

SALES SOLICITATION PROCESS

IN THE MATTER OF THE RECEIVERSHIP OF W.A. Grain Holdings Inc., 18887612 Alberta Ltd., 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions), New Leaf Essentials (West) Ltd., 1887612 Alberta Ltd. and certain assets of New Leaf Essentials (East) Ltd.,

INTRODUCTION

1. On April 26, 2021, the Court of Queen's Bench of Alberta (the "**Court**") granted an order appointing BDO Canada Limited ("**BDO**") as the receiver of W.A. Grain Holdings Inc., 18887612 Alberta Ltd., 1309497 Alberta Ltd. (o/a W.A. Grain & Pulse Solutions) ("1309497"), New Leaf Essentials (West) Ltd. ("NLEW") and certain assets of New Leaf Essentials (East) Ltd. ("NLEE") (collectively "**W.A. Grain**").
2. The assets referred to in this document relate to W.A. Grain's Alberta and Saskatchewan facilities and equipment (collectively the "**Alberta and Saskatchewan Assets**").
3. Pursuant to the Order of the Court dated June 9, 2021 (the "**SSP Order**"), the Court approved the sales solicitation process set out herein (the "**SSP**").
4. Pursuant to the SSP Order, the Receiver is utilizing BDO's Transaction Advisory Services group to act as its sales Agent (the "**Sales Agent**").
5. The Sales Agent will develop a list of Known Potential Bidders (as defined below), communicate and meet with interested parties, prepare and distribute marketing materials, and manage the Virtual Data Room ("**VDR**").

SSP OVERVIEW

6. The purpose of the SSP is to solicit interest in a sale or liquidation of all, or substantially all, of the Alberta and Saskatchewan Assets.
7. The SSP describes the manner in which individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, governmental organizations or other entities (each, a "**Person**") may gain access to or continue to have access to due diligence materials concerning the Alberta and Saskatchewan Assets, and how bids involving the Alberta and Saskatchewan Assets will be submitted to and dealt with by the Receiver and the Sales Agent, and how Court approval will be obtained in respect of any Transaction (as defined below).
8. As described below, the various deadlines herein may be extended by and at the discretion of the Receiver. The Receiver will consider extending the various deadlines herein, in the event that the Receiver determines that such an extension will generally benefit W.A. Grain's creditors and other stakeholders. The Receiver shall generally oversee the SSP and in particular shall oversee the Sales Agent in connection therewith. In the event that there is a disagreement as to the interpretation or application of the SSP, the Court will have jurisdiction to hear and resolve such dispute.

"AS IS, WHERE IS" BASIS

9. Any transaction involving all or any portion of the Alberta and Saskatchewan Assets (each a "**Transaction**") will be completed with Court Approval on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Sales Agent, the Receiver, or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent expressly set forth in the relevant Final Agreement (as defined herein).
10. The key dates pursuant to the SSP are as follows (capitalized terms in the chart below have the meaning ascribed in the SSP):

<u>Event</u>	<u>Date</u>
Sales Agent to create list of Potential Bidders and distribute Teaser Letter and Confidentiality Agreements to Potential Bidders	As soon as practical and no later than June 14, 2021
Sales Agent to prepare and have available for Potential Bidders the CIM (defined herein) and VDR	As soon as practical and no later than June 14, 2021
Advertisement in the national edition of the Globe and Mail	June 15, 2021
Non-binding LOI Deadline	By 5 p.m. (MT) July 9, 2021
Selection of Phase 2 Qualified Bidders	Notification to bidders by 5 p.m. (MT) July 16, 2021
Final Qualified Bidder Deadline	5 p.m. (MT) August 6, 2021
Selection of Winning Bid and Final Agreement	As soon as reasonably practicable
Final Agreement	Within 10 days of selection of winning bid ("Final Agreement Deadline")
Application to the Court for Approval Order(s)	As soon as reasonably practicable after the Final Agreement
Closing of the Transaction	Within ten (10) days of the Approval and Vesting Order(s)

THE SSP PROCESS

A. Initial Solicitation of Interest

11. The Sales Agent may contact any Persons to solicit expressions of interest in a Transaction either before or after the granting of the SSP Order.
12. As soon as reasonably practicable after the granting of the SSP Order and in any event by no later than June 14, 2021, in consultation with the Receiver, the Sales Agent will prepare a list of potential bidders (the "**Known Potential Bidders**") who may have interest in the Alberta and Saskatchewan Assets pursuant to an asset purchase transaction (an "**Asset Bid**"). Concurrently, the

Sales Agent will prepare an initial offering summary (the "**Teaser Letter**") notifying Known Potential Bidders and any other interested persons of the SSP and inviting them to express interest in making an Asset Bid. The Teaser Letter shall be posted on the Receiver's Website and that of the Sales Agent.

