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COURT                                    SUPREME COURT OF THE NORTHWEST  
TERRITORIES

PLAINTIFF                                NORTHWEST TERRITORIES BUSINESS  
DEVELOPMENT AND INVESTMENT  
CORPORATION

DEFENDANT                                TAIGA SPORTS FISHING LTD. O/A  
BLACHFORD LAKE LODGE

DOCUMENT                                **SECOND REPORT OF THE RECEIVER  
BDO CANADA LIMITED  
NOVEMBER 17, 2023**

**RECEIVER**

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**SECOND REPORT OF THE RECEIVER  
BDO CANADA LIMITED  
NOVEMBER 17, 2023**

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## INTRODUCTION

1. On May 12, 2023, Northwest Territories Business Development Investment Corporation (“**BDIC**”) sought and obtained an Order (the “**Receivership Order**”) from the Supreme Court of the Northwest Territories (the “**Court**”) appointing BDO Canada Limited (“**BDO**”) as receiver and manager (the “**Receiver**”) of the current and future assets, undertakings and property of Taiga Sports Fishing Ltd. o/a Blachford Lake Lodge (“**Taiga**” or the “**Company**”).
2. On May 4, 2023, Mr. Edwin Shu filed an Affidavit (the “**Shu Affidavit**”) in support of BDIC’s application for the appointment of a Receiver.
3. Prior to its appointment as Receiver, on March 24, 2023, the Company filed an assignment in bankruptcy pursuant to which BDO was also named as Licensed Insolvency Trustee (the “**Trustee**”) of its bankruptcy estate, which was affirmed at the first meeting of creditors held on April 13, 2023. BDO has obtained an independent legal opinion as to the validity and enforceability of BDIC’s security to act in a concurrent role as Licensed Insolvency Trustee and Receiver.
4. On June 2, 2023, the Receiver filed its First Report (the “**First Report**”) in advance of an application before this Honourable Court seeking court approval of a listing agreement with Coldwell Banker Northern Bestsellers Ltd. (“**Coldwell**”) and for a sales process under which the Receiver would market and solicit offers for the substantial asset of the Company, namely the all-season wilderness lodge commonly known as Blachford Lake Lodge (the “**Lodge**”). On June 9, 2023, the Court granted an Order (the “**Sales Process Order**”) granting, *inter alia*, the requested relief.
5. The purpose of this report (the “**Second Report**”) is to provide this Honourable Court with:
  - (a) Background information in respect of the material assets of Taiga, together with the financial position of the Company;
  - (b) A summary of the material activities of the Receiver subsequent to the First Report;
  - (c) A statement of receipts and disbursements for each of the Receiver and the Trustee, together with the Receiver’s request for an increase to the Receiver’s Borrowings threshold as contained in the Receivership Order;
  - (d) The details of a conditional purchase and sale agreement (the “**Arctic Kingdom APS**”) entered into by the Receiver with Arctic Kingdom Polar Expeditions, Inc. (“**Arctic Kingdom**”) for a sale of the Receiver’s right, title and interest in the Lodge and certain ancillary assets (the “**Arctic Kingdom Transaction**”); and

(e) The Receiver's recommendations thereon.

6. On October 27, 2023, a representative of the Receiver swore an affidavit (the "**Initial Meyler Affidavit**") with respect to the Receiver seeking to have a confidential supplement to the Second Report ("the "**Confidential Supplement**"), which will be filed concurrently with the filing of the Second Report, sealed on the Court's file until the Receiver files a certificate confirming that the Transaction has closed, assuming the Court grants the relief requested herein approving the Arctic Kingdom Transaction.
7. The Confidential Supplement contains confidential and commercially sensitive information with respect to the sales processes and the Receiver's expectations of value, both of which would have a material effect on any subsequent transaction for the Lodge in the event that the Transaction does not close.
8. In the event that the Arctic Kingdom Transaction does not close, the Lodge will be subject to further marketing and the Receiver's ability to obtain the highest and best price would be severely compromised due to the confidential and commercially sensitive information being in the public domain. Disclosure of the information contained in the Confidential Supplement would cause irreparable prejudice to the creditors and other stakeholders of the Company.
9. Capitalized terms not defined in this Second Report are as defined in the Receivership Order, the First Report, or the Shu Affidavit.
10. A copy of the Shu Affidavit, the Receivership Order, the First Report, the Second Report and other relevant documents pertaining to these receivership proceedings will be available on the Receiver's website at <https://www.bdo.ca/en-ca/extranets/blachford>.
11. All references to currency are in Canadian dollars unless otherwise noted.

#### **TERMS OF REFERENCE**

12. In preparing this Second Report, the Receiver has relied upon a review of publicly available information, information from the books and records of the Company, discussions, and correspondence with Management (as defined below) and discussions and correspondence with representatives of BDIC. The Receiver has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information and accordingly, the Receiver expresses no opinion or other form of assurance in respect of such information contained in this report.
13. The Receiver assumes no responsibility or liability for any loss or damage occasioned by any party because of the circulation, publication, reproduction, or use of the Second Report.

## **BACKGROUND AND FINANCIAL POSITION**

14. An entity profile provided by the Corporate Registries Online System of the Government of the Northwest Territories, dated March 22, 2023, shows that the Company was incorporated on April 28, 1977, and Mr. Michael Freeland (“**Mr. Freeland**”) is listed as the sole director of the Company. A special shareholders’ resolution dated June 3<sup>rd</sup>, 1998, lists Mr. Freeland as the sole shareholder of the Company.
15. The Receiver understands that given the financial constraints of the Company, the Lodge ceased operations on or around May 22, 2023, due to liquidity constraints and an inability to fund payroll and critical expenditures such as transportation charges to fly guests to the Lodge.
16. The Receiver understands that the Company employed approximately 23 individuals as of the date of bankruptcy, with certain individuals assisting Mr. Freeland with the management of the lodge (collectively, “**Management**”).

### Assets

17. The most substantial asset of the Company is the all-season wilderness lodge commonly known as Blachford Lake Lodge (the “**Lodge**”), operating on Commissioner’s lands on the western shore of Blachford Lake, leased to Taiga through a 30-year lease, being Lease No. 95 ½-1-21 (the “**Lease**”).
18. The Lodge is located approximately 99 kilometres southeast of Yellowknife, on Chief Drygeese territory, the traditional land of Yellowknives Dene First Nation, Treaty 8 Territory.
19. The Lodge has capacity for up to 36 guests in accommodations comprising a main lodge with five guest bedrooms and five separate guest log cabins. Its website describes it as one of North America’s premiere all-season Aurora viewing eco-lodges hosting an exclusive guest list, including Prince William and Catherine, the Duchess of Cambridge.
20. In discussions with Management, former employees, as well as various tourism-related officials in the Northwest Territories, the Receiver understands that the Lodge was a unique destination which had historically provided significant spin-off economic impact to other tourism related entities in the Northwest Territories.

### Liabilities

21. As outlined in the Shu Affidavit, as of April 12, 2023, BDIC is owed approximately \$1,568,055 pursuant to four loans. In addition to BDIC, a search of the personal property registry system dated May 2, 2023, indicates the following additional registered interests:

- (a) Bank of Montreal originally registered an interest in all present and after-acquired personal property on January 26, 2018, and last amended on November 16, 2022;
  - (b) Bank of Montreal registered a further interest in all present and after-acquired personal property on January 29, 2018, as renewed on November 16, 2022;
  - (c) Air Tindi registered an interest in all present and after acquired personal property on April 26, 2022.
22. As described above, the Company had approximately 23 employees as of the date of bankruptcy, for which the Trustee completed an initial assessment of potential entitlements under the *Wage Earner Protection Program Act* (“WEPP”) in an attempt to expedite getting funds under the WEPP program paid to employees as soon as practicable. These initial amounts excluded the portion of entitlements relating to gratuities, as the calculation and allocation of these amounts required additional analysis by the Receiver and Trustee given the historical largely judgemental allocation of these amounts. As of the Second Report, the Trustee and Receiver has completed its review of the books and records of the Company and facilitated amendments to the employees WEPP claims to include all forms of identified compensation.
23. In addition to the creditors claiming a security interest and employees, the Company has a number of unsecured creditors. Without disclosing the sales price contemplated in the Arctic Kingdom APS, the Receiver notes that it is anticipating a shortfall to BDIC, such that there is no anticipated to be a distribution to unsecured creditors, therefore the Receiver will not be recommending or conducting a claims process.

