Kiss</p> <p>Email: erikkiss@erikkiss.com</p> <p><i>Unsecured Creditor</i></p>	<p>Export Development Canada 150 Slater St Ottawa, ON K1A 1K3</p> <p>Attention: Legal-Courier@edc.ca</p> <p><i>Unsecured Creditor</i></p>
<p>Fahad Al Moamar</p> <p>Email : f.almoamar@pivotstartups.com</p> <p><i>Unsecured Creditor</i></p>	<p>Greenstone Business Services</p> <p>Attention: James Hursthouse</p> <p>Email: james.hursthouse@gmail.com</p> <p><i>Unsecured Creditor</i></p>
<p>Helmsman Management 400 - 602 Broughton Street Victoria, BC V8W 1C7</p> <p>Attention: Stephen Albinati</p> <p>Email: stephen.albinati@helmsmangroup.ca</p> <p><i>Unsecured Creditor</i></p>	<p>KPMG LLP St. Andrew's Square II 800 - 730 View Street Victoria, BC V8W 3Y7</p> <p>Attention: Bill King</p> <p>Email: billking@kpmg.ca</p> <p><i>Unsecured Creditor</i></p>
<p>Mark Fincham</p> <p>Email: froghollowranch@gmail.com</p> <p><i>Unsecured Creditor</i></p>	<p>Michael Trivitt</p> <p>Email: mike.trivett@telus.net</p> <p><i>Unsecured Creditor</i></p>
<p>Ministry of Finance - PST - British Columbia Station Provincial Government PO Box 9445 Victoria, BC V8W 9V5</p> <p>Email: rmbtaxpayerinquiries@gov.bc.ca</p> <p><i>Unsecured Creditor</i></p>	<p>Mitacs Santino</p> <p>Email: grants-subventions@mitacs.ca</p> <p><i>Unsecured Creditor</i></p>

<p>MNP Digital 100 - 655 Tye Road Victoria, BC V9A 6X5</p> <p>Attention: Glen Walker</p> <p>Email: glen.walker@mnp.ca</p> <p><i>Unsecured Creditor</i></p>	<p>MNP LLP 2200 - 1021 West Hastings Street Vancouver, BC V6E 0C3</p> <p>Attention: Glen Walker</p> <p>Email: glen.walker@mnp.ca</p> <p><i>Unsecured Creditor</i></p>
<p>Doug Bach</p> <p>Email: doug_bach@yahoo.com</p> <p><i>Unsecured Creditor</i></p>	<p>NKPG Services Ltd. 204 - 4400 Chatteryon Way Victoria, BC V8X 5J2</p> <p>Attention: Derrold Norgaard</p> <p>Email: derrold@nkpg.ca</p> <p><i>Unsecured Creditor</i></p>
<p>Pacifican</p> <p>Email : franklin.alvarez@pacifican.gc.ca</p> <p><i>Unsecured Creditor</i></p>	<p>Sharon Skolrood</p> <p>Email : sharon.skolrood@telus.net</p> <p><i>Unsecured Creditor</i></p>
<p>Tim Webb</p> <p>Email: webb.timo@gmail.com</p> <p><i>Unsecured Creditor</i></p>	<p>Unity Technologies SF 30 Third Street San Francisco, CA 94103 USA</p> <p>Attention: Dhanalakshmi Pandiyan</p> <p>Email: dhanalakshmi.p@unity3d.com</p> <p><i>Unsecured Creditor</i></p>
<p>Warren Brown</p> <p>Email : wbinvic@gmail.com</p> <p><i>Unsecured Creditor</i></p>	<p>WorkSafeBC - Collections Department PO Box 5350 Stn. Terminal Vancouver, BC V6B 5L5</p> <p>Email : LGLINSOLVEN@worksafebc.com</p> <p><i>Unsecured Creditor</i></p>
<p>MLT Aikins LLP Suite 2600 - 1066 West Hastings Street Vancouver, BC V6E 3X1</p> <p>Attention: William Skelly Jess Reid</p> <p>Email: jreid@mltaikins.com wskelly@mltaikins.com</p> <p><i>Counsel for Royal Bank of Canada</i></p>	<p>Ministry of Finance Receivables Management Office PO BOX 9445 Stn Prov Govt Victoria, BC V8W 9V5</p> <p>Attention: Joshua McCarthy</p> <p>Email: Joshua.McCarthy@gov.bc.ca</p> <p><i>His Majesty the King in the right of the Province of British Columbia</i></p>

Pacific Economic Development Agency of
Canada (PacifiCan)

Attention: Lauren Sweeney

Email: Lauren.Sweeney@prairiescan.gc.ca

EMAIL SERVICE LIST:

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Schedule "B"

District: British Columbia
Division No. 02 – Victoria
Estate No. 11-3165762
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INSOLVENT PERSON