13. On or about June 15, 2021 the Sales Agent will place an advertisement in the national edition of the Globe and Mail advising of the sale of the Alberta and Saskatchewan Assets.
14. By no later than June 14, 2021, the Sales Agent shall distribute to the Known Potential Bidders and any other interested Persons the Teaser Letter, as well as a form of confidentiality agreement (the "**Confidentiality Agreement**") that shall inure to the benefit of the Person or Persons who make the Winning Bid(s) (as defined herein) pursuant to this SSP. Copies of the Teaser Letter and Confidentiality Agreement shall be provided to any appropriate Persons who becomes known to the Sales Agent after the initial distribution of such documents.
15. Any Person (a) who executes a Confidentiality Agreement in form and substance satisfactory to the Sales Agent and the Receiver, and (b) provides written confirmation of the identity of the potential bidder, including its direct and indirect principals and financial disclosure or credit quality support sufficient to allow the Sales Agent, in consultation with the Receiver, to make a reasonable determination as to its capabilities to conclude a transaction, shall be deemed to be a potential bidder (each, a "**Potential Bidder**").

B. Due Diligence

16. The Sales Agent shall provide each Potential Bidder with information, including access to an VDR established by the Sales Agent by no later than June 14, 2021, that the Sales Agent in its reasonable business judgment determines to be necessary for the Potential Bidder to evaluate a transaction involving an Asset Bid.
17. The Sales Agent will prepare a confidential information memorandum ("**CIM**") by no later than June 14, 2021, describing the opportunity to make a SSP Bid and shall deliver the CIM to each Potential Bidder as soon as practicable after such Person is deemed to be a Potential Bidder in accordance with this SSP.
18. The Receiver and the Sales Agent shall coordinate all reasonable requests for additional information and due diligence access from Potential Bidders. However access to facilities will only be granted to Phase 2 Qualified Bidders (as defined below) after they are selected. Neither the Receiver nor the Sales Agent will be obliged to furnish any information relating to the Alberta and Saskatchewan Assets other than to a Potential Bidder.
19. The Sales Agent, the Receiver and their respective advisors make no representation or warranty as to the information made available pursuant to the SSP, including any information contained in the VDR.

C. LOI Process

20. Any Potential Bidder who wishes to submit an Asset Bid must deliver a written, non-binding letter of intent (each, a "**LOI**") to the Receiver and the Sales Agent at the address specified in and in accordance with Schedule "A" hereto so as to be received by the Receiver and Sales Agent not later than **5:00 p.m. (Mountain Time) on July 9, 2021**, or such other date or time as the Receiver may determine (the "**LOI Deadline**").

21. Following the LOI Deadline, all LOIs shall be reviewed by the Receiver and the Sales Agent.
22. An LOI shall be a qualified LOI (each, a "**Qualified LOI**") provided that:
 - (a) it is submitted on or before the LOI Deadline by a Potential Bidder;
 - (b) a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect owners of the Potential Bidder and their principals;
 - (c) it identifies:
 - (i) the purchase price in Canadian Dollars
 - (ii) whether the Asset Bid is *en bloc*, the Alberta and Saskatchewan Assets included, any of the Alberta and Saskatchewan Assets expected to be excluded, and/or any additional assets desired to be included in the Transaction;
 - (iii) confirmation that the Potential Bidder has sufficient funds to complete the Transaction;
 - (iv) the proposed treatment of any leases and other material contracts;
 - (v) any anticipated corporate, shareholder, internal or regulatory approvals required to close the transaction and the anticipated timeframe and any anticipated impediments for obtaining such approvals;
 - (vi) any anticipated due diligence to be completed by Potential Bidder prior to Closing Date;
 - (vii) must not be subject to any conditions other than approval by the Court of Queen's Bench of Alberta (the "**Court**") and the LOI must acknowledge that it is subject to Court approval;
 - (viii) contemplates a schedule for closing the Transaction set out therein which is on or before August 31, 2021 (the "**Closing Date**"); and
 - (ix) contains such other information as reasonably requested by the Selling Agent or Receiver from time to time.
23. Any Potential Bidder who submits a Qualified LOI on or before the LOI Deadline shall be designated a "**Qualified Bidder**".
24. The Receiver, may waive strict compliance of one or more of the requirements specified above and deem any LOI to be a Qualified LOI, notwithstanding any noncompliance with the terms and conditions of this SSP.
25. In the event that no Person submits an LOI, or that no LOI qualifies as or is deemed to qualify as a Qualified LOI, or that no Qualified Bidder is deemed commercially reasonable to the Receiver, the Receiver may terminate the SSP. If no Qualified LOIs are received by the LOI Deadline, the Receiver may consider other forms of bids for the Alberta and Saskatchewan Assets. At any time during the SSP, the Receiver may determine that any LOI is a Winning Bid and seek Approval

