

B-250002

This is the 1st affidavit
of Norman McLeod in this case
and was made on January 2, 2025

No. 11-3170658
Vancouver Registry



IN THE SUPREME COURT OF BRITISH COLUMBIA

IN BANKRUPTCY AND INSOLVENCY

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL FILED
BY MICROB RESOURCES INC.**

**NOTICE OF INTENTION TO MAKE A PROPOSAL UNDER THE *BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1995 c b-3***

AFFIDAVIT

I, Norman McLeod, businessperson, of 3551 Viking Way #105, V6V 1W1, Richmond, British Columbia, AFFIRM THAT:

1. I am the President of MICROB RESOURCES INC., doing business as Salt Spring Coffee (“**Salt Spring Coffee**”), the Applicant in these proceedings. I have held this position since 1989. In my role as President, I am responsible for overseeing the day-to-day operations of Salt Spring Coffee, its liquidity management and, ultimately, for assisting in their restructuring process. As such, I have personal knowledge of the matters deposed to herein. Where I have relied on other sources of information, I have so stated and I believe them to be true.
2. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise stated.
3. This affidavit is made in support of an application by the Applicant dated January 2, 2025 (the “**Application**”) for an order substantially in the form as attached as **Schedule “B”** to the Application to be filed with this Court concurrently with my affidavit.
4. On January 2, 2025, Salt Spring Coffee filed a notice of intention (“**NOI**”) to make a proposal under s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the “**BIA**”) with the Office of Superintendent of Bankruptcy and thereby commenced these proceedings (the “**NOI Proceedings**”). KPMG LLP was appointed to act as the “**Proposal**

Trustee". Attached to this affidavit as **Exhibit "A"** is a true copy of the Certificate of Filing the NOI.

5. Salt Spring Coffee now seeks an Order in these NOI Proceedings which:
- (a) grants a first priority charge in the maximum amount of \$130,000 on the property, assets and undertakings of Salt Spring Coffee, to rank ahead of all other charges, claims and encumbrances (the "**Administration Charge**") in favour of KPMG, as the Proposal Trustee, McCarthy Tétrault LLP, as counsel to the Proposal Trustee and Osler, Hoskin & Harcourt LLP, as counsel to Salt Spring Coffee;
 - (b) approves an interim lending term sheet for debtor-in-possession financing (the "**DIP Term Sheet**") to be entered into between Salt Spring Coffee and Maynbridge Capital Inc. (the "**DIP Lender**") in a form to be attached to the report of the Proposal Trustee;
 - (c) grants a charge in the amount of \$250,000 (the "**DIP Lender's Charge**") on the assets, undertakings and properties of Salt Spring Coffee in favour of the DIP Lender, ranking ahead of all other charges other than the Administration Charge;
 - (d) approves and ratifying Salt Spring Coffee's execution of an agreement of purchase and sale (the "**APA**") among Salt Spring Coffee and to Caffe & Roaster Holdings Inc., or its assignee (the "**Purchaser**") dated January 2, 2025; and
 - (e) approves the sale of substantially all of Salt Spring Coffee's assets to the Purchaser pursuant to the APA.

A. BACKGROUND

6. Salt Spring Coffee is a coffee roaster and manufacturer that distributes fair trade organic coffee to major grocery stores, suppliers, and food servicers throughout Canada. We import

fair trade organic coffee, roast it in our facilities, package it, and distributes the coffee across Canada, and recently to the United States.

7. I started Salt Spring Coffee in 1996 on Salt Spring Island with my partner Robbyn Scott with the mission of providing sustainable, quality, fair trade organic coffee to Canada.
8. Since 1996, we have moved our operations to the mainland and we have grown into a national organization, supplying coffee to major grocery stores such as Costco, Loblaws, Whole Foods, and Sobeys, along with over one hundred other prominent food service providers, such as restaurants, the Vancouver Aquarium and the University of Victoria.
9. Salt Spring Coffee is currently based out of a facility that is leased, located at 3551 Viking Way #105, Richmond, BC V6V 1W1 (the "**Richmond Facility**").
10. Salt Spring Coffee currently employs 25 people in the Richmond Facility and works with multiple contractors to ship our coffee.

Management

11. I am currently the only officer of Salt Spring Coffee, as the President and CEO.
12. I am a shareholder of Salt Spring Coffee, along with Robbyn Scott.
13. Attached to this affidavit as **Exhibit "B"** is a true copy of the BC corporate search conducted on December 10, 2024 of Salt Spring Coffee.

B. SOLVENCY AND LIQUIDITY ISSUES

14. Salt Spring Coffee's current solvency and liquidity issues started with the COVID-19 pandemic. With rising interest and inflation rates, it was difficult for production to keep pace with spending.
15. In addition to COVID-19, Salt Spring Coffee entered into a November 1, 2021 agreement with Club Coffee L.P. (the "**Club Coffee Agreement**"), which created further liquidity issues.

16. Under the Club Coffee Agreement, Salt Spring Coffee sold raw green coffee beans to Club Coffee L.P. to roast and package. The roasted and packaged product was then sold back to Salt Spring Coffee to distribute to its partners.
17. The Club Coffee Agreement was the first time that Salt Spring Coffee had outsourced any roasting and packaging work, which led to constraints in Salt Spring Coffee's liquidity. Both the Club Coffee Agreement and COVID-19 has set back Salt Spring Coffee financially (the "**Financial Constraints**").
18. The Financial Constraints left Salt Spring Coffee with insufficient liquidity to order raw materials to service its purchase orders.
19. Given the Financial Constraints, Salt Spring Coffee has sought out partners and purchasers to work with to solve its solvency issues. The extent of these efforts is outlined below, but recently, Salt Spring Coffee was able to partner with Maynbridge Capital Inc. ("**Maynbridge**") to address immediate liquidity concerns and complete certain outstanding purchase orders.
20. On or about November 29, 2024, Maynbridge and Salt Spring Coffee entered into a Loan and Security Agreement, whereby Maynbridge provided a loan in the principal amount of \$400,000 to allow Salt Spring Coffee to fulfil certain purchase orders (the "**Maynbridge Loan Agreement**") and a general security agreement in favour of Maynbridge (the "**Maynbridge GSA**"). Attached to this affidavit as **Exhibit "C"** is a true copy the Maynbridge Loan Agreement and the Maynbridge GSA.
21. The initial advance was made pursuant to the Maynbridge Loan Agreement on December 2, 2024 in the amount of US\$146,019.45 and allowed Salt Spring Coffee to purchase raw materials from Sustainable Harvest Inc., Swiss Water Decaffeinated Coffee Inc., and Sucafina Colombia to fulfill certain purchase orders.
22. The balance of funding under the Maynbridge Loan Agreement was dependent on certain conditions being met, including the acquisition by Maynbridge of certain secured debts due and owing to Royal Bank of Canada ("**RBC**") by Salt Spring Coffee. These conditions

were met on December 10, 2024 and an advance of US\$96,255.94 was made to Salt Spring Coffee.

C. ASSETS AND LIABILITIES

23. Salt Spring Coffee's major secured creditors are Maynbridge and Business Development Bank of Canada ("**BDC**"), and Bodkin, a division of Bennington Financial Corp. ("**Bodkin**").

Maynbridge and Royal Bank of Canada

24. Salt Spring Coffee entered into a credit agreement with RBC dated June 28, 2023, as amended by a first amending letter dated June 30, 2023 (collectively, the "**RBC Loan Agreement**") pursuant to which RBC provided a \$1,500,000 revolving demand loan, a \$175,000 non-revolving term loan, and certain credit card facilities (collectively, the "**RBC Loan**"). The RBC Loan was used to fund Salt Spring Coffee's operating costs. The interest rate on the revolving demand loan is RBC's prime rate plus 2.5% per annum. Attached to this affidavit as **Exhibit "D"** is a true copy of the RBC Loan Agreement.
25. The RBC Loan and all security and documents related thereto was assigned by RBC to Maynbridge.
26. Currently, Salt Spring Coffee is indebted to Maynbridge in respect of the RBC Loan and pursuant to the Maynbridge Loan Agreement in the aggregate amount of approximately \$2,230,000.00, with interest and fees continuing to accrue (the "**Maynbridge Indebtedness**").
27. The Maynbridge Indebtedness is secured by security interests in all of Salt Spring Coffee's present and after-acquired personal property, and such security interests were perfected by registrations of financing statements in the British Columbia personal property registry ("**BC PPR**") against all of Salt Spring Coffee's present and after acquired personal property. Attached to this affidavit as **Exhibit "E"** is a true copy of the a search of the BC PPR against Salt Spring Coffee dated December 10, 2024.

28. On or about December 2, 2024 the RBC Loan and all security in connection therewith was acquired by Maynbridge pursuant to an Assignment and Assumption Agreement dated December 2, 2024 (the “**Assumption Agreement**”). Attached to this affidavit as **Exhibit “F”** is a true copy of the Assumption Agreement and the documents assigned thereunder, including a general security agreement granted by Salt Spring Coffee, a postponement and assignment of claims granted by Robbyn Scott and Salt Spring Coffee, a postponement and assignment of claims granted by myself and Salt Spring Coffee, and a Guarantee granted by Robbyn Scott and myself.