#### **ACTIVITIES OF THE RECEIVER**

24. Subsequent to the date of the First Report, the Receiver has, *inter alia*:
- (a) Liaised with Management and contractors to respond to maintenance and caretaking requirements, including continued responses to a land use permit inspection conducted by the Environment and Climate Change division of the Government of the Northwest Territories (formerly Environment and Natural Resources);
  - (b) Sourced and liaised with numerous sets of caretakers to provide an around the clock presence at the Lodge, with particularly frequent points of contact and monitoring during the peak period of wildfires in the area which ultimately led to the Receiver and caretakers deciding, in consultation with the appropriate authorities, to evacuate the Lodge when the fire was within approximately two kilometres from the Lodge;

- (c) Continued to administer the Wage Earner Protection Program applications on behalf of the former employees, which also involved a reconstruction of certain of the books and records together with the development, consideration, and implementation of an allocation methodology for tips and gratuities;
- (d) Conducted exploratory discussions on a short-term rental opportunity of the Lodge, together with the resulting impact on the Receiver's insurance coverage and ability to market the Lodge during this period;
- (e) Coordinated the return of third-party goods left at the Lodge, including identification of goods subject to a potential third-party claim, which have been segregated from the purchased assets listed in the Arctic Kingdom APS;
- (f) Liaised with Coldwell as it pertained to administering the sales process, including extensive discussions with potentially interested parties, administering the electronic data room, due diligence enquiries as appropriate and ultimately negotiating and entering into the Arctic Kingdom APS as well as discussions pertaining to transition matters:
- (g) Facilitated statutory trust audits for the identification and quantification of priority payables (if any);
- (h) Provided updates to stakeholders as required; and
- (i) Attended to various other administrative matters as it pertains to the Receivership.

## **SALES PROCESS**

### *Pre-receivership activities*

- 25. As described in the First Report, the Receiver understands that on the eve of bankruptcy, the Company signed a listing agreement with Coldwell with a list price of \$3.9 million which was subsequently taken down by Coldwell, given the bankruptcy and the cessation of the business.
- 26. The Receiver also understands that Coldwell had initial discussions with Management as to listing the Lodge commencing in approximately November 2022 and had been working with Management for some time on preparing for the listing, including: multiple site visits to the Lodge, identification of potentially interested parties, accumulation of due diligence materials and creation of marketing materials. Therefore, preparation for a sales process began prior to the Receiver's involvement.

### *Details of the Sales Process*

27. As described in the First Report, the sales process sought and approved by the Receiver contemplated that rather than including a list price as a going-concern business, the listing agreement would have a nominal list price of \$1, indicating that the Lodge would be marketed through a tender process whereby interested parties would be required to submit their final and best offer, subject to clarification or further negotiation by the Receiver in accordance with the timelines and purchase and sale agreement terms described in the First Report.

### *Results of the Sales Process*

28. Pursuant to the Listing Agreement, the Lodge has been marketed by Coldwell through the following means:
- (a) Advertising the opportunity to existing Coldwell clients through direct discussions as well as the usage of the Coldwell website;
  - (b) Discussing the opportunity with individuals identified by Management as parties being potentially interested in acquiring the Lodge;
  - (c) Advertising the opportunity through social media platforms such as Facebook and Twitter;  
and
  - (d) Advertising the opportunity on the Multiple Listing Services (“MLS”) / realtor.ca system.
29. In addition to the above, in support of the sales process, the Receiver also:
- (a) Contacted individuals with whom the Receiver had previously transacted businesses in the hospitality and tourism industry who may be interested in an asset such as the Lodge, encouraging them to participate in the sales process; and
  - (b) Advertised the acquisition opportunity on a weekly national insolvency email publication viewed by individuals seeking acquisition opportunities.
30. The Receiver also notes that given the local high-profile nature of the Lodge’s insolvency, details of the sales process were included in local news stories, including on [www.cbc.ca](http://www.cbc.ca) and Cabin Radio, thereby increasing the local knowledge of the sales process.



31. Additional confidential and commercially-sensitive details and results of the marketing and sales process such as level of interest received, number of non-disclosure agreements signed and details of other offers received are provided to the Court through the Confidential Supplement for which, as outlined herein, the Receiver will be seeking a sealing order to protect the integrity of any re-marketing of the Lodge in the event required.

*Proposed Arctic Kingdom APS*

32. A copy of the Arctic Kingdom APS including amendments, with the commercially sensitive details redacted, is attached hereto as **Appendix “A”**, with *inter alia*, the following material terms:
- (a) Purchased Assets – Lodge and certain ancillary assets as detailed in Schedule “A” to the Arctic Kingdom APS;
  - (b) Purchase price – redacted but available to the Court through the Confidential Supplement
  - (c) Deposit – 5% of purchase price
  - (d) Conditions – Conditional upon both court approval as well as financing and certain due diligence procedures, with a condition removal date of September 15, 2023, which was subsequently extended to November 30, 2023; and
  - (e) Closing date – fifteen (15) days following court approval.

*Receiver’s Comments*

33. As highlighted above, details of the marketing and results thereof from the Coldwell listing agreement are provided to the Court through the Confidential Supplement.
34. Based on the marketing conducted, the Receiver respectfully recommends that this Honourable Court approve the Arctic Kingdom APS as it believes that:
- (a) The purchase price is the best result of the sales process to date;
  - (b) Coldwell, the Receiver’s sales agent, believes the purchase price is fair and reasonable in the circumstances and current market conditions;
  - (c) Significant effort to sell the Lodge has been expended in the circumstances, which has been summarized herein and no party has acted improvidently;
  - (d) The sales process was conducted efficiently with integrity and provided sufficient exposure to the marketplace, augmented by the exposure generated by the public coverage of these proceedings; and

- (e) There has been no unfairness in the sales process conducted or in the negotiation of the Arctic Kingdom APS.

*Discussions with stakeholders*

35. The Receiver has been in frequent contact with BDIC as the first ranking secured creditor and financier of the Receiver's Borrowings during the course of these proceedings. The Receiver understands that notwithstanding the deficiency BDIC is forecast to incur, that BDIC is supportive of the Arctic Kingdom Transaction.

**SEALING ORDER APPLICATION**

36. The Confidential Supplement contains sensitive commercial information, which in the Receiver's view may seriously prejudice any subsequently reinstated sales process in the event such reinstated sales process is necessary.
37. As a result, in order to protect the integrity of any reinstated sales process in the event the Arctic Kingdom Transaction does not close, the Receiver is requesting that this Honourable Court grant an order sealing the Confidential Supplement until the Receiver files a certificate confirming that the Arctic Kingdom Transaction has closed.
38. Counsel to the Receiver has advised that it will be issuing a copy of the Application for a Sealing Order to the media and posting a Notice of the same at the Court House prior to the hearing of this Application

**INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS**

39. The Receiver has attached an interim statement of receipts and disbursements for each of the bankruptcy (the "**Bankruptcy ISRD**") and the receivership (the "**Receivership ISRD**") (collectively, the "**Interim SRDs**") as of October 31, 2023, as **Appendices "B" and "C"** respectively. The Receiver notes that certain amounts are subject to reallocation amongst the Receivership and the Bankruptcy, with the costs associated with protecting and preserving the assets on behalf of the secured creditors largely recorded in the Receivership ISRD.
40. The Interim SRDs show that as of October 31, 2023, the Trustee and Receiver are holding approximately \$5,879 and \$26,103 respectively. The Receiver highlights that the Interim SRDs reflect operations on a cash basis, excluding accruals for ongoing receipts and disbursements which have been incurred but not paid.

41. As discussed below, the Receiver anticipates that it will require additional funding to satisfy both obligations incurred but not paid, as well as those anticipated to be paid for the period until the Arctic Kingdom Transaction closes, on the respectful assumption that the court grants such relief as requested.

### **RECEIVER BORROWINGS**

42. As a result of the above cash position and anticipated cash requirements in the unlikely event of a further extension to closing of the Arctic Kingdom Transaction, the Receiver is seeking an increase to its borrowing charge in the amount of \$200,000. Although it is not anticipated at this time that the Receiver will require borrowings in the entire amount, the Receiver is seeking this advance authorization to avoid the time and cost of a future court application should such borrowings be required.