Orders in respect of such Winning Bid(s) from the Court.

26. The Sales Agent may invite Qualified Bidders to conduct additional due diligence or otherwise make available to Qualified Bidders additional information not posted in the VDR, arrange for inspections and site visits at W.A. Grain's premises, as determined by the Sales Agent.

D. Selection of Phase 2 Qualified Bidders

27. The Receiver shall review all Qualified LOIs in consultation with the Sales Agent.
28. Following such review of Qualified LOIs the Receiver shall select Qualified Bidders to participate in a second round of bidding (the "**Phase 2 Qualified Bidders**");
29. Phase 2 Qualified Bidders will be notified of their selection for the second round of bidding by 5 p.m. (Mountain Time) July 16, 2021;
30. Qualified Bidders that are not selected as Phase 2 Qualified Bidders will also be notified by 5 p.m. (Mountain Time) July 16, 2021;

E. Phase 2 Bid Deadline

31. Phase 2 Qualified Bidders will be expected to complete any remaining due diligence including inspection of facilities and equipment between July 16, 2021 and the Final Qualified Bid Deadline of 5 p.m. (Mountain Time), July 30, 2021;
32. A proposed form of Purchase and Sales Agreement (PSA) will be made available in VDR to Phase 2 Qualified Bidders on July 6, 2021 for review and mark up;
33. Phase 2 Qualified Bidders will be expected to submit their final bids in the form of the PSA by the Final Qualified Bid Deadline of 5 p.m. (Mountain Time), August 6, 2021;
34. The PSA submission must be accompanied by a 20% deposit payable to "BDO Canada Limited - in trust" (the "**Deposit**") by way of wire transfer (to the instructions included in Schedule "A"), bank draft or certified cheque.

F. Selection of Winning Bid

35. The Receiver in consultation with the Sales Agent shall review all final bids and PSAs received by the Final Qualified Bid Deadline, provided any such PSA complies with the requirements set out in section 22 above, and shall determine what PSAs shall be "**Phase 2 Qualified Bids**",
36. The Receiver may, but shall have no obligation to enter into a definitive agreement or agreements (each a "**Final Agreement**") with the Person or Persons who submitted the highest, best or otherwise most favourable Phase 2 Qualified Bid.
37. The highest Phase 2 Qualified Bid may not necessarily be accepted by the Receiver. The Receiver reserves the right not to accept any Phase 2 Qualified Bid or to otherwise terminate the SSP. The Receiver further reserves the right to deal with one or more Phase 2 Qualified Bidders to the exclusion of other Persons, to accept a Phase 2 Qualified Bid for some or all of the Alberta and Saskatchewan Assets or to accept multiple Phase 2 Qualified Bids and enter into multiple Final Agreements.

38. In the event that the Receiver enters into one or more Final Agreements any Phase 2 Qualified Bid so selected shall be a "**Winning Bid**". Any Phase 2 Qualified Bidder that makes a Winning Bid shall be a "**Successful Bidder**".
39. This SSP shall be suspended in the event that: (a) no Phase 2 Qualified Bidder submits or is deemed to have submitted a Phase 2 Qualified Bid; (b) the Receiver determines that none of the Phase 2 Qualified Bids should be accepted; or (c) a Final Agreement has not been entered into before the Final Agreement Deadline.