Business Development Bank of Canada

29. Salt Spring Coffee entered into a letter of offer with BDC dated January 21, 2019, pursuant to which BDC provided a \$1,500,000 loan (the “**BDC Loan**”). The BDC Loan is used to fund Salt Spring Coffee’s equipment leases. The interest rate on the BDC Loan is BDC’s prime rate minus 1.50%. Attached to this affidavit as **Exhibit “G”** is a true copy of the BDC Loan.
30. Currently, Salt Spring Coffee is indebted to BDC in the amount of approximately \$1,196,228.00 (the “**BDC Indebtedness**”).
31. The BDC Indebtedness is intended to be acquired by the Purchaser and Salt Spring Coffee intends to continue servicing this debt.
32. The BDC Loan is secured by a charge on Salt Spring Coffee’s equipment and all of Salt Spring Coffee’s present and after acquired personal property registered in the BC PPR.
33. BDC and RBC are party to a priority agreement which Maynbridge adopted pursuant to the Assumption Agreement (the “**BDC Priority Agreement**”). Attached to this affidavit as **Exhibit “H”** is a true copy of the BDC Priority Agreement.

Bodkin

34. In addition to the Maynbridge Indebtedness and the BDC Loan, Salt Spring Coffee also makes monthly payments to Bodkin for the lease of manufacturing equipment (the

“**Bodkin Lease**”). Attached to this affidavit as **Exhibit “I”** is a true copy of the Bodkin Lease.

35. Currently, Salt Spring Coffee is indebted to Bodkin in the amount of approximately \$29,240.89 and Salt Spring Coffee makes regular monthly payments to Bodkin pursuant to the Bodkin Lease of \$2,515.80 (the “**Bodkin Indebtedness**”). To service the lease payments, Bodkin deducts monthly payments from Salt Spring Coffee’s bank account.
36. The Bodkin Lease is secured by a charge on certain leased equipment pursuant to the Bodkin Lease registered in the PPR.
37. The Bodkin Indebtedness is intended to be acquired by the Purchaser and Salt Spring Coffee intends to continue servicing this debt.

Total Assets and Liabilities

38. As of the end of August 2024, Salt Spring Coffee had approximately \$5,164,888 in liabilities and equity, which include the amounts owing under the RBC Loan and the BDC Indebtedness (the “**Total Liabilities**”). The Total Liabilities contrast against approximately \$5,164,888.40 in assets of Salt Spring Coffee as of the end of August 2024. This is before entering into any loan agreements with Maynbridge and paying off the Merchant Indebtedness (discussed below). Attached to this affidavit as **Exhibit “J”** is a true copy of Salt Spring Coffee’s balance sheet as of August 2024.

D. PRE-FILING RESTRUCTURING EFFORTS

39. Salt Spring Coffee has been working on a restructuring plan over the past year and has taken steps to reduce its expenses and restructure its operations.
40. Since mid-2023, Salt Spring Coffee has been working on options to find immediate liquidity solutions. To address liquidity concerns, Salt Spring Coffee has pursued two paths: (1) finding a financial partner and (2) searching for a sale.

Financial Partners

41. With respect to a financial partner, in addition to entering into the Maynbridge Loan Agreement detailed above, Salt Spring Coffee entered into an agreement for the purchase and sale of future receivables with Merchant Opportunities Fund Limited Partnership (“**Merchant**”) in June 2023 (the “**Merchant Agreement**”).
42. Pursuant to the Merchant Agreement, Merchant purchased \$378,000 of Salt Spring Coffee’s account receivables for \$300,000 (the “**Merchant Indebtedness**”). The Merchant Indebtedness was used to service Salt Spring Coffee’s immediate liquidity concerns, such as fulfilling purchase orders. Under the Merchant Agreement, Salt Spring Coffee has been making weekly payments of \$4,846.19 to Merchant. The Merchant Indebtedness was fully repaid on December 4, 2024.

Sale Partners

43. With respect to a sale, over the past year, Salt Spring Coffee has actively been looking to partners and connections in the market to sell its assets. The First Report of the Proposal Trustee details those sale efforts and is summarized below.
44. In January of 2024 Salt Spring Coffee contacted 40 parties identified as potential purchasers to solicit interest and provided a sales package which provided information on the business.
45. From this initial contact, Salt Spring Coffee received 12 executed non-disclosure agreements, which allowed these parties access to a detailed confidential information memorandum. Salt Spring Coffee received three (3) non-binding LOI’s from the prospective purchasers which resulted in two (2) separate LOI agreements with partners to sell substantially all of its assets — one in July of 2024 and one in October of 2024 (the “**LOI Agreements**”). Neither of the LOI Agreements materialized, however, as both partners found solvency issues with Salt Spring Coffee during the due diligence phase.
46. As such, Salt Spring Coffee, with the assistance of the Proposal Trustee, determined that they had exhausted all efforts to transact outside of a formal process, and therefore the best

way forward for Salt Spring Coffee was to pursue a sale was in the context of a NOI Proceedings.

E. NOI RESTRUCTURING PROPOSAL

47. Salt Spring Coffee believes that the business has significant potential value, but that it has become clear that to find solvency and liquidity solutions, a Court supervised insolvency process will be required.
48. Accordingly, Salt Spring Coffee filed the NOI and has entered into the APA, pending this Court's approval, to complete an asset sale transaction with the Purchaser. Salt Spring Coffee and the Proposal Trustee agree that the best plan forward to effectuate the restructuring is to continue the NOI Proceedings and complete the transactions contemplated under the APA.
49. In particular, Salt Spring Coffee has been working closely with the Proposal Trustee, the Purchaser and the DIP Lender to find a solution and effect a transaction, which involves:
 - (a) the approval of the DIP Term Sheet and the DIP Lender's Charge;
 - (b) the approval of the APA; and
 - (c) the approval of the Administration Charge.

DIP Term Sheet and DIP Lender's Charge

50. The DIP Lender has agreed to provide Salt Spring Coffee the DIP Term Sheet. A summary of the material terms of the DIP Term Sheet is as follows:
 - (a) Maximum principal amount: \$250,000;
 - (b) Interest rate: 14%
 - (c) Fees: \$10,000 commitment fee (being 4% of the maximum principal amount) and a 2.5% standby fee to be paid on the difference between the maximum principal amount and the amounts outstanding under the DIP Term Sheet;

- (d) Security: a super priority charge on the property, assets, and undertakings of Salt Spring Coffee in the amount of \$250,000 subject only to the Administration Charge;
 - (e) Conditions precedent: issuance of the Initial Order by this Court; and
 - (f) Maturity: the earlier of 6 months from the date of the Initial Order, the date the stay of proceedings in favour of Salt Spring Coffee expires, and 10 days following written notice of an event of default under the DIP Term Sheet.
51. Attached to this affidavit as **Exhibit “K”** is a true copy of the DIP Term Sheet.
52. Salt Spring Coffee requires immediate funding to meet its obligations, including payroll and purchase orders. The financing associated with the DIP Term Sheet will provide sufficient liquidity to allow Salt Spring Coffee to continue as a going concern during these NOI Proceedings.
53. I believe the DIP Term Sheet and the DIP Lender’s Charge are in the best interest of Salt Spring Coffee, as:
- (a) Salt Spring Coffee expects to be in these NOI Proceedings until February 1, 2025, which is supported by the Cash Flow Forecast (discussed below);
 - (b) Salt Spring Coffee will continue to operate its business with a view of closing the APA and implementing a successful proposal to its creditors and maintaining the support of secured creditors with oversight from the Proposal Trustee;
 - (c) I understand that Maynbridge is supportive of the DIP Term Sheet and the efforts of Salt Spring Coffee to restructure its affairs; and
 - (d) it is clear from the Cash Flow Forecast (discussed below) that approval of the DIP Term Sheet is necessary for Salt Spring Coffee to continue its operations during these proceedings, service its outstanding purchase orders, and fund payroll.
54. Further, Salt Spring Coffee, with the assistance of the Proposal Trustee, has prepared a 13-week cash flow forecast (the “**Cash Flow Forecast**”) that demonstrates Salt Spring

Coffee's intended use of the funds provided for in the DIP Term Sheet. Attached to this affidavit as **Exhibit "L"** is a true copy of the Cash Flow Forecast.

55. It is a condition of the DIP Term Sheet that the DIP Lender be granted a charge on Salt Spring Coffee's assets. Salt Spring Coffee believes that, in connection with the DIP Term Sheet, the DIP Lender's Charge in favour of the DIP Lender to be reasonable and appropriate in the circumstances.

Approval of the APA

56. With the assistance of the Proposal Trustee, Salt Spring Coffee continued to solicit interest in the sale of its business in the context of an insolvency proceeding, given that the two prior LOI Agreements were unable to close following the due diligence phase.
57. On or about January 2, 2025, the Purchaser presented an APA to Salt Spring Coffee to purchase substantially all of Salt Spring Coffee's assets. The terms of the APA are as follows:
- (a) Salt Spring Coffee shall sell, transfer, convey and assign to the Purchaser and the Purchaser shall purchase and acquire from Salt Spring Coffee, free and clear of all encumbrances (other than Permitted Encumbrances as defined in the APA) substantially all of Salt Spring Coffee's right, title and interest in all of Salt Spring Coffee's property and assets (other than Excluded Assets as defined in the APA).
 - (b) The Purchaser shall pay Salt Spring Coffee the purchaser price (the "**Purchase Price**") as follows:
 - (i) A cash payment of an amount equal to the sum of: (i) the Priority Payments (being the amounts required by the BIA to be paid in super priority); (ii) the NOI Charge Amount (being the amounts due and owing under the DIP Lender's Charge and the Administration Charge); and (iii) the Administrative Wind-down Amount (being a cash payment of \$50,000 to fund the bankruptcy of Salt Spring Coffee following the closing of the APA); and

- (ii) \$2,545,000 being paid by the Purchaser to Maynbridge on behalf of Salt Spring Coffee, being the aggregate principal amount of secured debt owing to Maynbridge; and
 - (iii) The amount of assumed liabilities being assumed under the APA, which is estimate to be \$1,1350,000;
- (c) The Purchaser shall use commercially reasonable efforts to offer employment to all of Salt Spring Coffee's employees, on terms and conditions which are substantially comparable to those on which such employees were employed by Salt Spring Coffee; and
- (d) The Purchaser shall assume the BDC and Bodkin Indebtedness
58. Attached to this affidavit as **Exhibit "M"** is a true copy of the APA.
59. I believe the APA is in the best interest of Salt Spring Coffee, as:
- (a) Salt Spring Coffee has been canvassing the market since early 2023 to find a purchaser of its assets and no offers have materialized;
 - (b) the APA was solicited with the assistance of the Proposal Trustee and the Proposal Trustee is of the view the market has been sufficiently canvassed;
 - (c) Maynbridge is supportive of the APA;
 - (d) I believe this sale is in the best interest of its stakeholders, creditors, customers, and employees; and
 - (e) I believe that the Purchase Price is fair and reasonable in these circumstances.