### **PROFESSIONAL FEES**

43. Similar to the Interim SRD, the Receiver has allocated its own fees and those of its counsel amongst the Receivership and the Bankruptcy, with the costs associated with protecting and preserving the assets on behalf of the secured creditors largely recorded against the Receivership.
44. As of October 31, 2023, the Receiver's counsel has unpaid invoices of approximately \$69,418 and the Receiver has unbilled WIP of approximately \$353,071, which time has been incurred dealing with, *inter alia*, the following matters:
- (a) Initial consultation with Management, BDIC and other stakeholders pertaining to the financial situation of the Lodge, arising from the Lodge's inability to fund payroll and critical expenditures such as transportation charges to fly guests and employees to and from the Lodge;
  - (b) Numerous and extensive discussions with a large number of guests, certain of whom had imminent travel plans to attend the Lodge as of the date of insolvency and/or had prepaid for their attendance;
  - (c) Extensive discussions with caretakers and contractors with respect to the provision of around the clock presence at the Lodge for both property preservation and security purposes, with heightened importance and discussions during the wildfires which impacted the entirety of the region;

- (d) Facilitating audits to be completed by Canada Revenue Agency and Workers' Safety and Compensation Commission, including the retention of former employees of the Company as appropriate;
- (e) Facilitating the return of third-party goods located at the Lodge, with certain third-party goods remaining at the Lodge (but specifically scheduled as an exclusion to the Arctic Kingdom APS), with the return of said goods remaining subject to satisfactory verification of ownership and logistical arrangement with such third parties to provide for the removal of such goods at the third parties' cost;
- (f) Discussions with stakeholders, including Management, BDIC, CRA, Environment and Climate Change division of the Government of the Northwest Territories (formerly Environment and Natural Resources) and other bodies such as MacKenzie Valley Land and Water Board;
- (g) Discussions and correspondence with employees, together with conducting a significant analysis and determination of employee entitlement to gratuities which impacted employee amounts to be obtained through the Wage Earner Protection Program Act. In consultation with Management and BDIC, the Receiver/Trustee completed two separate claims for eligible employees such that there would not be a delay in the payment of the employees' non-gratuity portion of their entitlement while these amounts were investigated and ultimately determined by the Receiver/Trustee.
- (h) Liaising with Coldwell in the administration of the sales process, including discussions with interested parties leading to ultimately negotiating and entering into the Arctic Kingdom APS; and
- (i) Discussions and continued negotiations with Arctic Kingdom towards the closing of the Arctic Kingdom Transaction, including two extensions and discussions pertaining to transition of ownership responsibilities, which delayed the filing of this application beyond the planned hearing date.

### **RECOMMENDATIONS**

45. The Receiver respectfully recommends that this Honourable Court approve the following:
- (a) The activities of the Receiver as before the Court;
  - (b) The Interim SRDs;
  - (c) The increase to Receiver's Borrowings;

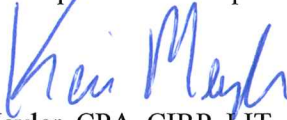
- (d) The professional fees of the Receiver and its legal counsel; and,
- (e) The Arctic Kingdom Transaction.

All of which is respectfully submitted this 17<sup>th</sup> day of November 2023.

**BDO Canada Limited**

In its capacity as Receiver of Taiga Sports Fishing Ltd. o/a Blachford Lake Lodge  
and not in its personal or corporate capacity.

Per:



Kevin Meyler, CPA, CIRP, LIT  
Senior Vice President

# APPENDIX "A"

**OFFER TO PURCHASE  
AND AGREEMENT OF PURCHASE AND SALE  
(the "Agreement")**

**TO: BDO CANADA LIMITED**, in its capacity as the Court-appointed receiver and manager of **TAIGA SPORTS FISHING LTD., o/a Blachford Lake Lodge**, and not in its personal or corporate capacity (the "**Vendor**").

**ARCTIC KINGDOM POLAR EXPEDITIONS, INC.** (the "**Purchaser**") hereby offers to purchase from the Vendor the property described in Schedule "A" hereto (the "**Property**"), on the following terms:

1. The purchase price of the Property shall be [REDACTED] (the "**Purchase Price**"), plus applicable goods and services tax ("**GST**").
2. The Vendor shall not provide to the Purchaser a Certificate of Exempt Supply, or any other certificate certifying that this purchase and sale transaction is not subject to GST, and further:
  - a. If the Purchaser is not a GST registrant on the Closing Date, the Purchaser shall pay to the Vendor and indemnify the Vendor against all GST payable on the Purchase Price as required by the *Excise Tax Act*. Should the Vendor fail to collect GST from the Purchaser, it shall not be construed by the Purchaser as a certification by the Vendor that no GST is payable by the Purchaser hereunder, and the Purchaser shall remain liable for any GST which might be payable with respect to this transaction.
  - b. If the Purchaser is a GST registrant on the Closing Date, the Purchaser will remit directly the Receiver General of Canada all GST payable and file any required forms pursuant to the *Excise Tax Act* in connection with the purchase of the Property. The Purchaser will deliver to the Vendor on the Closing Date a certificate confirming that the Purchaser is a GST registrant which includes an undertaking to indemnify the Vendor with respect to any GST, interest, penalties or costs chargeable to or incurred by the Vendor as a result of or arising from the failure of the Vendor to collect and remit the GST payable in connection with this transaction.
  - c. If the Purchaser and the Vendor agree that the GST exemption set forth in Subsection 167(1) of the *Excise Tax Act* is available to them, then they will make a joint election pursuant thereto in the prescribed form.
3. The parties agree to allocate the Purchase Price among the assets included in the Property in such manner as they mutually agree to prior to the Closing Date. The parties shall report the sale and purchase of the Property for all tax purposes in a manner consistent with such allocation, and will complete all tax returns (including amended returns and claims for refunds), designations and elections in a manner consistent with such allocations for all tax purposes.
4. Subject to adjustments in accordance with paragraph 11, the Purchase Price shall be paid as follows:
  - a. [REDACTED] (the "**Deposit**"), to be paid by bank draft delivered to Coldwell Banker Northern Bestsellers Ltd., the realtor for the Vendor (the "**Vendor's Realtor**"), upon acceptance of

the offer contained in this Agreement. The Deposit shall be held in trust by the Vendor's Realtors and dealt with in accordance with the terms of this Agreement.

- b. [REDACTED] (the "**Balance of the Purchase Price**"), to be paid by certified solicitor's trust cheque or bank draft delivered to Field LLP (the "**Vendor's Lawyer**") on or before the Closing Date (as hereinafter defined).

5. On closing, the Deposit shall be applied toward the Purchase Price payable by the Purchaser. If the transaction is not completed as a result of either:
  - a. the Purchaser having declined to waive its conditions under Section 7 hereof on or before the time therein provided for such waiver;
  - b. a failure to fulfil the requirements of Section 6; or
  - c. as a result of a default by the Vendor under this Agreement;

then the Deposit shall be returned to the Purchaser, without set-off or deduction whatsoever, within two (2) business days, and the parties shall have no further rights and remedies, at law or in equity, against each other except those which survive the termination of this Agreement.

6. The offer contained in this Agreement is being made pursuant to or in a Supreme Court of the Northwest Territories receivership proceeding and, as such, the offer contained in this Agreement may be accepted only by order of said Court and is subject to the terms of any such order, which order shall vest title to the Property in the Purchaser free and clear of all encumbrances, liens, security interests or claims (the "**Vesting Order**"). Any agreement arising out of the Vendor's acceptance of the offer contained in this Agreement is conditional upon the approval thereof by the said Court.
7. The Purchaser's obligation to complete the purchase of the Property shall be conditional upon each of the following conditions being waived or satisfied as set forth below:
  - a. the Purchaser shall have arranged financing for the acquisition of the Property satisfactory to the Purchaser in its sole and absolute discretion no later than September 15, 2023; provided that the Vendor shall use commercially reasonable efforts to obtain an agreement from the Commissioner of the Northwest Territories to an assignment of the Lease (as described in Schedule "A") satisfactory to the Purchase and its lender;
  - b. the Purchaser shall be reasonably satisfied, at its own cost and risk and by visit to the lease premises, that the inventory present at the lease premises is the same, or not more than \$20,000 less in value as determined by the Purchaser acting reasonably, to that listed at Schedule "A", by no later than September 15, 2023; and
  - c. the Vendor shall have obtained the Vesting Order, which Vesting Order the Vendor shall seek from the Court as soon as is practicable following the Purchaser notifying the Vendor of the satisfaction of conditions (a) and (b) above.
8. The date of closing of the purchase of the Property shall be fifteen (15) days following the approval by the Supreme Court of the Northwest Territories of the Vesting Order (the "**Closing Date**");



provided that if the Closing Date has not occurred on or before November 30, 2023, this Agreement may be terminated unilaterally by either the Vendor or the Purchaser, upon notice in writing to the other party and the Deposit forthwith returned to the Purchaser in full. The Closing Date may be amended by written agreement between the parties.