G. APPROVAL ORDERS

40. In the event that Receiver enters into a Final Agreement(s), the Receiver shall apply as soon as reasonably practicable thereafter, for order(s) (the "**Approval Order**") from the Court, in form and substance satisfactory to the Receiver, approving the transaction contemplated by the Winning Bid(s) and any necessary related relief required to consummate the Transaction contemplated by the Winning Bid(s), subject to the terms of the Final Agreement(s).
41. An Approval Order shall become a "**Final Order**" upon satisfaction of the following conditions: (a) it is in full force and effect; (b) it has not been reversed, modified or vacated and is not subject to any stay; and (c) all applicable appeal periods have expired and any appeals therefrom have been finally disposed of, leaving the Approval Order wholly operable.

H. CLOSING

42. Closing of the transactions contemplated in any Final Agreement shall occur within ten (10) days of the date upon which the Approval Orders have become Final Orders, or as may be extended with the approval of the Receiver.

I. DEPOSITS

43. All Deposits paid pursuant to this SSP shall be held in trust by the Receiver in a non-interest bearing account. The Receiver shall hold Deposits paid by each of the Successful Bidder in accordance with the terms outlined in this SSP. In the event that a Deposit is paid pursuant to this SSP and the Receiver elects not to proceed to negotiate and settle the terms and conditions of a definitive agreement with the Person that paid such Deposit, the Receiver shall return the Deposit to that Person.
44. In the event that a Successful Bidder defaults in the payment or performance of any obligations owed to the Receiver or the Sales Agent pursuant to any Final Agreement, the Deposit paid by the Successful Bidder as applicable, shall be forfeited to such party as liquidated damages and not as a penalty.

J. CONFLICTS OF INTEREST

45. Until such time as any secured creditor of W.A. Grain has: (i) irrevocably declared its intention not to submit a bid; (ii) its LOI has been irrevocably disqualified under the SSP; or (iii) its Phase 2 Qualified Bid has been irrevocably determined not to be the Winning Bid), such secured creditor:

- shall only receive information regarding the SSP in keeping with his or her capacity as a

Potential Bidder in these proceedings; and

- shall receive no information whatsoever regarding other bids in the SSP.

46. If any secured creditor determines that it will submit a bid in the SSP, such secured creditor shall advise the Receiver of such intent as soon as reasonably practicable, and no later than seven (7) days before the LOI Deadline.

K. COVID-19

47. This SSP shall be interpreted so as to comply and be consistent with any applicable laws, regulations or public health directives related to the COVID-19 pandemic, and may be amended at any time with the approval of the Receiver to the extent necessary or advisable to comply with same.

SCHEDULE "A"

Addresses for Deliveries and Wire Transfer Information

Any notice or other delivery made to the Receiver pursuant to this SSP shall be made to:

BDO Canada Limited
110, 5800 – 2nd Street SW
Calgary, AB T2H 0H2
Attention: Marc Kelly
Tel: 403-536-8510
Email: makelly@bdo.ca

with copy to:

MLT Aikins LLP
2100 Livingston Place,
222 – 3 Avenue SW
Calgary, AB T2P 0B4
Attention: Ryan Zahara
Tel: 403-693-5420
Email: rzahara@mltaikins.com

Any notice or delivery made to the Sales Agent pursuant to this SSP shall be made to:

BDO Transaction Advisory Services Inc.
9897 34 Avenue NW
Edmonton, AB T6E5X9
Attention: Adam Mallon
Tel: (780) 643-6192
Email: AMallon@bdo.ca

Deliveries pursuant to this SSP by email shall be deemed to be received when sent. In all other instances, deliveries made pursuant to this SSP shall be deemed to be received when delivered to the relevant address, as identified above.

Wire transfer details for the Receiver:

BDO Canada Limited as Receiver of 1309497 Alberta Ltd. (o/a WA Grain & Pulse Solutions)
#110, 5800 – 2nd Street SW, Calgary, AB, T2H 0H2 TEL: (403 777-9999)
Account: 00769044479

For receiving CAD funds from within Canada:
Beneficiary Bank: Alberta Treasury Branches, 239 – 8 Avenue SW, Calgary, AB T2P 1B9
Bank No: 219 Transit: 07609

For receiving CAD funds from another country:
Beneficiary Bank: Alberta Treasury Branches, 239 – 8 Avenue SW, Calgary, AB T2P 1B9
SWIFT Code: ATBRCA6EXXX
Bank code and Transit: 219 07609