Administration Charge

60. Salt Spring Coffee will require the assistance of the Proposal Trustee and counsel to pursue the financing associated with the DIP Term Sheet and to conduct these proceedings generally. In particular, the services of each professional is essential to the formulation of Salt Spring Coffee's proposal, and these proceedings. Salt Spring Coffee submits that the

quantum of the proposed charge is appropriate given its business, outstanding liabilities, and the nature of the work involved in its proposal.

61. Salt Spring Coffee proposes the Administration Charge and believes \$130,000 to be reasonable and appropriate in the circumstances.
62. The Administration Charge will only be called upon if there are unpaid fees and costs owing to the Proposal Trustee, its counsel, or Salt Spring Coffee's counsel, which have not been paid.
63. Pursuant to the terms of the attached proposed Order and the terms of the DIP Term Sheet, the Administration Charge will rank in priority to all other claims and encumbrances, including the DIP Lender's Charge.

F. CONCLUSIONS

64. I am of the view that Salt Spring Coffee has acted and continues to act in good faith and with due diligence during these NOI Proceedings.
65. I understand that the Proposal Trustee supports the Orders sought by Salt Spring Coffee.

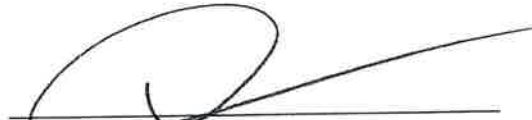
G. REMOTE COMMISSIONING

- 66. I acknowledge the solemnity of making a sworn statement/solemn declaration and acknowledge the consequences of making an untrue statement.
- 67. I was not physically present before the person before whom this affidavit was sworn or affirmed but was in that person's presence using video conferencing.

AFFIRMED BEFORE ME at Vancouver,)
 British Columbia, on January 2, 2025.)



_____)
 A Commissioner for taking affidavits for)
 British Columbia)



_____)
 NORMAN MCLEOD)


LUCAS HODGSON
BARRISTER & SOLICITOR
Osler, Hoskin & Harcourt LLP
 Suite 3000, Bentall Four
 1055 Dunsmuir Street
 Vancouver, BC V7X 1K8
 TELEPHONE: 236.486.2843

This is Exhibit "A" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a cursive flourish.

A Commissioner/Notary Public for the
Province of British Columbia

This is Exhibit "B" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be the initials 'N.M.' followed by a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia



BC Registry
Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard Street
Victoria BC
1 877 526-1526

BC Company Summary

For
MICROB RESOURCES INC.

Date and Time of Search: December 10, 2024 12:14 PM Pacific Time
Currency Date: July 29, 2024

ACTIVE

Incorporation Number: BC0378950
Name of Company: MICROB RESOURCES INC.
Business Number: 127885721 BC0001
Recognition Date: Incorporated on December 21, 1989
Last Annual Report Filed: December 21, 2022

In Liquidation: No
Receiver: No

REGISTERED OFFICE INFORMATION

Mailing Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

Delivery Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

Delivery Address:
2900 - 550 BURRARD STREET
VANCOUVER BC V6C 0A3
CANADA

DIRECTOR INFORMATION

Last Name, First Name, Middle Name:
MCLEOD, NORMAN LEWIS

Mailing Address:
3551 VIKING WAY
UNIT 105
RICHMOND BC V6V 1W1
CANADA

Delivery Address:
3551 VIKING WAY
UNIT 105
RICHMOND BC V6V 1W1
CANADA

OFFICER INFORMATION AS AT December 21, 2022

Last Name, First Name, Middle Name:

McLeod, Norman Lewis

Office(s) Held: (President)

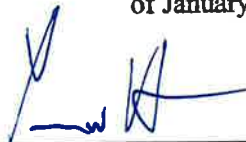
Mailing Address:

#105 - 3551 VIKING WAY
RICHMOND BC V6V 1W1
CANADA

Delivery Address:

#105 - 3551 VIKING WAY
RICHMOND BC V6V 1W1
CANADA

This is Exhibit "C" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, consisting of several stylized, overlapping strokes.

A Commissioner/Notary Public for the
Province of British Columbia

MAYNBRIDGE CAPITAL

LOAN AND SECURITY AGREEMENT

In consideration of the covenants and agreements between Lender and Borrower contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender may advance the Loan pursuant to the terms of this Agreement. Any capitalized term used herein will have the meaning given to it in Schedule "A" hereto.

BORROWER:

MICROB RESOURCES INC. DBA SALT SPRING COFFEE CO

LOAN PROVISIONS:


1. Total Loan Amount:	Subject to the terms and conditions herein and the representations and warranties of the Borrower hereunder, the Lender agrees to make available to the Borrower the Loan up to the maximum principal amount of \$400,000, excluding interest and fees, by way of a non-revolving term facility. The Loan is a non-revolving loan and any amount repaid by the Borrower under the Loan will constitute a permanent repayment and may not be borrowed again by the Borrower.
2. Fixed Interest Rate:	14.0%. All interest to be capitalized.
3. Maturity Date:	Ninety (90) days from the Advance Date.
4. Renewal:	The Repayment Term may be renewed for ninety (90) additional days at the Borrower's option by providing notice to the Lender prior to the expiry date and paying a renewal fee equal to 2.0%.
5. Advances:	An initial advance in the CAD equivalent amount of \$145,199.32 USD will be made on November 29, 2024 with respect to Invoices attached in Schedule C. The balance of the Total Loan Amount may be called by the Borrower by giving no less than three (3) days prior notice to the Lender of the applicable Advance Date, and <u>subject to the conditions precedent set forth in Section 4 of the of the Additional Terms and Conditions.</u>
6. Instalments:	No monthly instalments will be required. The entirety of the Total Loan Amount plus any outstanding interest, fees and charges will be due on the Maturity Date.
7. Fees:	2% of the Total Loan Amount
8. Security:	See Section 5 of the Additional Terms and Conditions.

IN WITNESS WHEREOF the parties hereto have executed this Loan and Security Agreement effective the 29th day of November, 2024.

Lender:
MAYNBRIDGE CAPITAL INC.

Borrower:
MICROB RESOURCES INC.
DBA SALT SPRING COFFEE CO

Per: _____
(Authorized Signatory)

Per:  _____
(Authorized Signatory)

Address: #388, 1111 West Hastings Street
Vancouver, BC V6E 2J3
Attention: Dean Shillington, President

Address: #105 - 3551 Viking Way
Richmond, BC Canada V6V 1W1
Attention: Norman (Mickey) McLeod

MAYNBRIDGE CAPITAL

ADDITIONAL TERMS AND CONDITIONS

1. INSTALMENTS. Borrower hereby acknowledges that it has borrowed or will borrow from Lender and is thereby, or has or will otherwise become, indebted to and agrees to repay to Lender, at the address of Lender stated on the face page hereof, the Loan, together with interest and fees thereon, by paying any number of Instalments on the basis set out herein. Instalments will be payable in the amount and at the time set out on the face page hereof. As part of any final Instalment, Borrower will pay Lender the outstanding balance of the Loan, all accrued and unpaid interest thereon and all other amounts payable hereunder.

2. INTEREST. The Loan will bear interest from the applicable Advance Date until paid in full to Lender (as well before as after maturity, demand, Default or judgment) at the applicable Interest Rate. Each Overdue Payment will bear interest at a default rate of 18% from the date due until paid in full to Lender (as well before as after demand, Default or judgment). Interest payable hereunder will accrue from day to day, be payable in arrears on each Payment Date and be computed upon the daily outstanding balance of the Loan or Overdue Payment, as applicable, and will be calculated on the basis of the number of days elapsed in a 365-day year or 360-day year, as the case may be. For the purposes of the *Interest Act* (Canada), as the same may be amended, replaced or re-enacted from time to time, whenever any interest is calculated using a rate based on a year of 360 days or 365 days, as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to:

- (a) the applicable rate based on a year of 360 days or 365 days, as the case may be;
- (b) multiplied by the actual number of days in a calendar year in which the period for such interest is payable (or compounded); and
- (c) divided by 360 days or 365 days, as the case may be.

If the Floating Rate is in effect, a change in the Prime Rate automatically changes the rate of interest payable hereunder to the same extent and in the same manner effective with the frequency stated on the face page hereof. Lender will not be obliged to notify Borrower of any such change, any right to notice being hereby irrevocably waived by Borrower. The Borrower confirms that it fully understands and is able to calculate the rate of interest applicable to each of the credit facilities based on the methodology for calculating per annum rates provided for in this Agreement. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to the loan documents, that the interest payable hereunder and the calculation thereof has not been adequately disclosed to them, whether pursuant to section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

3. REPAYMENT. Upon not less than seven (7) days prior written notice to the Lender, the Borrower shall have the right to pay all or any portion of the then outstanding balance of the Loan (including all accrued and unpaid interest and fees thereon), provided that, if and to the extent the repayment is made on a date that is on or before the Maturity Date, the Borrower will pay an additional charge of five percent (5%) of such outstanding balance of the Loan or portion thereof concurrently with the repayment.