9. All money owing to the Vendor shall be paid to the Vendor's Lawyer on or before 12:00 noon (Mountain time) on the Closing Date. If the Vendor agrees to accept monies after the Closing Date and subject to the provisions of Section 16 hereof, the Purchaser shall pay interest at the rate of 3% per annum above the current Toronto Dominion Bank prime rate on the Closing Date, from the Closing Date until the total of all money owing has been paid.
10. If the offer contained in this Agreement is accepted by the Vendor and the Purchaser fails to comply with the terms of this Agreement, the Deposit shall be absolutely forfeited to the Vendor on account of liquidated damages and the Vendor may also take such other remedies against the Purchaser as the Vendor has at law.
11. All normal adjustments for the Property including but not limited to property taxes, local improvement assessments, municipal utility charges, fuel, rents and damage deposits, and interest shall be adjusted as at 24:00 hours on the Closing Date.
12. Subject to the terms of this Agreement being complied with, possession of the Property shall be available to the Purchaser at noon on the Closing Date. The Property on the Closing Date shall be vacant and free of all tenancies.
13. **THE PROPERTY IS BEING SOLD AS-IS, WHERE-IS. THE PURCHASER HAS INSPECTED THE PROPERTY AND AGREES THAT THE VENDOR HAS NOT MADE ANY REPRESENTATION, WARRANTY, COLLATERAL AGREEMENT OR CONDITION REGARDING THE PROPERTY OR ANY ADJACENT LANDS OR LANDS IN CLOSE PROXIMITY TO THE PROPERTY OR OTHERWISE WHICH MAY IN ANY WAY DIRECTLY OR INDIRECTLY AFFECT THE PROPERTY OR REGARDING THE AGREEMENT OTHER THAN WHAT IS WRITTEN IN THIS AGREEMENT.**
14. The Purchaser agrees that the Vendor is selling only such interest as it may have in any attached goods or unattached goods included as part of the Property, or which may be located on the Property, and the Vendor does not warrant that it has title to such attached goods or unattached goods. Further, the Purchaser agrees that the Vendor will not be liable for the removal of any chattels found on the Property prior to or on the Date of Closing. On closing, the Purchaser may have possession of the attached goods and unattached goods which are then on or about the Property on an "as is, where-is" basis, and the Vendor will not provide a Bill of Sale, Warranty, or other title document to the Purchaser other than a sale approval and vesting order granted by the Supreme Court of the Northwest Territories. Further, there will be no adjustment or abatement of any kind to the Purchase Price with respect to any attached goods or unattached goods.
15. The Vendor's Lawyer will deliver closing documents to the Purchaser's lawyer upon reasonable trust conditions consistent with the terms of this Agreement, within a reasonable time prior to the Closing Date.
16. The Property shall remain at the risk of the Vendor pending closing. Prior to closing the Vendor shall maintain in force all insurance presently in force on the Property or in respect of the

Property. Any proceeds of insurance payable in respect of any event that occurs on or prior to closing shall be received in trust for the Purchaser and the Vendor as their interests may appear. The Purchaser acknowledges that it will be responsible for placing its own insurance in respect to the Property at or before closing. If there is any material damage or material adverse change in the condition of the Property prior to Closing, which in the reasonable opinion of the Purchaser would render it unusable for intended purpose as an all-season wilderness lodge, the Purchaser may terminate this Agreement, and the Deposit (with all accrued interest) shall be returned to the Purchaser forthwith, or the Purchaser may elect to complete the transaction contemplated by this Agreement. If any damage occurs to the Property prior to closing for which insurance coverage is available, and if closing occurs, the Vendor shall pay to the Purchaser on closing the insurance proceeds in respect of the damage or, if the insurance proceeds are not received prior to the Closing Date, the Vendor shall assign its rights to such insurance proceeds with respect to the Property to the Purchaser on closing.

17. The Vendor shall not be required to provide any real property report or survey in respect of the Property.
18. Time shall be of the essence of this Agreement.
19. The Vendor and the Purchaser hereby undertake and agree with each other to execute and deliver such other documents, papers, matters and assurances as the other party or parties may reasonably require or request in connection with the purchase and sale of the Property for the purpose of the more effectual carrying out of the transaction.
20. If the date for making payment or doing any act hereunder shall be a Saturday, Sunday or a statutory holiday in the Northwest Territories, such date shall be extended to the first business day following such date.
21. In this Agreement the masculine gender and the singular shall be construed as the feminine gender and the plural where the context so requires.
22. All representations, warranties, covenants, and agreements contained herein shall be construed to be joint and several when the term "Purchaser" refers to more than one (1) person.
23. The Purchaser shall have the right to nominate in writing any corporation affiliated with it, including a corporation to be hereinafter incorporated, to take title to the Property as the Purchaser's nominee and, in such event, each and every of the Purchaser's agreements and/or covenants herein contained shall be assumed and discharged by such nominee. Any such nomination made shall render the Purchaser and the nominee jointly and severally responsible for the performance of the agreement and/or covenants of the Purchaser in favour of the Vendor and an agreement to such effect, in a form and content satisfactory to the Vendor, shall be entered into by the Purchaser and such nominee in favour of the Vendor.
24. This Agreement shall enure to the benefit of and be binding upon the heirs, executors, administrators, successors and permitted assigns of the parties hereto.
25. This Agreement shall not be modified, amended, or waived except by an instrument in writing duly executed and delivered by the parties or by their respective successors and permitted assigns.

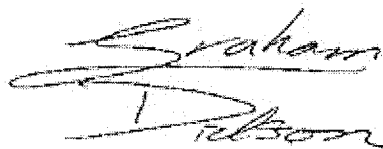
26. This Agreement constitutes the entire agreement of the parties to this Agreement with respect to the subject matter contemplated herein and there are no other additional or collateral terms, conditions, agreements, representations or warranties, express or implied, relating to the matters contemplated herein except as expressly stated in this Agreement. This Agreement supersedes all prior and contemporaneous oral and written agreements and understandings of the parties, or any one of them in relation to the matters contemplated herein.
27. If any provision of this Agreement is determined to be invalid, illegal or unenforceable, such provision shall be severable from the remainder of this Agreement which shall continue to remain in full force and effect.
28. This offer and Agreement shall in all respects be subject to and be interpreted and construed in accordance with the laws of the Northwest Territories and the federal laws of Canada applicable therein.
29. This Agreement may be signed in counterpart and may be delivered by facsimile or emailed PDF, and all such counterparts (each of which shall be deemed to be an original whether delivered by facsimile, email, or otherwise) shall together constitute one and the same instrument.
30. The offer contained in this Agreement and the closing thereof is conditional upon either (i) an assignment of the Lease whether by separate assignment or by the Vesting Order; or (ii) by the issuance of a replacement lease for the Lease, each to the Purchaser from the Commissioner of the Northwest Territories. The Vendor shall use commercially reasonable efforts to obtain the consent of the Commissioner of the Northwest Territories to the assignment of the Lease, or to provide a replacement Lease in the name of the Purchaser, and deliver the same to the Purchaser on Closing.
31. The offer contained in this Agreement shall be open for acceptance in writing until 4:00 PM (MST) on August 8, 2023. ACCEPTANCE OF THIS OFFER BY THE VENDOR SHALL CONSTITUTE AN AGREEMENT OF PURCHASE AND SALE BETWEEN THE PARTIES SUBJECT TO THE TERMS AND CONDITIONS HEREIN CONTAINED.

*[Remainder of this page intentionally left blank. Signature page follows.]*

DATED at Iqaluit in Nunavut this 4th day of August, 2023.

**ARCTIC KINGDOM POLAR EXPEDITIONS INC.**

Per:



Name: Graham Dickson

Title: President

**ACCEPTANCE**

The undersigned Vendor hereby accepts the offer as set out above.

DATED at Calgary, in Alberta, this 4 day of August, 2023.

**BDO CANADA LIMITED**, in its capacity as the Court-appointed receiver and manager of **TAIGA SPORTS FISHING LTD., o/a Blachford Lake Lodge**, and not in its personal or corporate capacity

Per:



Name: Kevin Meyler

Title: Senior Vice President

**SCHEDULE "A"**  
**The Property**

- A. A leasehold interest pursuant to a lease in writing dated June 1, 2017 and designated N.W.T. Lease No. 85 1/2-1-21, between THE COMMISSIONER OF THE NORTHWEST TERRITORIES, as lessor, and TAIGA SPORTS FISHING LTD., as lessee, in the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 1/2, at approximately 62° 09' 55.32" North Latitude and 112° 41' 00.00" West Longitude, in the Northwest Territories, for a term of thirty (30) years commencing on the 1<sup>st</sup> day of December, 2016, and terminating on the 30<sup>th</sup> day of November, 2046 (the "Lease"). **A copy of the Lease is attached as Exhibit 1.**
- B. The all-season wilderness lodge built on the above-noted leased lands, commonly known as Blachford Lake Lodge & Wilderness Resort (the "Lodge").
- C. The following vehicles, watercraft and motors located on the leased lands:
- a. CanAm Outlander 6x6 Quad bearing the serial number 3JBR MAR45LJ000055.
  - b. Nine 17 foot aluminum boats and 11 motors (one of which is in need of repairs).
- D. Eight snowmobiles located on the leased lands and described generally as the following:
- a. #08 Grey YH25FHBB2HR000292
  - b. #09 Yellow (2016) YH25FHBB2HR000289
  - c. #10 Grey (2017) YH25FHJB9JR000144
  - d. #13 Red (2018) YH25FHKB2KR000292
  - e. #11 Grey (2017) YH25FHJB3JR000222
  - f. #15 Yellow (2015) YH25FHGB4GR000116
  - g. #16 Grey YH25FHGB3GR000124
  - h. #17 Red (2019) YHS5FHLB9LR000399
- E. Operational books and records relating to the business operated at the Lodge that is in the possession of the Vendor, any business name, website access, if any (the "Business Information"). The Purchaser acknowledges that the Vendor is not making any representation or warranty as to the reliability, accuracy or completeness of any of the Business Information, and agrees that the Vendor will not have any liability to the Purchaser arising from the possible unreliability, inaccuracy or incompleteness of the Business Information.
- F. All other personal property located on the leased lands that is used in the operations of the Lodge, excluding the personal effects of the former owners listed as follows in the attached Schedule "B".