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

_____)
) _____, 2025
)

THE APPLICATION of LlamaZOO Interactive Inc. ("**LlamaZOO**" or the "**Applicant**") coming on for hearing at Vancouver, British Columbia, on the _____ day of _____, 2025; AND ON HEARING [] counsel for the Applicant, and those other counsel listed on **Schedule "A"** hereto, and no one else appearing, although duly served; AND UPON READING the material filed, including Affidavit #2 of Charles Levine made February 13, 2025 (the "**Affidavit**") and the report of Crowe Mackay & Company Ltd., in its capacity as Proposal Trustee (in such capacity, the "**Proposal Trustee**"), dated [], 2025 (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. The time for service of the Notice of Application for this order and the supporting materials be and is abridged such that this application is properly returnable today, without need for further service or notice.
2. Pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c B-3, as amended (the "**BIA**"), the time for LlamaZOO to file a proposal, and the corresponding stay of proceedings provided for in Section 69 of the BIA, be extended from February 26, 2025 to 11:59 pm on April 12, 2025.
3. The sale transaction (the "**Transaction**") contemplated by the Asset Purchase Agreement dated February 7, 2025 (the "**Sale Agreement**") between the Applicant and KPMG LLP (the "**Purchaser**"), a copy of which is attached as **Schedule "B"** to this Order is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or

desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

4. Upon delivery by the Proposal Trustee to the Purchaser of a certificate substantially in the form attached as **Schedule "C"** hereto (the "**Certificate**"), all of the Applicant's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser in fee simple, 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, 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 this Court dated December 20, 2024; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; (iii) those Claims listed on **Schedule "D"** hereto; and (iv) any interests or claims by the parties listed on **Schedule "E"** hereto; (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
5. 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 from and after the delivery of the Certificate all Claims 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 had possession or control immediately prior to the sale.
6. The Proposal Trustee is to file with the Court a copy of the Certificate forthwith after delivery thereof.
7. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(10)(o) of the *Personal Information Protection Act* of British Columbia, the Applicant and Proposal Trustee are hereby authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the company's records pertaining to the Applicant's past and current employees, including personal information of those employees listed in Schedule E to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicant.
8. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets shall be delivered by the Applicant to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement).
9. The Applicant, with the consent of the Proposal Trustee and the Purchaser, shall be at liberty to extend the Closing Date to such later date as those parties may agree without the necessity of a further Order of this Court, provided that the Closing Date occurs on or before the Outside Date (as defined in the Sale Agreement).
10. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of the Applicant now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made by or in respect of the Applicant,

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicant and shall not be void or voidable by creditors of the Applicant, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* 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.

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Applicant 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 Applicant as may be necessary or desirable to give effect to this Order or to assist the Applicant and its agents in carrying out the terms of this Order.
12. The Applicant, the Purchaser or the Proposal Trustee have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.
13. Endorsement of this Order by counsel appearing, except for counsel to the Applicant, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of counsel to the Applicant
 Party Lawyer for the Petitioners

BY THE COURT

REGISTRAR

Schedule A

List of Counsel

Name of Counsel	Appearing For

Schedule B

Purchase Agreement – see attached

Schedule C

Form of Proposal Trustee's Certificate

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.

INSOLVENT PERSON

PROPOSAL TRUSTEE'S CLOSING CERTIFICATE

RECITALS

- A. Pursuant to an Order of the Court dated February 20, 2025 (the "**Vesting Order**"), the Court approved the asset purchase agreement dated February 7, 2025 (the "**Sale Agreement**") between the LlamaZoo Interactive Inc. ("**LLZ**"), as seller, and KPMG LLP, as purchaser (the "**Purchaser**"), and provided for the vesting in the Purchaser of LLZ's right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming the Transaction has been completed to the satisfaction of the Proposal Trustee.
- B. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Vesting Order.

THE RECEIVER CERTIFIES the following:

1. The Transaction has been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee on February ____, 2025.

CROWE MACKAY & COMPANY LTD., solely in its capacity as Proposal Trustee of LlamaZoo Interactive Inc., and not in its personal capacity.

Per: _____

Name:

Title:

Schedule D

Claims to be deleted/expunged

1. Financing statement in favour of Royal Bank of Canada, registered in the BC Personal Property Registry (the "BC PPR") on May 10, 2016 under base registration number 277439J
2. Financing statement in favour of Royal Bank of Canada, registered in the BC PPR on September 19, 2018 under base registration number 034987L
3. Financing statement in favour of Bonsai Growth Solutions Inc., registered in the BC PPR on January 10, 2024 under base registration number 127202Q
4. Financing statement in favour of KPMG LLP, registered in the BC PPR on December 11, 2024 under base registration number 820618Q

Schedule E

Counterparties

1. National Research Council Canada as represented by its Industrial Research Assistance Program (NRC-IRAP) IRAP – Pacific
2. Red Dot Analytics Pte Ltd
3. Cloud Plus Pte. Ltd.
4. BitNet Bilisim Hizmetleri ltd Sti
5. Green Continuum Bilişim Teknolojileri Ltd. Şti
6. Innova Integra Ltd
7. AMPD Holdings Inc.
8. Avcorp Industries Inc.
9. Boeing Vancouver
10. Boeing Research & Technology (BR&T)
11. Camosun College
12. Convergent Manufacturing Technologies Inc.
13. Providence Healthcare
14. Siemens Canada
15. The University of British Columbia
16. Al Moammar Information Systems (MIS)
17. Spatial Business Intelligence SBI DMCC
18. Spatial Business Programming LLC.
19. EasyAnatomy Interactive Inc.
20. Rockpile Ventures, Inc.

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Division No. 02 – Victoria
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