4. CONDITIONS PRECEDENT TO LOAN. The obligation of Lender to advance the Loan is subject to the fulfillment of the following conditions precedent (each to be satisfied in the sole discretion of Lender) on or before the applicable Advance Date, unless otherwise indicated:

- (a) the satisfactory closing of the purchase by the Lender, in its sole discretion, of the Borrower's debt and related security held by Royal Bank of Canada;
- (b) the receipt by Lender of internal credit approval with respect to the Loan;
- (c) the receipt or capitalization by Lender from Borrower of all agreed fees and expenses which are payable by Borrower to Lender, including the Loan Fee, on or prior to the Advance Date;
- (d) the delivery and satisfactory review of a personal net worth statement for the Personal Guarantor, inclusive of annual income and expense amounts;
- (e) receipt and satisfactory review by the Lender of an initial monthly cash flow forecast of the Borrower for the upcoming 12-month period following the Advance Date;
- (f) delivery and satisfactory review of:

- (i) an organization chart of the Borrower confirming the ownership of the Borrower and the legal and beneficial ownership of the Collateral;
 - (ii) financial statements for the Borrower for the preceding three years; and
 - (iii) all other financial or corporate information concerning the Borrower or any Guarantor as the Lender may request;
- (g) the delivery of a certificate by an officer of the Borrower;
- (h) (i) certifying (A) the name, title and true signature of each officer authorized to execute this Agreement and the Security Documents, (B) a true and complete copy of the articles of incorporation (or equivalent) and bylaws (if applicable) of the Borrower, and (C) the resolutions of the Board of Directors of the Borrower approving the Loan, this Agreement and the Security Documents, and evidencing corporate authorization with respect to such documents, and
- (i) (ii) confirming (A) no Default will have occurred and be continuing, and (B) that the representations and warranties made by the Borrower in this Agreement are still true and correct in all material respect;
- (j) the delivery and satisfactory review by the Lender of evidence that all Federal and Provincial corporate taxes are up to date;
- (k) the Lender will have received and be satisfied with all documentation and information as the Lender may require in connection with its "know your client" and anti-money laundering requirements;
- (l) the receipt by Lender of confirmation, satisfactory to it in its sole discretion, that all necessary registrations and other requirements have been done to preserve and perfect a fifth charge security interest in favour of Lender over the Collateral;
- (m) the receipt by Lender from Borrower of written confirmation that Borrower has secured, or caused to secure, adequate insurance coverage, pursuant to Section 11 below;
- (n) the receipt by Lender from Borrower and each Guarantor, as applicable, of all security documentation as required by Lender, such security to be granted in favour of Lender and registered, as applicable, and in form and substance satisfactory to Lender, such security to include, without limitation, guarantees and indemnities, a confirmation and acknowledgement of security, postponement and subordination of all shareholder loans, and such other security as Lender may from time to time require;
- (h) the receipt by Lender from Borrower of an executed Loan and Security Agreement and all supporting documentation Lender may require, in form and substance satisfactory to Lender, including, without limitation, copies of authorizing resolutions of the Borrower and Guarantor(s);
- (i) satisfactory completion by Lender of all business, financial, legal and environmental due diligence with respect to Borrower and Guarantor(s);
- (j) no Default nor any event which, after notice or lapse of time or both, would become a Default will have occurred and be continuing;
- (k) all representations and warranties made by Borrower to Lender hereunder will be true and correct as of the Advance Date; and
- (l) there has occurred no material adverse change in respect of Borrower or Guarantor(s) which could influence Lender's risk or economic position.

5. GRANT OF SECURITY INTEREST. In consideration of the Loan and as general and continuing collateral security for the due payment and performance of the Indebtedness, Borrower mortgages, charges and assigns to Lender, and grants to Lender, a fifth charge, general security interest in Borrower's right, title and interest in and to all of its present and after-acquired Personal Property, and in all present and future Accessions, attachments, enhancements, accessories, additions, improvements or replacements thereto and all Proceeds thereof, including without limitation, all Proceeds in the form of Goods, Chattel, Paper, Investment Property, Documents of Title, Instruments, Money or Intangibles (collectively, the "Collateral"). For clarity, the Collateral includes Accounts Receivable, Inventory, and Intellectual Property. In addition, Borrower hereby charges in favour of Lender by way of a floating charge, its undertaking and all its property and assets, real and personal, moveable or immovable, of whatsoever nature and kind, both present and future and every interest therein which Borrower now has or hereafter acquires (other than the property and assets hereby effectively assigned or subjected to a specific mortgage and charge and subject to the exceptions hereinafter contained).

6. INDEBTEDNESS SECURED. The Security Interest secures payment

MAYNBRIDGE CAPITAL

and satisfaction of the Indebtedness; provided however, that if the Security Interest in the Collateral is not sufficient to satisfy the Indebtedness of Borrower in full, Borrower agrees that Borrower will continue to be liable for any Indebtedness remaining outstanding and Lender will be entitled to pursue full payment and satisfaction thereof.

7. ATTACHMENT OF SECURITY INTEREST. The Security Interest will attach to the Collateral at the earliest possible moment in accordance with the Act, there being no intention on the part of Borrower and Lender that it attach at any later time.

8. REPRESENTATIONS AND WARRANTIES OF BORROWER.

Borrower represents and warrants, and as long as this Agreement remains in effect, will be deemed to continuously represent and warrant, that:

- (a) Borrower is duly organized, existing and in good standing under the laws of its incorporating jurisdiction and of each other jurisdiction in which the nature of its activities make such necessary;
- (b) Borrower has the right, power and authority to enter into this Agreement and all other documents related thereto or arising therefrom, including, without limitation, all required security documents pursuant hereto (collectively, the "Documents") and to grant the Security Interest;
- (c) the execution, delivery and performance of the Documents have been duly authorized by all necessary corporate action and are not in contravention of any instrument by which Borrower has been incorporated or continued, any instrument amending any such instrument, any internal regulation of Borrower, any law, or any indenture, agreement or undertaking to which Borrower is a party or by which it is bound;
- (d) the Documents are and will continue to be legal, valid and binding obligations of Borrower enforceable against it in accordance with its terms;
- (e) Borrower has not previously carried on business, does not currently carry on business, and will not, without the prior written consent of Lender, in the future carry on business under any name other than the name set forth in Schedule "A" attached hereto;
- (f) the Collateral is genuine and is legally and beneficially owned by Borrower or Guarantor(s) free of all security interests except for the Security Interest and the Permitted Encumbrances;
- (g) the description of the Equipment, whether contained herein or provided elsewhere by Borrower to Lender, is complete and accurate and all serial numbers affixed or ascribed to any of the Collateral have been provided to Lender;
- (h) each Chattel Paper, Intangible and Instrument constituting Collateral is enforceable in accordance with its terms against the party obligated to pay the same ("Account Debtor"), the amount represented by Borrower to Lender from time to time as owing by each Account Debtor will be the correct amount owing unconditionally by such Account Debtor, and no Account Debtor will have any defence, set-off, claim or counterclaim against Borrower which can be asserted against Lender, whether in any proceedings to enforce the Collateral or otherwise;
- (i) the locations specified in the attached Schedule "B" as to business operations and records are accurate and complete and, except for Goods in transit to such locations and Inventory on lease or consignment, all Collateral will be situate at one of such locations;
- (j) all financial statements, certificates and other information concerning Borrower's financial condition or otherwise from time to time furnished by Borrower to Lender are and will be in all respects complete, correct and fair representations of the affairs of Borrower stated in accordance with generally accepted accounting principles applied on a consistent basis;
- (k) there has not been and will not be a material adverse change in Borrower's position, financial or otherwise, from that indicated by the financial statements which have been delivered to Lender;
- (l) all payments to Lender are and will be derived from legal sources;
- (m) there are no actions, suits or proceedings pending or, to the knowledge of Borrower, threatened against Borrower except as have been disclosed in writing to and approved by Lender; and
- (n) none of the Collateral is or will be Consumer Goods.

9. COVENANTS OF BORROWER. Borrower covenants and covenants to cause Guarantor(s):

- (a) the sole use of the funds will be to finance the purchase of beans that

- have pre-existing Purchase Orders in place;
- (b) to defend the Collateral against the claims and demands of all other Persons claiming the same or a security interest therein and to keep the Collateral free from all security interests except for the Security Interest and the Permitted Encumbrances;
- (c) except as expressly permitted herein, not to sell, exchange, transfer, assign, destroy, lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of Lender;
- (d) the Collateral will at all times be and remain moveable personal property and notwithstanding any purpose for which the Collateral may be used or that it may become affixed or attached to land or any structure thereon, the Collateral will remain subject to all rights of Lender hereunder as if it were not so affixed or attached;
- (e) except as expressly permitted herein, not to move the Collateral from its current location, as indicated on Schedule "B", without the prior written consent of Lender;
- (f) to assemble and deliver the Collateral to Lender at such location as Lender may direct;
- (g) to notify Lender promptly in writing of:
 - (i) any change in the information contained in this Agreement including any information relating to Borrower or Guarantor(s) (including its name), Borrower's or Guarantor(s) business, the Collateral, or the locations of the Collateral or the records of Borrower or Guarantor(s), so that Lender will be constantly advised of all places where Borrower and Guarantor(s) conduct its business, maintains the Collateral and maintains its records;
 - (ii) the details of any significant acquisition of Collateral (including serial numbers where required under the Act in connection with registration or as otherwise requested by Lender), and for the purposes of this Agreement "significant" will mean any item or items the value of which exceeds in the aggregate \$1,000,000;
 - (iii) the removal of any of the Collateral to any jurisdiction in which any registration of, or in respect of, this Agreement may not be effective to protect the Security Interest, and in the case of such removal to provide Lender with a written certificate stating the time of removal, what is being removed and the intended new locality of such Collateral, and to assist Lender in effecting such further registrations as may be required by Lender to protect its Security Interest; provided however that this provision will not be construed as a waiver of any prohibition against removal or relocation of Collateral contained elsewhere in this Agreement, nor will it be construed as permission to do so;
 - (iv) the details of any claims or litigation affecting Borrower, Guarantor(s) or the Collateral;
 - (v) any loss or damage to the Collateral;
 - (vi) any breach of any environmental regulations or license or any control orders, work orders, stop orders, action requests or violation notices received concerning any of Borrower's property and to comply with any such requests or notices and to diligently clean up any spills;
 - (vii) any Default by an Account Debtor in payment or other performance of its obligations with respect to any Collateral; and
 - (viii) the return to or repossession by Borrower or Guarantor of any Collateral;
- (h) to keep all of its property, including the Collateral, in good order, condition and repair and not to use the Collateral in violation of the provisions of this Agreement or any other agreement relating to the Collateral or any policy insuring the Collateral or any applicable statute, law, by-law, rule, regulation or ordinance having jurisdiction over the same;
- (i) to execute, acknowledge and deliver such further agreements and documents supplemental hereto (including financial statements, further schedules to this Agreement, assignments and transfers) and to do all acts, matters and things as may be requested by Lender in order to give effect to this Agreement and to perfect the Security Interest, including but not limited to any of the same which may be required to correct or amplify the description of any Collateral or for any other purpose not inconsistent with the terms of this Agreement;
- (j) to punctually pay and discharge all taxes, rates, levies, assessments and other charges of every nature which might result in any security interest, encumbrance, right of distress, forfeiture or termination or