## **SCHEDULE "B"**

### **Personal effects potentially excluded from sale**

#### Main lodge

- Caribou head mount;
- Muskox head mount;
- 2 handmade Rattling canoes in rafters;
- Northern books, children's book series and Nahecho Keh book;
- Driftwood lamp in main room;
- Antique towel rack that fans out from wall;
- Swing machine.

#### Storage tent

- Sewing machine, safe, radio
- Caldrew plaque, materials related to Albert Doctor

#### Dene collection

- Caribou hide, fur, rawhide rope coil, birch bark baskets, mitts, gauntlets, beadwork, aby bag, baby belt strap, bag, baby belt strap, blue and canvas bullet bags, tools, 5 – skin + fur bags, birch bark moose caller, handgame sticks, moccasins and pointed-toe moccasins, white hide blue beaded graduation shoulder piece yolk, 3 foot birchbark canoe, caribou hide fringe beaded jacket with decorative shoulder yoke, dream catchers, canvas bag, birch bark bowls, stone scraper with foam handle, bone scrapers, feathers, babiche rope, Dene laminated illustrations, metis sash, beaded garters, caribou beaded wall pocket, Marie Blackduck sewing kit, handmade Dene snowshoes.

#### Miscellaneous

- 3-4 Inuit wall hangings;
- 3 soapstone carvings;
- 2 Baker Lake blue and white parkas
- Pottery;
- Rifle.
- 2 oil paintings of aurora, Antonie Mountains, blue and yellow impressionist painting, owl, caribou
- Large muskox rug with head hanging in Aurora room;
- Water colour of landscape with cloud spray;
- Large canvas photo of tipi and aurora and aurora and campfire;
- 5 Trophy fish plaques.

Note that the contents of this listing have not been verified as to continued existence at the Lodge, nor has the Receiver reviewed the appropriate supporting documentation or claim to ownership to authorize the release of such items, with the listing being provided for informational purposes only as to the potential inability for the Receiver to include such items in a sale to a third party.

# Exhibit 1



DUPLICATE

N.W.T. Lease No.: 85 I/2-1-21

File No.: 85 I/2-1

THIS LEASE made this 1 day of June, 2017.

BETWEEN: The Commissioner of the Northwest Territories,  
hereinafter called "the Commissioner"

OF THE FIRST PART

AND: **TAIGA SPORTS FISHING LTD.**, a body corporate, incorporated pursuant to the Laws of Canada having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the lessee"

OF THE SECOND PART

WITNESSETH that in consideration of the rents, covenants and agreements herein reserved and contained on the part of the lessee to be paid, observed and performed, and subject to the *Northwest Territories Lands Act* and the *Northwest Territories Lands Regulations*, the Commissioner demises and leases unto the lessee all that certain parcel or tract of land situate, lying and being composed of the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 I/2, at approximately 62° 09' 55.32" North Latitude and 112° 41' 00.00" West Longitude, in the Northwest Territories as said parcel is shown outlined in red on the sketch annexed hereto and forming part of this description,

This lease is subject to a mortgage  
Filed in the office of the Manager, Territorial Land Administration, Department of Lands, at Yellowknife, Northwest Territories  
on the 2 day of December 2014 AD  
at 10:55 o'clock a.m./p.m.  
under number 85 I/2-1-13  
[Signature]  
Manager, Territorial Land Administration

This lease is subject to a mortgage  
Filed in the office of the Manager, Territorial Land Administration, Department of Lands, at Yellowknife, Northwest Territories  
on the 18 day of August 2017 AD  
at 2:55 o'clock a.m./p.m.  
under number 85 I/2-1-19  
[Signature]  
Manager, Territorial Land Administration

This lease is subject to a mortgage  
Filed in the office of the Manager, Territorial Land Administration, Department of Lands, at Yellowknife, Northwest Territories  
on the 8 day of October 2012 AD  
at 4:35 o'clock a.m./p.m.  
under number 85 I/2-1-18  
[Signature]  
Manager, Territorial Land Administration

The within instrument filed as No. 85 I/2-1-19  
is returned by the filing of a discharge  
dated the 10 day of March 2020 AD  
in the office of the Manager, Territorial Land Administration, Department of Lands, at Yellowknife, Northwest Territories  
this 17 day of March 2020 AD  
under number 85 I/2-1-22  
LEASE NUMBER 85 I/2-1-21  
[Signature]  
Manager, Territorial Land Administration

hereinafter called "the land", SUBJECT to the following reservations:

Initial(s) YJ.



DUPLICATE

- (a) all mines and minerals whether solid, liquid or gaseous that may be found to exist in, under or on those lands together with the right to work the mines and minerals and for this purpose to enter on, use and occupy the lands or so much of the lands and to such extent as may be necessary for the working and extraction of the minerals;
- (b) the rights of the recorded holders of mineral claims and any other claims or permits affecting the lands;
- (c) all timber that may be on the land;
- (d) the right to enter on, work and remove any rock outcrop required for public purposes;
- (e) any right or rights-of-way and of entry that may be required under any regulations in connection with the construction, maintenance and use of works for the conveyance of water for use in mining operations; and
- (f) the right to enter on the lands for the purpose of installing and maintaining any public utility.

THE PARTIES COVENANT AND AGREE AS FOLLOWS:

**DEFINITIONS:**

1. In this lease:

- (a) "Minister" means the Minister designated by the Executive Council for the purpose of the *Northwest Territories Lands Act* or the *Regulations*;
- (b) "facilities" means all physical structures or appurtenances placed in or upon the land;
- (c) "construction" means all manner of disturbance of the natural state of the surface of the land, including the sub-surface and sub-strata;
- (d) "Surveyor General" means the Surveyor General as defined in the *Canada Lands Surveys Act*;
- (e) "body of water" means any lake, river, stream, swamp, marsh, channel, gully, coulee or draw that continuously or intermittently contains water;

**TERM:**

- 2. The term of this lease shall be for a period of **thirty (30) years** commencing on the **1st day of December, 2016 AD.** and terminating on the **30th day of November, 2046 AD.**

**RENT AND TAXES:**

- 3. Subject to Clause 4, the lessee shall pay to the lessor yearly and every year in advance the rental of **three hundred and thirty one (\$331.00) dollars.**
- 4. The Minister may, not less than three (3) months before the expiration of the first five (5) year period of the said term, or of any succeeding five (5) year period during the term, notify the lessee in writing of an amended rental payable for the following five (5) year period and, failing further notification, for the remainder of the term; the said amended rental to be based upon the fair appraised value of the land at the time of such notification but without taking into account the value of any improvements placed thereon by and at the expense of the lessee.

Initial(s)

DUPLICATE

- 5. The lessee shall during the term of this lease, pay all taxes, rates and assessments charged upon the land or upon the lessee in respect thereof.

**USE:**

- 6. The lessee shall use the land for **COMMERCIAL TOURIST FISHING LODGE, EDUCATIONAL AND CULTURAL CAMP** purposes only.

**SUBLETTING OR ASSIGNMENTS:**

- 7. The lessee shall not sublet the land or assign or transfer this lease or any portion thereof without the approval of the Superintendent of Resources in writing, which consent shall not be unreasonably withheld.