MAYNBRIDGE CAPITAL

sale, or any other remedy being enforced against the Collateral and to provide to Lender satisfactory evidence of such payment and discharge;

- (k) to maintain its corporate existence, and to diligently preserve all its rights, licenses, powers, privileges, franchises and goodwill;
- (l) to observe and perform all of its obligations and comply with all conditions under leases, licenses and other agreements to which it is a party or pursuant to which any of the Collateral is held;
- (m) to carry on and conduct its business in an efficient and proper manner so as to preserve and protect the Collateral and income therefrom;
- (n) to keep, in accordance with generally accepted accounting principles consistently applied, proper books of account and records of all transaction in relation to its business and the Collateral;
- (o) to observe and conform to all valid requirements of law and of any governmental or municipal authority relating to the Collateral or the carrying on by Borrower or Guarantor(s) of its business;
- (p) to allow Lender, its agents, nominees and consultants to access to its premises from time to time in order to view the state and condition of its property, to carry out such environmental reviews as Lender in its sole discretion deems advisable and to inspect its books and records and make extracts therefrom;
- (q) to prevent the Collateral from being or becoming an Accession or a fixture to other property not covered by this Agreement or other security granted by Borrower or Guarantor(s) in favour of Lender;
- (r) to not make any loans or advances to its employees or shareholders;
- (s) to not declare any dividends or make any other distributions (whether by reduction of capital or otherwise) with respect to any of its issued and outstanding shares or other equity interest, without the prior written consent of the Lender;
- (t) to not change the nature of its business as it is being carried on at the date hereof or the nature of or the character or location of the Collateral, nor alter the ownership or control of ownership of the Collateral; or change the current shareholders or the controlling interests in the Borrower, which would, in the sole determination of the Lender, have a material adverse effect on the Borrower;
- (u) to pay all Permitted Fees and Expenses;
- (v) to maintain all permits and licenses required for the operation of the Borrower's business;
- (w) to deliver to Lender from time to time promptly upon request:
- (x)
 - (i) any Documents of Title, Instruments, Investment Property and Chattel Paper constituting the Collateral,
 - (ii) all books of account and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral,
 - (iii) all financial statements prepared by or for Borrower regarding its business,
 - (iv) all policies and certificates of insurance relating to the Collateral, and
 - (v) such further information concerning the Collateral, Borrower/ Guarantor(s) and Borrower's or Guarantor(s) business and affairs as Lender may request;
- (y) not to change the present use of the Collateral;
- (z) not to permit a change in the ownership or control and direction over the assets or undertaking of the Borrower or Guarantor(s) or a change in its voting shares, units or other ownership interests without the prior written consent of Lender; and
- (aa) to comply with all other requirements of Lender, whether in the nature of positive or negative covenants, as may be communicated by Lender to Borrower from time to time.

10. REPORTING REQUIREMENTS. Borrower agrees to provide the following to Lender:

- (a) copy of its most recent annual financial statements, audited if applicable, promptly upon availability and in any event, within 90 days of each financial year-end. Upon request by Lender, Borrower agrees also to furnish its quarterly financial statements promptly upon availability and, in any event, within 60 days of each financial quarter-end;
- (b) its monthly unaudited financial statements, each month, including profit and loss, balance sheet, schedule of accounts receivable and

accounts payable, and monthly statement of accounts from the Receiver General evidencing that all priority payables on all accounts receivable are in good standing and up to date, and confirming that all income taxes and other taxes including all sales taxes, have been paid to Canada Revenue Agency; and

- (c) any further information, data, financial reports and records, accounting or banking statements which Lender may from time to time require in its sole discretion, acting reasonably.

11. INSURANCE. Borrower will insure and keep fully insured and will cause Guarantor(s) to insure and keep fully insured as the case may be, the Collateral against loss, theft, destruction or damage from any cause whatsoever, together with comprehensive general liability insurance in the amount of \$2,000,000, in form and with insurers acceptable to Lender. Each insurance policy will name Lender and Borrower or Guarantor(s), as the case may be, as insured, name Lender as loss payee and contain a clause providing that the policy will not be cancelled or altered without at least 15 days prior written notice to Lender. Borrower will deliver to Lender all insurance policies with premiums prepaid, or provide evidence satisfactory to Lender that such insurance is in place, on or before the date of delivery of the Collateral or the Advance Date, whatever is earlier. Borrower will deliver to Lender, prior to expiration of any policy, proof of renewal satisfactory to Lender. Borrower will immediately advise Lender of all accidents involving the Collateral and all claims made or actions commenced in respect of the Collateral, and forward all correspondence and legal process in respect thereof to the insurer with copies to Lender. In the event of damage to any item of the Collateral amounting to a Loss of Equipment, Lender will be entitled to receive immediate payment of the amount equal to the Accrued Liability with respect to such item of Equipment. Lender may retain any monies received from the insurance proceeds in an amount equal thereto, Borrower remaining liable for any deficiency. If loss or damage occurs and Borrower is not in violation of the terms of any such policy and no Default has occurred, Lender will pay Borrower any insurance proceeds received by Lender in excess of the Accrued Liability.

12. EVENTS OF DEFAULT. Any of the following constitutes Default:

- (a) failure of Borrower to pay any Indebtedness within 10 days after its due date;
- (b) failure of Borrower or Guarantor(s) to perform or observe any obligation, covenant, term, provision or condition contained in this Agreement, any other Document or other agreement made by Borrower or Guarantor(s) with or in favour of Lender and such default continues for 10 days after notice thereof by Lender to Borrower or Guarantor(s), as applicable;
- (c) Borrower becomes insolvent or makes a voluntary assignment or proposal in bankruptcy or otherwise acknowledges its insolvency, a bankruptcy petition is filed or presented against Borrower, the making of an authorized assignment for the benefit of the creditors of Borrower, the appointment of a receiver, receiver-manager, receiver and manager or trustee for Borrower or any assets of Borrower, or the institution by or against Borrower of any other type of insolvency proceeding under the *Bankruptcy Act*, *Companies Creditors Arrangement Act* or similar legislation in any jurisdiction;
- (d) any act, matter or thing being done toward, or the commencement of any action or proceeding for, terminating the corporate existence of Borrower, or if Borrower is a partnership, the existence of the partnership, whether by way of winding-up, surrender of charter or otherwise;
- (e) any security interest affecting the Collateral becomes enforceable;
- (f) Borrower ceases or threatens to cease to carry on its business or makes or proposes to make a bulk sale of its assets or any sale of the Collateral other than as expressly permitted herein;
- (g) any execution or other process of any court becomes enforceable against Borrower or a distress or analogous process is levied upon the assets of Borrower or any part thereof (whether or not forming part of the Collateral);
- (h) if ownership of or control and direction over the assets or undertaking of Borrower or Guarantor(s) or the majority of its voting shares, units or other ownership interests changes, by amalgamation, merger, sale, transfer of shares, units or other ownership interests or otherwise, except pursuant to death of a shareholder, partner or unitholder;

MAYNBRIDGE CAPITAL

- (i) Borrower permits any amount which has been admitted as due by it or is not disputed to be due by it and which forms, or is capable of being made, a charge upon the Collateral in priority to, or *pari passu* with, the Security Interest to remain unpaid for 30 days after proceedings have been taken to enforce the same;
- (j) Borrower allows any amount outstanding from it to the Crown pursuant to any federal or provincial statute to remain unpaid for 30 days or more;
- (k) any representation or warranty furnished by or on behalf of Borrower or Guarantor(s) pursuant to or in connection with this Agreement or other Document (regardless of the form thereof or whether contained herein or elsewhere), whether as an inducement to Lender to extend any credit to or to enter into this or any other agreement with Borrower or otherwise, proves to have been false or misleading as of the day made in any material respect or to have omitted any substantial contingent or unliquidated liability or claim against Borrower or Guarantor(s);
- (l) there occurs any material adverse change in:
 - (i) Borrower's or Guarantor(s) position (financial or otherwise), or in the nature and value of the Collateral; or
 - (ii) any property, equipment or business activities of Borrower or Guarantor(s); and
- (m) Lender considers or deems, in its sole opinion, that the Security Interest and the Collateral are not sufficient security in relation to the extent of the Indebtedness.