**BREACH:**

- 8. Where any portion of the rental herein reserved is unpaid for more than thirty (30) days after it becomes due, whether formally demanded or not, the Minister may by notice in writing terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
- 9. Where the lessee breaches or fails to perform or observe any of the covenants, terms, conditions or agreements herein contained, other than the covenant to pay rent, the Minister may so advise the lessee by written notice and if the lessee fails to remedy the breach or non-performance within a reasonable time thereafter or within the time granted in the said notice, the Minister may, by notice in writing, terminate this lease and on the day following the mailing of such notice, this lease is cancelled.
- 10. No breach or non-performance by the lessee of any of the covenants, terms, conditions or agreements herein contained will be deemed to have been waived unless a waiver is given in writing and a waiver affects only the specific breach to which it refers.

**TERMINATION:**

- 11. Upon the termination or expiration of this lease, the lessee shall deliver up possession of the land in a restored condition and, where there are no arrears of rent or taxes, the lessee may, within three (3) months after the termination or expiration, remove any buildings or other structures owned by him or her that may be on the land.
- 12. Termination or expiration of this lease will not prejudice the Commissioner's right to unpaid rental or any other right with respect to a breach or non-performance of any covenant, term, condition or agreement herein contained nor will the lessee be relieved of any obligation contained herein.

**RESTORATION:**

- 13. Where the lessee fails to restore the land as required and within the time allowed by the Regulations or by the Minister, the Minister may order the restoration of all or any part of such land and any expenses thus incurred by the Minister shall be recoverable from the lessee as a debt due to the Commissioner.

**WASTE DISPOSAL:**

- 14. The lessee shall dispose of all combustible garbage and debris daily by burning in an incinerator approved by the Land Agent and remove all noncombustible garbage and debris to an authorized dumping site.
- 15. The lessee shall dispose of human waste in a manner satisfactory to the Minister.

Initial(s) \_\_\_\_\_ *W*

16. The lessee shall not discharge or deposit any refuse substances or other waste materials in any body of water, or the banks thereof, which will, in the opinion of the Minister, impair the quality of the waters or the natural environment and any areas designated for waste disposal shall not be located within **thirty-one (31) metres** of the ordinary high water mark of any body of water, unless otherwise authorized by the Minister.

**ENVIRONMENTAL:**

17. The lessee shall at all times keep the land in a condition satisfactory to the Minister.
18. The lessee shall not unduly interfere with the natural drainage pattern of the land, except with the permission of the Minister.
19. The lessee shall not do anything which will cause erosion of the banks of any body of water on or adjacent to the land, and shall provide necessary controls to prevent such erosion.

**FUEL AND HAZARDOUS CHEMICALS:**

20. The lessee shall ensure that fuel storage containers are not located within **thirty-one (31) metres** of the ordinary high water mark of any body of water unless otherwise authorized by the Minister.
21. The lessee shall immediately report all spills of petroleum and hazardous chemicals in accordance with the Government of the Northwest Territories Spill Contingency Planning and Reporting Regulations and any amendments thereto, or in a manner satisfactory to the Minister.
22. The lessee shall prevent the possibility of migration of spilled fuel over the ground surface or through seepage in the ground.
23. The lessee shall take all reasonable precautions to prevent the migration of petroleum products into bodies of water.

**BOUNDARIES AND SURVEYS:**

24. The Commissioner is not responsible for the establishment on the ground of the boundaries of the land.
25. The boundaries of the land are subject to such adjustment and alteration as may be shown to be necessary by survey.
26. The Minister may, during the term herein granted, by notice in writing, order the lessee to survey the boundaries of the land and the lessee shall, at its own expense, within one (1) year from the date of said notice, make or cause to be made a survey of the land, such survey to be made in accordance with the instructions of the Surveyor General, and upon completion of the survey and the production of survey plans suitable for recording in the Canada Lands Surveys Records and filing in the Land Titles Office for the Northwest Territories Land Registration District a person authorized by the *Northwest Territories Lands Act* will execute an Indenture amending this lease for the purpose of incorporating herein descriptions of the land based on the said plans.

**IMPROVEMENTS:**

27. The lessee is responsible for ensuring that all improvements to the land are made within the boundaries of the land.
28. Except where otherwise permitted by zoning and building laws applicable to the lands, the lessee shall not erect any building or structure nearer than a distance of three (3) metres from any boundary of the land.

Initial(s)   JA

# DUPLICATE

- 5 -

N.W.T. Lease No.: 85 I/2-1-21

29. The lessee shall not construct any facilities within **thirty-one (31) metres** of the ordinary high water mark of any body of water without the written approval of the Minister.
30. The lessee shall maintain the existing improvements now situated on the land on the effective date of this lease, or any similar improvements which may be constructed, in a manner and condition satisfactory to the Minister.

## ACCESS:

31. The Commissioner assumes no responsibility, express or implied, to provide access to the land.
32. It shall be lawful for the Commissioner or any person duly authorized at all reasonable times to enter upon the land for the purpose of examining the condition thereof.

## INDEMNIFICATION:

33. The lessee shall defend, indemnify and hold harmless the Commissioner and the Government of the Northwest Territories, its Ministers, officers, employees, servants and agents from and against all claims, actions, causes of action, demands, costs, losses, damages, expenses, suits or other proceedings by whomever made, brought or prosecuted in any manner based upon or related wholly or partially to the acts or omissions of the lessee in its performance of this lease. The obligation to indemnify and hold harmless shall not apply to the extent that a court of competent jurisdiction finally determines that such losses or damages were caused by the willful misconduct, gross negligence or omissions of the Commissioner, the Government of the Northwest Territories, its Ministers, officers, employees, servants and agents.
34. The lessee will not be entitled to compensation from the Commissioner by reason of the land or any portion thereof being submerged, damaged by erosion, or otherwise affected by flooding.
35. The Commissioner will not be liable for damages caused by vandalism or interference by others with the lessee's facilities and equipment.

## REVIEW:

36. Any decision of the Minister will be reviewable by the Supreme Court of the Northwest Territories; costs of such review are the responsibility of the lessee unless otherwise ordered by the Court.

## NOTICES:

37. All written notices respecting the land or the covenants, terms, conditions or agreements contained in this lease shall, unless otherwise stipulated herein, be deemed to have been received by the lessee ten (10) days after the mailing thereof or, if hand delivered, on the day of delivery.
38. Any notice affecting this lease which the Commissioner may desire to serve upon the lessee, or any notice which the lessee may desire to serve upon the Commissioner shall, unless otherwise stipulated herein, be sufficiently served if posted by registered mail to the last known address of the opposite party as follows:

Initial(s) WA

DUPLICATE

- 6 -

N.W.T. Lease No.: 85 I/2-1-21

To the Commissioner: Director, Lands Administration  
Department of Lands  
Government of the Northwest Territories  
PO Box 1320  
Yellowknife NT X1A 2L9

To the lessee: **TAIGA SPORTS FISHING LTD.**  
**PO Box 1568**  
**Yellowknife NT X1A 2P2**

Either party may change its address for service during the term of this lease by notifying the other party in writing.

39. No notice of breach or default given herein by the Commissioner shall be valid or of any effect unless it is also given to any mortgagee of the lessee, in respect of the land to which the Commissioner shall have consented.

**GENERAL:**


40. The lessee shall abide by and comply with all applicable lawful rules, acts, regulations and by-laws of the Federal Government, Territorial Government, Municipal Government or any other governing body whatsoever that have been or may be enacted or amended from time to time and in any manner affect the said land.
41. This lease enures to the benefit of and is binding upon the Commissioner, his or her successors and assigns and the lessee, his or her heirs, executor, administrators, successors and assigns.
42. No implied covenant or implied liability on the part of the Commissioner is created by the use of the words "demises and leases" herein.
43. This lease cancels and supersedes Northwest Territories Lease No. 85 I/2-1-20, dated the 7th day of January, 2009.


Initial(s) wa

DUPLICATE

IN WITNESS WHEREOF the ADirector Lands Administration, Department of Lands, Government of the Northwest Territories, has hereunto set his or her hand and seal on behalf of the Commissioner of the Northwest Territories; and **TAIGA SPORTS FISHING LTD.** has hereunto affixed its corporate seal attested to by its duly authorized officers.

SIGNED, SEALED AND DELIVERED )  
on behalf of the Commissioner by the )  
ADirector Lands Administration, Department )  
of Lands, Government of the Northwest )  
Territories in the presence of )

  
\_\_\_\_\_  
Director's Witness )

 (SEAL)  
\_\_\_\_\_  
Director's Signature )

SIGNED SEALED AND DELIVERED )  
on behalf of **TAIGA SPORTS FISHING** )  
**LTD.** )

 (C/S)  
\_\_\_\_\_  
Signature )

**MIKE REEUMD - PRESIDENT.**  
\_\_\_\_\_  
Name and title of Director or Officer )

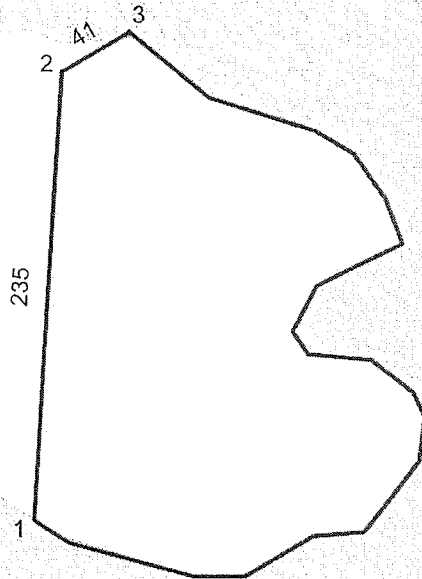
\_\_\_\_\_  
Signature (C/S) )

\_\_\_\_\_  
Name and title of Director or Officer )

wa.