13. ACCELERATION. In the event of Default, Lender, in its sole discretion, may declare all or any part of the Indebtedness which is not by its terms payable on demand to be immediately due and payable, without demand or notice of any kind. The provisions of this clause will not in any way affect any rights of Lender with respect to any Indebtedness which may now or hereafter be payable on demand.

14. REMEDIES. Upon Default, Lender will have, without limitation, the following rights and powers, which Lender may exercise immediately:

- (a) to declare this Agreement to be in default (with or without terminating this Agreement) whereupon all Indebtedness hereunder will be immediately due, payable and enforceable without any notice or demand whatsoever;
- (b) to terminate this Agreement;
- (c) to enter upon the premises of Borrower or Guarantor(s) or any other premises where the Collateral may be situated and to take possession of all or any part of the Collateral, by any method permitted by law, to the exclusion of all others, including Borrower or Guarantor(s), its directors, officers, agents and employees, and Borrower and Guarantor(s) hereby waive and release Lender and any Receiver from all claims in connection therewith or arising therefrom;
- (d) to remove all or any part of the Collateral to such place as Lender deems advisable;
- (e) to preserve and maintain the Collateral and to do all such acts incidental thereto as Lender considers advisable, including but not limited to making replacements and additions to the Collateral;
- (f) to collect, demand, sue on, enforce, recover and receive the Collateral and give receipts and discharges therefor, and may do any such act and take any proceedings related thereto in the name of Borrower or Guarantor(s) or otherwise as Lender considers appropriate;
- (g) to sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places, for such consideration and upon such terms and conditions as Lender deems reasonable (including without limitation, by deferred payment) all in Lender's absolute discretion and without the concurrence of Borrower or Guarantor(s); provided however, that Lender will not be required to do so and it will be lawful for Lender to use and possess the Collateral for any and all purposes and in any manner Lender sees fit, all without hindrance or interruption by Borrower or Guarantor(s) or any other Person, provided however that none of the foregoing will prejudice Lender's right to pursue Borrower or Guarantor(s) for recovery in full of the amount of the Indebtedness, including the amount of any deficiency owing after the application of the proceeds of realization;
- (h) to appoint by instrument in writing, with or without bond, or by application to any court of competent jurisdiction, a Receiver of the Collateral and to remove any Receiver so appointed and appoint

another or others in his stead. Any such Receiver will, so far as concerns responsibility for his acts, be deemed the agent of Borrower and not of Lender and Lender will not be in any way responsible for any misconduct, negligence or non-feasance on the part of any such Receiver, its agents, servants or employees. Subject to the provisions of the instrument appointing him, any such Receiver will have the power to take possession of the Collateral, to preserve the Collateral or its value, to carry on or concur in carrying on all or any part of the business of Borrower or Guarantor(s) and to sell, lease or otherwise dispose of or concur in selling, leasing or otherwise disposing of the Collateral (including disposition by way of deferred payment). To facilitate the foregoing powers, any such Receiver may, to the exclusion of all others including Borrower or Guarantor(s), enter upon, use and occupy all premises owned or occupied by Borrower or Guarantor(s) where Collateral may be situate, to employ and discharge such employees, agents or professional advisors as the Receiver deems advisable, to enter into such compromises, arrangements or settlements as the Receiver deems advisable, to borrow or otherwise raise money on the security of the Collateral and to issue Receiver's certificates and do all such other acts as the Receiver deems advisable in connection with any of the powers referred to herein. Except as may be otherwise directed by Lender, all monies received from time to time by the Receiver in carrying out his appointment will be received in trust for and paid over to Lender. In addition, every Receiver may, in the discretion of Lender, be vested with all or any of the rights and powers of Lender under the Act or any other applicable legislation or under this Agreement or any other agreement;

- (i) to rescind or vary any contract for sale, lease or other disposition that Borrower, Guarantor(s) or Lender may have entered into and to resell, release or redispense of the Collateral;
- (j) to deliver to any purchasers of the Collateral good and sufficient conveyances or deeds for the same free and clear of any claim by Borrower or Guarantor(s). For such purposes, the purchaser or lessee receiving any disposition of the Collateral need not inquire whether Default under this Agreement has actually occurred but may as to this and all other matters rely upon a statutory declaration of an officer of Lender, which declaration will be conclusive evidence as between Borrower or Guarantor(s) and such purchaser or lessee, and any such disposition will not be affected by any irregularity of any nature or kind relating to the enforcement of this Agreement or the exercise of the rights and remedies of Lender;
- (k) to exercise any of the powers and rights given to a Receiver pursuant to this Agreement;
- (l) to provide written notice to Borrower or Guarantor(s) that all the powers, functions, rights and privileges of the directors and officers of Borrower or Guarantor(s) with respect to the Collateral, business and undertaking of Borrower or Guarantor(s) have or will cease as of the date notified therein, except to the extent specifically continued at any time by Lender in writing;
- (m) whether or not this Agreement may have been or be deemed to have been terminated, demand, sue for and recover the amount equal to the Accrued Liability, less, if applicable, the net proceeds to Lender derived from the sale, lease or other disposition of the Collateral, after deducting all Costs of Disposition; and
- (n) to take the benefit of or to exercise any other right, proceeding or remedy authorized or permitted at law or in equity, whether as a secured party pursuant to the Act or otherwise.

All rights and remedies of Lender are cumulative and may be exercised at any time and from time to time independently or in combination. No delay or omission by Lender in exercising any right or remedy will operate as a waiver thereof or of any other right or remedy, and no singular partial exercise thereof will preclude any other or further exercise thereof or the exercise of any other right or remedy. Provided always that Lender will not be liable or accountable for any failure to exercise its remedies, take possession of, collect, enforce, realize, sell, maintain, lease or otherwise dispose of the Collateral, or to institute any proceedings for such purposes. Lender will have no obligation to take any steps to preserve rights against other parties, will have no obligation to exercise any of the rights and remedies available to it on Default and will not be liable or accountable for not exercising any such rights and remedies. Lender may waive any Default

MAYNBRIDGE CAPITAL

but no such waiver will be effective unless made in writing and signed by an authorized officer of Lender. Any such waiver will not extend to, or be taken in any manner whatsoever to affect, any subsequent Default or the rights resulting therefrom.

15. LENDER MAY REMEDY DEFAULT. Lender will have the right, but will not be obliged to, remedy any Default of Borrower or Guarantor(s) and all sums thereby expended by Lender will be payable immediately by Borrower, together with interest thereon at the highest rate of interest then chargeable by Lender to Borrower on any portion of the Indebtedness. All such sums will be added to the Indebtedness and will be secured by this Agreement. In no case will the exercise of Lender's rights pursuant to this Section 15 be deemed to relieve Borrower or Guarantor(s) from such Default or be deemed a waiver of such Default or of any other prior or subsequent Default.

16. USE OF COLLATERAL. Subject to compliance with Borrower's covenants contained herein and to the following provisions of this Section 16, until Default, Borrower may or may cause Guarantor(s) to:

- (a) in the case of Inventory and Money, dispose of the same in the ordinary course of the business of Borrower and for the sole purpose of carrying on the same; and
- (b) otherwise possess, collect, use, enjoy and deal with the Collateral in the ordinary course of Borrower's business in any manner not expressly or impliedly prohibited herein or otherwise inconsistent with the provisions of this Agreement.

Notwithstanding the foregoing:

- (a) before or after Default Lender may notify all or any Account Debtors and may direct such Account Debtors to make all payments owed in respect of the Collateral directly to Lender; and
- (b) Borrower agrees that any payments on or other Proceeds of Collateral received by Borrower, whether before or after Default, will be received and held by Borrower in trust for Lender and will be turned over to Lender upon request.

If the Collateral at any time includes Investment Property, Borrower authorizes Lender to transfer the same or any part thereof into its own name or that of its nominees so that Lender or its nominees may appear on record as the sole owner thereof; provided however that until Default, Lender will deliver to Borrower all notices or other communications received by it or its nominees as registered owner and upon demand and receipt of payment of any necessary expenses will issue to Borrower or its order a proxy to vote and take all action with respect to such Investment Property. However, after Default, Borrower waives all rights to receive any notices or communications in respect of such Investment Property and agrees that no proxy issued by Lender to Borrower or its order as aforesaid will thereafter be effective.

17. BORROWER'S GENERAL INDEMNITIES. Borrower will indemnify and save harmless Lender from and against all existing or future losses, costs, charges, expenses, liabilities, claims, demands, penalties, damages, suits, actions and causes of action of every nature and kind whatsoever, including strict liability in tort or in delict and liability from environmental risks, hazards or incidents and any legal proceedings arising as a result of any of the foregoing (collectively, the "Claims") sustained or suffered by Lender, or for which Lender may become liable, resulting from or arising out of:

- (a) Lender's lawful exercise or performance of its rights or obligations under this Agreement;
- (b) the holding by Lender of the Security Interest;
- (c) any Default;
- (d) any personal injury or property damage or other commercial loss arising out of the sale or delivery to, installation, ownership, use, operation, maintenance, condition, return, removal and re-delivery of the Collateral; or
- (e) any use or operation of the Collateral which infringes any patent or other industrial or intellectual property right, unless caused by the gross negligence or willful misconduct of Lender, its employees, servants or agents.

18. COSTS. All costs, including, without limitation, legal fees (on a solicitor and his own client full indemnity basis), appraisal fees and reasonable out-of-pocket expenses incurred by Lender in connection with

the preparation and registration of the Documents and Lender's security, administration of financial services hereunder and the enforcement of Lender's rights under the Documents or Lender's security are for the account of Borrower and this Agreement will serve as Lender's authority to charge this amount to Borrower's deposit account under advice to Borrower. All such costs will be added to the Indebtedness and will be secured by this Agreement.

19. PRE-AUTHORIZED PAYMENTS. All payments will be drawn from a specified account of Borrower pursuant to a Pre-authorized Payment Debit delivered by Borrower to Lender. Lender is hereby authorized to deliver such payment orders to the financial institution named therein. Borrower hereby appoints Lender its lawful attorney to take all action contemplated by such payment orders to receive payment of any amount due under this Agreement. Lender may decline any other form of payment.

20. NO SET-OFF – EXCLUSION AND ASSIGNMENT OF WARRANTIES. Borrower irrevocably and unconditionally waives all equities and rights of set-off and counterclaim against any obligations hereunder and agrees to pay the Indebtedness without regard to any equities. Neither defects in, damage to, nor loss or destruction of the Collateral will terminate this Agreement or reduce Borrower's obligations hereunder, except as otherwise expressly provided herein. Lender will not be bound by or be deemed to have made or be liable for any representation, warranty or promise made by a supplier or otherwise. Lender will not be liable for any failure of the Collateral including any latent defect or alleged fundamental breach of this Agreement. Neither Lender nor any of its employees, servants or agents has made and does not now make any representation or warranty whatsoever, express or implied, with respect to the Collateral or any intellectual or industrial property rights therein including the design, specifications, condition, quality, merchantability or fitness for Borrower's purposes and Lender will have no liability for any direct, indirect, punitive, exemplary, special or consequential damages or loss of profits, actual or anticipated, or for any damages based on strict or absolute tort or delictual liability or Lender's or a supplier's negligence. Nothing herein will deprive Borrower of its rights against a supplier or any Person other than Lender. Borrower will make any Claims with respect to the Collateral directly against a supplier. If the Collateral is seized or sold by Lender, all warranties of a supplier and rights to all software, other intellectual and industrial property licenses accompanying goods will be deemed assigned by Borrower to Lender.

21. APPROPRIATION OF PAYMENTS. All payments made at any time in respect of the Indebtedness and all Proceeds realized from the Collateral may be applied (and reapplied from time to time notwithstanding any previous application) in such manner as Lender sees fit or, at the option of Lender, may be held unappropriated in a collateral account or released to Borrower all without prejudice to the rights of Lender hereunder, including Lender's right to collect from Borrower the amount of any deficiency remaining after application of all such payments and Proceeds.

22. POWER OF ATTORNEY AND AUTHORIZATION TO FILE. Borrower hereby authorizes Lender to file such Financing Statements and other documents and do such acts, matters and things (including completing and adding schedules to this Agreement identifying Collateral or location) as Lender from time to time deem appropriate to perfect, continue and realize upon the Security Interest and to protect and preserve the Collateral. In addition, for valuable consideration, Borrower hereby irrevocably appoints Lender and its officers from time to time, or any one or more of them, to be the true and lawful attorney of Borrower, with full power of substitution, in the name of and on behalf of Borrower to execute and to do all deeds, transfers conveyances, assignments, assurances, and other things which Borrower ought to execute and do under the covenants and provisions contained in this Agreement and generally to use the name of Borrower in the exercise of all or any of the rights, remedies and powers of Lender.

23. SUCCESSORS AND ASSIGNS. This Agreement enures to the benefit of and is binding upon the parties and their successors and permitted assigns. Lender may assign, transfer or syndicate, in whole or in part, its rights under this Agreement, any other Document or the Security Interest or pledge its rights thereunder without Borrower's consent and Borrower accepts such assignment, transfer, pledge or syndication and waives notice thereof. Any assignee, transferee or beneficiary of such assignment,

MAYNBRIDGE CAPITAL

transfer, pledge or syndication (each, an "Assignee") will be unrestricted in the exercise of such rights. Borrower will recognize any such assignment, transfer or pledge. In the event of such assignment, transfer, pledge or syndication, Borrower will execute and deliver all such agreements, documents and instruments as Lender may reasonably request to effect and recognize such assignment, transfer, pledge or syndication. Lender will be relieved and forever discharged of any and all of its covenants and obligations under this Agreement and any other Document so assigned, transferred, pledged or syndicated from and after the effective date of same and Borrower's recourse under this Agreement and any other Documents, in respect of such portion so assigned, transferred, pledged or syndicated from and after the effective date will be to such new lender or new lenders only, as the case may be, and their successors and permitted assigns. Borrower is not entitled to assign its rights or obligations hereunder.

24. INFORMATION. Lender may from time to time give any loan or other information about Borrower to, or receive such information from (a) any financial institution, credit reporting agency, rating agency or credit bureau, (b) any Person with whom Borrower may have or propose to have financial dealings, and (c) any Person in connection with any dealings Borrower has or proposes to have with Lender. Borrower agrees that Lender may use that information to establish and maintain Borrower's relationship with Lender and offer any services as permitted by law, including services and products offered by Lender's subsidiaries when it is considered that this may be suitable to Borrower.

25. SURVIVAL. Notwithstanding any other Section, any accrued obligations and the obligations of Borrower under Section 3 with respect to Loss of Equipment, Subsection 9(i), Section 15, Section 17, Section 18, Subsection 28(f) and Section 21 and all rights of Lender hereunder, whether accrued or not, will survive the termination or expiration of this Agreement and the payment of the Accrued Liability and all other amounts payable hereunder.

26. MISCELLANEOUS

- (a) Lender may grant extensions of time and other indulgences, take and give up security, accept compositions, compound, comprise, settle, grant releases and discharges and otherwise deal with Borrower, debtors of Borrower, Guarantor(s), sureties and others and with the Collateral and other security as Lender sees fit, all without prejudice to the liability of Borrower to Lender or to Lender's rights in respect thereof. In addition, Lender may demand, collect, and sue on the Collateral in either Borrower's or Lender's name, all at Lender's option, and may endorse Borrower's name on any and all cheques, commercial paper and other Instruments pertaining to or constituting the Collateral.
- (b) Neither the execution or registration of this Agreement or the other Documents, nor the advance or readvance of part of the monies hereby intended to be secured, will bind Lender to advance or readvance the said monies or any unadvanced part thereof. The advance or readvance of the said monies or any part thereof from time to time will be in the sole discretion of Lender.
- (c) Borrower hereby waives protest of any Instrument constituting Collateral at any time held by Lender on which Borrower is in any way liable and, except as expressly prohibited by law, waives notice of any other action taken by Lender.
- (d) Without limiting any other right of Lender, whenever the Indebtedness is due and payable or Lender has the right to declare it to be due and payable (whether or not it has been so declared), Lender may, in its sole discretion, set off against the Indebtedness any and all monies then owed to Borrower by Lender in any capacity, whether or not due, and Lender will be deemed to have exercised such right to set-off immediately at the time of making its decision to do so even though any charge therefor is made or entered on Lender's records subsequent thereto.
- (e) In any action brought by an Assignee to enforce any rights hereunder, Borrower will not assert against such Assignee any claim or defence which Borrower now has or may hereafter have against Lender.

27. NOTICE. In addition to the notice provisions contained in the Act, whenever Borrower or Lender is required or entitled to notify or direct the other or to make a demand or request upon the other, such notice,

direction, demand or request will be in writing and will be sufficiently given only if delivered or sent by prepaid registered mail addressed to the party for whom it is intended at the applicable address as set out herein or as changed pursuant hereto. Either party may notify the other of any change in such party's address to be used for the purposes hereof. All such communications will, in the case of delivery or facsimile, be deemed received on the date of delivery and, if mailed as aforesaid, will be deemed received on the third Business Day following the date of posting. In the case of a disruption in postal service all such communications will be delivered.

28. INTERPRETATION.

- (a) This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia.
- (b) This Agreement and the security afforded by it is in addition to and not in substitution for any other security now or hereafter held by Lender and is intended to be a continuing security agreement and will remain in full force and effect until released in writing by Lender. Lender will have no obligation to provide such release unless and until the full amount of the Indebtedness has been paid in full.
- (c) In the event of conflict among the provisions of this Agreement and any other Documents, this Agreement will prevail over such other Documents.
- (d) There are no representations, warranties, covenants, agreements or acknowledgements by Lender affecting the Loan Amount, the Indebtedness, the Accrued Liability, this Agreement or the Collateral, other than as expressed in this Agreement and the other Documents.
- (e) If any provision of this Agreement is held invalid, in whole or in part, by any court of competent jurisdiction, the remaining terms and provisions of this Agreement will remain in full force and effect and this Agreement will be enforced to the fullest extent permitted by law.
- (f) Borrower hereby waives the benefit of all statutory, common law and equitable rights, benefits and provisions which in any way limit or restrict Lender's rights and remedies, to the extent that such waiver is not expressly prohibited by law. Borrower acknowledges and agrees that Lender will have the right to recover the Indebtedness by all lawful means, including the right to seek recovery of any deficiency remaining after the sale of the Collateral, including any sale thereof to Lender.
- (g) The headings of the Sections of this Agreement are inserted for convenience of reference only and will not affect or limit the construction or interpretation of this Agreement.
- (h) All schedules, whether attached hereto on the date hereof or subsequently attached pursuant to the provisions of this Agreement, form part of this Agreement. With the exception of any schedules which may be added hereafter by Lender without the concurrence of Borrower pursuant to the provisions of this Agreement, no modification, variation or amendment of this Agreement will be made except by a written agreement executed by Borrower and Lender.
- (i) When the context so requires, words importing the singular number will be read to include the plural and vice versa, and words importing gender will be read with all grammatical changes necessary to reflect the identity of the parties.
- (j) This Agreement will enure to the benefit of Lender, its successors and assigns and will be binding upon Borrower, its personal representatives, administrators, successors and permitted assigns. If more than one Borrower executes this Agreement, the obligations of Borrower will be joint and several.
- (k) Time will be in all respects of the essence of this Agreement.