DUPLICATE

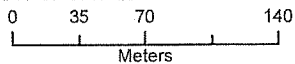
Blatchford  
Lake




NTS Map Sheet 85 I/2

Point	Easting (X)	Northing (Y)
1	412238	6893645
2	412255	6893879
3	412290	6893900

**SITE PLAN**  
SCALE = 1:3,000





Government of / Gouvernement des  
Northwest Territories / Territoires du Nord-Ouest

**ANNEXED HERETO AND FORMING PART OF N.W.T. LEASE No. 85 I/2-1-21**

<p>62° 09' 55.32"N 112° 41' 00.00"W Sketch Area: 4.14 ha</p> <p>Coordinate System: NAD 1983 UTM Zone 12N Projection: Transverse Mercator Datum: North American 1983</p>	<p>Drawn By: kevin_mindus Date: Wednesday, March 15, 2017</p> <p>Image Date: 8/29/2010</p>	<p style="text-align: center;">MANAGER, TERRITORIAL LAND ADMINISTRATION</p> <p style="text-align: center;">DATE</p> <p style="text-align: center;"><i>Kevin Mindus</i></p>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------



DUPLICATE

CONSENT

KNOWN ALL MEN BY THESE PRESENTS that the Director Lands Administration, Department of Lands, Government of the Northwest Territories, does hereby consent on behalf of the Commissioner of the Northwest Territories to the hereunto annexed Mortgage of Lease dated the 30th day of September, 2002, insofar as it relates to the leasehold interest of N.W.T. Lease No.: 85 I/2-1-21.

BETWEEN: **TAIGA SPORTS FISHING LTD.**, a body corporate, incorporated pursuant to the Laws of Canada having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the Mortgagor"

OF THE FIRST PART

AND: **NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION**

hereinafter called "the Mortgagee"

OF THE SECOND PART

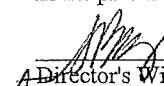
Subject to the rights and interests of any third party and to the payment of rent and the performance and observance of the covenants and agreements contained in N.W.T. Lease No.: 85 I/2-1-21 dated the June 1, 2017, granted by the Commissioner of the Northwest Territories to Mortgagor as lessee, the said lease demising and leasing to the lessee all of that certain parcel or tract of land described as follows:


all that certain parcel or tract of land situate, lying and being composed of the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 I/2, at approximately 62° 09' 55.32" North Latitude and 112°41' 00.00" West Longitude, in the Northwest Territories as said parcel is shown outlined in red on the sketch annexed to and forming part of N.W.T. Lease no. 85 I/2-1-21,

This consent does not in any way relieve the Mortgagor, its successors and assigns, from the obligation and duty of complying under all circumstances, with all the covenants and agreements reserved and contained in the said N.W.T. Lease No.: 85 I/2-1-21.

SIGNED, SEALED AND DELIVERED )  
by the Director Lands Administration, )  
Department of Lands, Government of the )  
Northwest Territories, on behalf of the )  
Commissioner of the Northwest Territories )  
this 1 day of June, 2017. )

In the presence of: )

  
\_\_\_\_\_  
Director's Witness )

 (SEAL)  
\_\_\_\_\_  
Director's Signature )





DUPLICATE

CONSENT

KNOWN ALL MEN BY THESE PRESENTS that the Director Lands Administration, Department of Lands, Government of the Northwest Territories, does hereby consent on behalf of the Commissioner of the Northwest Territories to the hereunto annexed Mortgage of Lease dated the **12th day of November, 1999**, insofar as it relates to the leasehold interest of N.W.T. Lease No.: **85 I/2-1-21**.

BETWEEN: **TAIGA SPORTS FISHING LTD.**, a body corporate, incorporated pursuant to the Laws of Canada having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the Mortgagor"

OF THE FIRST PART

AND: **NORTHWEST TERRITORIES BUSINESS CREDIT CORPORATION**

hereinafter called "the Mortgagee"

OF THE SECOND PART

Subject to the rights and interests of any third party and to the payment of rent and the performance and observance of the covenants and agreements contained in N.W.T. Lease No.: **85 I/2-1-21** dated the ~~June 1, 2017~~, granted by the Commissioner of the Northwest Territories to Mortgagor as lessee, the said lease demising and leasing to the lessee all of that certain parcel or tract of land described as follows:

all that certain parcel or tract of land situate, lying and being composed of the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 I/2, at approximately 62° 09' 55.32" North Latitude and 112°41' 00.00" West Longitude, in the Northwest Territories as said parcel is shown outlined in red on the sketch annexed to and forming part of N.W.T. Lease no. 85 I/2-1-21,

This consent does not in any way relieve the Mortgagor, its successors and assigns, from the obligation and duty of complying under all circumstances, with all the covenants and agreements reserved and contained in the said N.W.T. Lease No.: **85 I/2-1-21**.

SIGNED, SEALED AND DELIVERED )  
by the Director Lands Administration, )  
Department of Lands, Government of the )  
Northwest Territories, on behalf of the )  
Commissioner of the Northwest Territories )  
this 1 day of June, 2017. )

In the presence of: )

\_\_\_\_\_  
Director's Witness )

\_\_\_\_\_  
Director's Signature (SEAL)



DUPLICATE

CONSENT

KNOWN ALL MEN BY THESE PRESENTS that the Director Lands Administration, Department of Lands, Government of the Northwest Territories, does hereby consent on behalf of the Commissioner of the Northwest Territories to the hereunto annexed Mortgage of Lease dated the **5th day of August, 2008**, insofar as it relates to the leasehold interest of N.W.T. Lease No.: **85 I/2-1-21**.

BETWEEN: **TAGIA SPORTS FISHING LTD.**, a body corporate, incorporated pursuant to the Laws of Canada having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the Mortgagor"

OF THE FIRST PART

AND: **AIR TINDI LTD.**,

hereinafter called "the Mortgagee"

OF THE SECOND PART

Subject to the rights and interests of any third party and to the payment of rent and the performance and observance of the covenants and agreements contained in N.W.T. Lease No.: **85 I/2-1-21** dated the June 1, 2017, granted by the Commissioner of the Northwest Territories to Mortgagor as lessee, the said lease demising and leasing to the lessee all of that certain parcel or tract of land described as follows:

all that certain parcel or tract of land situate, lying and being composed of the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 I/2, at approximately 62° 09' 55.32" North Latitude and 112°41' 00.00" West Longitude, in the Northwest Territories as said parcel is shown outlined in red on the sketch annexed to and forming part of N.W.T. Lease no. 85 I/2-1-21,

This consent does not in any way relieve the Mortgagor, its successors and assigns, from the obligation and duty of complying under all circumstances, with all the covenants and agreements reserved and contained in the said N.W.T. Lease No.: **85 I/2-1-21**.

SIGNED, SEALED AND DELIVERED )  
by the Director Lands Administration, )  
Department of Lands, Government of the )  
Northwest Territories, on behalf of the )  
Commissioner of the Northwest Territories )  
this 1 day of June, 2017. )

In the presence of: )

[Signature] )  
Director's Witness )

[Signature] (SEAL)  
Director's Signature )



DUPLICATE

CONSENT

KNOWN ALL MEN BY THESE PRESENTS that the Director Land Administration, Department of Lands, Government of the Northwest Territories, does hereby consent on behalf of the Commissioner of the Northwest Territories to the hereunto annexed Debiture of Lease dated the **29th day of April, 2020**, insofar as it relates to the leasehold interest of N.W.T. Lease No.: **85 I/2-1-21**.

BETWEEN: **TAIGA SPORTS FISHING LTD.**, a body corporate, incorporated pursuant to the Laws of Canada having a registered office in the City of Yellowknife, in the Northwest Territories,

hereinafter called "the Borrower"

OF THE FIRST PART

AND: **BUSINESS DEVELOPMENT AND INVESTMENT CORPORATION**  
**Suite 5009 - 50th Avenue, PO Box 1320, Yellowknife NT X1A 2L9,**

hereinafter called "the Lender"

OF THE SECOND PART

Subject to the rights and interests of any third party and to the payment of rent and the performance and observance of the covenants and agreements contained in N.W.T. Lease No.: **85 I/2-1-21** dated the **1st day of June, 2017**, granted by Her Majesty the Queen in Right of Canada to the Borrower as lessee.


AND WHEREAS the Commissioner of the Northwest Territories acquired the administration and control of the lands hereinafter mentioned and became the lessor under the provisions of the aforementioned lease on April 1, 2014 by virtue of section 51 of the *Northwest Territories Act* S.C. 2014, c.2, s.2., on the said lease demising and leasing to the lessee all of that certain parcel or tract of land described as follows:

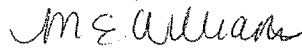
the whole of an unsurveyed parcel of land located on the westerly shore of Blatchford Lake, in QUAD 85 I/2, at approximately 62° 09' 55.32" North Latitude and 112° 41' 00.00" West Longitude, in the Northwest Territories as said parcel is shown outlined in red on the sketch annexed hereto and forming part of this description,

This consent does not in any way relieve the Borrower, its successors and assigns, from the obligation and duty of complying under all circumstances, with all the covenants and agreements reserved and contained in the said N.W.T. Lease No.: **85 I/2-1-21**.

SIGNED, SEALED AND DELIVERED )  
by the Director Land Administration, )  
Department of Lands, Government of the )  
Northwest Territories on behalf of the )  
Commissioner of the Northwest Territories )  
this 30 day of April, 2020. )

in the presence of:

  
\_\_\_\_\_  
Director's Witness

  
\_\_\_\_\_  
Director's Signature (SEAL)

## AMENDING AGREEMENT

This Amending Agreement is made as of the 14 day of September, 2023.

### BETWEEN:

**BDO CANADA LIMITED**, in its capacity as the Court-appointed receiver and manager of  
**TAIGA SPORTS FISHING LTD.**, o/a Blachford Lake Lodge, and not in its personal or corporate capacity  
(the "Vendor")

- and -

**ARCTIC KINGDOM POLAR EXPEDITIONS, INC.**  
(the "Purchaser")

### WHEREAS:

- A. The Vendor and the Purchaser entered into an Offer to Purchase and Agreement of Purchase and Sale dated the 4<sup>th</sup> day of August, 2023 (the "Agreement of Purchase and Sale"); and
- B. The Vendor and the Purchaser have agreed to amend the Agreement of Purchase and Sale as set out herein.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the respective covenants and agreements of the parties contained herein, and the other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Vendor and the Purchaser hereby covenant and agree with each other as follows:

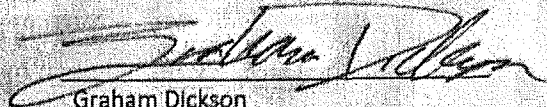
1. All capitalized terms used in this Amending Agreement, unless there is something in the subject matter or context inconsistent therewith, shall have the same meaning ascribed to them in the Agreement of Purchase and Sale.
2. Sections 7(a) and 7(b) of the Agreement of Purchase and Sale be amended by deleting the words "September 15, 2023" and inserting "October 16, 2023".
3. This Amending Agreement may be executed in any number of counterparts, in original form or by facsimile or similar means of electronic communication, each of which will together, for all purposes, constitute one and the same instrument, binding on the Vendor and the Purchaser, and each of which will together be deemed to be an original, notwithstanding that each party is not a signatory to the same counterpart.
4. Except as amended by the foregoing, all provisions of the Agreement of Purchase and Sale are hereby reaffirmed and remain unchanged.

*[Remainder of this page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the parties hereto have duly executed this Amending Agreement as of the day and year first above written.

**ARCTIC KINGDOM POLAR EXPEDITIONS INC.**

Per:

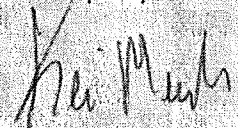


Name: Graham Dickson

Title: President

**BDO CANADA LIMITED**, in its capacity as the Court-appointed receiver and manager of **TAIGA SPORTS FISHING LTD.**, o/a Blachford Lake Lodge, and not in its personal or corporate capacity

Per:



Name:

Kevin Meyer

Title:

Senior Vice President

## SECOND AMENDING AGREEMENT

This Second Amending Agreement is made effective the 16<sup>th</sup> day of October, 2023.

### BETWEEN:

**BDO CANADA LIMITED**, in its capacity as the Court-appointed receiver and manager of  
**TAIGA SPORTS FISHING LTD.**, o/a Blachford Lake Lodge, and not in its personal or corporate capacity  
(the "Vendor")

- and -

**ARCTIC KINGDOM POLAR EXPEDITIONS, INC.**  
(the "Purchaser")

### WHEREAS:

- A. The Vendor and the Purchaser entered into an Offer to Purchase and Agreement of Purchase and Sale dated the 4<sup>th</sup> day of August, 2023, as later amended by an amending agreement dated the 14<sup>th</sup> day of September, 2023 (together, the "Agreement of Purchase and Sale"); and
- B. The Vendor and the Purchaser have agreed to further amend the Agreement of Purchase and Sale as set out herein.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that, in consideration of the respective covenants and agreements of the parties contained herein, and the other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Vendor and the Purchaser hereby covenant and agree with each other as follows:

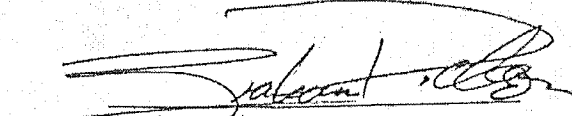
1. All capitalized terms used in this Second Amending Agreement, unless there is something in the subject matter or context inconsistent therewith, shall have the same meaning ascribed to them in the Agreement of Purchase and Sale.
2. Sections 7(a) and 7(b) of the Agreement of Purchase and Sale be amended by deleting the words "October 16, 2023" and inserting "**November 30, 2023**".
3. This Second Amending Agreement may be executed in any number of counterparts, in original form or by facsimile or similar means of electronic communication, each of which will together, for all purposes, constitute one and the same instrument, binding on the Vendor and the Purchaser, and each of which will together be deemed to be an original, notwithstanding that each party is not a signatory to the same counterpart.
4. Except as amended by the foregoing, all provisions of the Agreement of Purchase and Sale are hereby reaffirmed and remain unchanged.

*[Remainder of this page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the parties hereto have duly executed this Amending Agreement as of the day and year first above written.

ARCTIC KINGDOM POLAR EXPEDITIONS INC.

Per:

Name:   
Graham Dickson

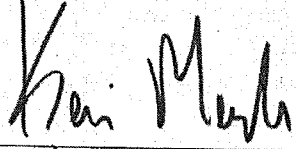
Title: President

BDO CANADA LIMITED, in its capacity as the Court-appointed receiver and manager of TAIGA SPORTS FISHING LTD., o/a Blachford Lake Lodge, and not in its personal or corporate capacity

Per:

Name:

Title:



Kevin Meyler

Senior Vice President

# APPENDIX "B"



**Taiga Sports Fishing Ltd. o/a Blachford Lake Lodge  
Interim Statements of Receipts and Disbursements - Bankruptcy  
Up to and including October 31, 2023**

**Receipts:**

Advance from secured lender	50,000
Accounts Receivable/Other	7,955
Interest earned (net)	<u>206</u>
<b>Total Receipts</b>	<b>58,161</b>

**Disbursements:**

Contractors	35,267
Insurance	6,125
Travel costs	6,412
Disbursements re Lodge	2,312
Occupation rent, premises costs	1,040
GST paid	641
Advertising - First meeting of creditors	330
Filing fees paid to Official Receiver	156
<b>Total Disbursements</b>	<b>52,282</b>

<b>Funds in Trust</b>	<b><u><u>5,879</u></u></b>
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# APPENDIX “C”

**Taiga Sports Fishing Ltd. o/a Blachford Lake Lodge**  
**Interim Statements of Receipts and Disbursements - Receivership**  
**Up to and including October 31, 2023**

**Receipts:**

Advance from secured lender	200,080
Accounts Receivable/Other	1,861
Interest earned	<u>1,781</u>
<b>Total Receipts</b>	<b>203,722</b>

**Disbursements:**

Outside consultants	99,597
Insurance	27,057
Travel costs	19,750
Disbursements re Lodge	13,106
Funds advanced to Trustee	4,000
Occupation rent, premises costs	5,685
IT expenses	4,470
GST paid	3,525
Redirection of mail	354
Filing fees paid to Official Receiver	<u>75</u>
<b>Total Disbursements</b>	<b>177,619</b>

<b>Funds in Trust</b>	<b><u>26,103</u></b>
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