29. RECEIPT OF DOCUMENTS

- (a) Borrower hereby acknowledges receiving a copy of this Agreement and the other Documents; and
- (b) Borrower hereby waives its right to receive a copy of any Financing Statement, Financing Change Statement or verification statement which may be filed by or issued to Lender pursuant to the Act.

30. COUNTERPARTS. This Agreement may be signed and delivered in any number of counterparts and by electronic means, each of which will be deemed to be an original, and all of which together will constitute the same document and, notwithstanding the date of execution, be deemed to bear the effective date set forth above.

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SCHEDULE "A" - DEFINITIONS

The following definitions will apply herein:

"**Accessions**", "**Account**", "**Chattel Paper**", "**Consumer Goods**", "**Document of Title**", "**Financing Change Statement**", "**Financing Statement**", "**Goods**", "**Instrument**", "**Intangible**", "**Inventory**", "**Investment Property**", "**Money**", and "**Purchase Money Security Interest**" will have the meanings ascribed to them in the Act and will be deemed to include both the singular and plural of such terms. All other capitalized words or terms used herein, unless otherwise defined herein, will have the meanings ascribed to them in the Act;

"**Account Debtor**" has the meaning given to it in Subsection 8(g);

"**Accrued Liability**" at any time means the amount equal to the sum of the Loan, any prepayment charge and all other amounts then payable hereunder, including any Overdue Payment and accrued interest;

"**Act**" means the *Personal Property Security Act* of the Province of British Columbia in effect on the date hereof, as such legislation may be amended, renamed or replaced from time to time (and including all regulations from time to time made under such legislation);

"**Advance Date**" means the date specified on the face page hereof as the date on which the Loan will be advanced and which date will be a Business Day;

"**Agreement**", "**herein**", and similar expressions refer to the whole of this Loan and Security Agreement, together with all Schedules attached hereto and not to any particular section or other portion thereof and extend to and include every instrument which amends or supplements this Agreement;

"**Assignee**" has the meaning given to it in Section 23;

"**Borrower**" means Microb Resources Inc., and its successors and permitted assigns;

"**Business Day**" means any day (other than a Saturday or a Sunday) that Lender is open for business;

"**Claims**" has the meaning given to it in Section 17;

"**Collateral**" has the meaning given to it in Section 5;

"**Costs of Disposition**" means all costs, disbursements, fees, commissions and other expenses (including legal fees on a solicitor and his own client full indemnity basis and expenses) which Lender may incur, pay or be liable for in connection with recovering possession of, dismantling, removing, transporting, repairing, processing, reconditioning, storing, selling, leasing or otherwise disposing of the Collateral;

"**Default**" means the happening of any one or more of the events or conditions described in Section 12 and such term will be deemed to include each, any, or all such events or conditions, whether any such event is voluntary or involuntary or is effected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body;

"**Documents**" has the meaning given to it in Subsection 8(b);

"**Equipment**" means all items of personal property that comprise the Collateral and all Accessions, additions, attachments, enhancements, improvements or replacements thereof and as set out in any other Loan and Security Agreement between Borrower and Lender entered into from time to time;

"**First Installment Date**" means the day stated as such on the face page hereof; "**Fixed Rate**" means the fixed rate agreed to by Borrower and Lender, which may be subject to fluctuation up to and including the Advance Date;

"**Floating Rate**" means the Prime Rate plus the percentage amount stated on the face page hereof, as applicable;

"**Guarantor(s)**" means each affiliate of Borrower that is required by Lender to deliver a guarantee of the Indebtedness, and their respective successors and permitted assigns;

"**Indebtedness**" means and includes all obligations, indebtedness and liability of Borrower to Lender, (including, without limitation, the Loan Amount, all principal, interest and costs on a full indemnity basis) present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wherever and however incurred, together with any ultimate unpaid balance thereof, whether the same is from time to time reduced and

thereafter increased or entirely extinguished and thereafter incurred again, and whether Borrower is bound alone or with another or others and whether as principal or surety;

"**Interest Rate**" means the Fixed Rate or the Floating Rate, as applicable;

"**Lender**" means Maynbridge Capital Inc., together with its successors and assigns;

"**Loan**" means the Loan advanced by the Lender pursuant to the terms of this Agreement;

"**Loan Amount**" means the Loan advanced by Lender to Borrower hereunder or the unpaid outstanding balance thereof, as the context requires;

"**Loan Fee**" means the loan transaction fee payable by the Borrower to the Lender in the amount as stated on the face page hereof;

"**Loss of Equipment**" means:

- total or constructive total loss of the Equipment, or damage thereto or theft thereof which, in the reasonable opinion of Lender, renders it impossible or impractical to use the Equipment for its intended purpose; or
- expropriation or confiscation of the Equipment by any authority absolutely or for more than 180 days;

"**Maturity Date**" means the earlier of the date that is ninety (90) days after the Advance Date and the date the Lender has made a demand as a result of a Default;

"**Overdue Payment**" means any amount owing by Borrower hereunder and any sum disbursed by Lender pursuant to Section 15 which is not paid when due hereunder, or any portion thereof;

"**Payment Date**" means that certain day of every calendar month as stated on the face page hereof during which any amounts outstanding hereunder are payable, commencing on the First Instalment Date;

"**Permitted Encumbrances**" means the Security Interest or other security interests in favour of Lender and any security interest which is approved in writing by Lender;

"**Permitted Fees and Expenses**" means, collectively, all fees, expenses and costs incurred by the Lender in connection with this Agreement and the reasonable fees and expenses of the Borrower in connection with entering into this Agreement;

"**Person**" means any natural person, corporation, firm, partnership, trust, sole proprietorship or governmental agency, authority or other entity, however constituted or designated;

"**Personal Guarantor**" means any personal affiliate of the Borrower that is required by the Lender to deliver a guarantee of the Indebtedness;

"**Prime Rate**" means the variable reference rate of interest per year declared by Lender from time to time to be its prime rate for Canadian dollar loans made by Lender in Canada;

"**Proceeds**" will have the meaning ascribed to in the Act and will be interpreted to include bank accounts, cash, trade-ins, Equipment, notes, Chattel Paper, Goods, contractual rights, Accounts and any other personal property or obligation received when Collateral or Proceeds thereof are sold, exchanged, collected or otherwise disposed of;

"**Receiver**" means any one or more Persons (whether officers of Lender or not), firms or corporations appointed pursuant to Subsection 14(h) and will be deemed to include a receiver, manager, receiver-manager or receiver and manager or trustee; and

"**Security Interest**" means the security interest and floating charge granted by Borrower to Lender pursuant to this Agreement.



SCHEDULE "B"

1. LOCATIONS OF BORROWER'S BUSINESS OPERATIONS

(a) Chief Executive Office

#105 - 3551 Viking Way
Richmond, BC Canada V6V 1W1

(b) Other Locations:

211 Horel Road
Saltspring Island, BC Canada V8K 2A4

2. LOCATIONS OF RECORDS RELATING TO COLLATERAL

#105 - 3551 Viking Way
Richmond, BC Canada V6V 1W1



SCHEDULE "C"

Invoices

Sustainable Harvest Inc.
2303 W Commodore Way
Unit 204
Seattle WA 98199
USA
FLO ID: 1195



INVOICE 75130

Date: Nov 27, 2024

Bill to	Deliver to
Microb Resources Inc. dba Salt Spring Coffee Company 3551 Viking Way Unit 105 Richmond, BC V6V 1W1 Canada FFL ID: 120337-SFT, FT ID: 1217	Microb Resources Inc. dba Salt Spring Coffee Company 3551 Viking Way, Unit 105 Richmond, BC V6V 1W1 Canada FFL ID: 120337-SFT, FT ID: 1217

Purchase order	Terms	Due date	Warehouse	Delivery order
PO-27469	Net 60	Jan 26, 2025	Seaforth Supply Chain Solutions	26589

Contract number	Description	Quantity	Rate	Amount
NISAC08-3-2023-SS	Nicaragua Sacali FTO and ROC Certified SACACLI FLO ID: 35425 / Sucafina NA FLO ID: 33933 Washed FTO Marks: 017-0448-0028 Weigh 152.11878 lb/bag, Price \$3.4030 PO: Procafe replacement approved by jessie	8 bags	\$517.6600	\$4,141.28
NISAC08-3-2023-SS	Storage and finance for (15) months. \$0.0510 per lb per month	120 mos.	\$7.7600	\$931.20
			Total USD	\$5,072.48

NOTICE OF ASSIGNMENT

We notify you that, pursuant to the General Security Agreement dated April 18, 2024 by Sustainable Harvest Inc. ("Sustainable Harvest") in favor of Brown Brothers Harriman & Co. (the "Bank"), Sustainable Harvest has assigned to the Bank all of its rights to receive payment under this invoice and any agreement under which this invoice has been issued.

Unless and until you receive further instructions from the Bank, you should make all payments of this invoice, in the amounts and on the dates set forth herein, by wire transfer in accordance with the following wire instructions:

Make payable to:

For Payments by Wire or ACH from USA:

Beneficiary Bank:
Wells Fargo Bank N.A.
420 Montgomery St
San Francisco, CA 94104
U.S.A
Routing# 121000248

Beneficiary Customer:
SUSTAINABLE HARVEST, INC.
ACCT# 4893517227

For Payments by Wire from Foreign Banks:

Beneficiary Bank:
Wells Fargo Bank N.A.
420 Montgomery St
San Francisco, CA 94104
U.S.A
Wires-USD
SWIFT# WFBUS6S
Wires-Foreign Currency
SWIFT# WFBUS6WFFX

Beneficiary Customer:
SUSTAINABLE HARVEST, INC.
ACCT# 4893517227

This notice of assignment is effective until further notice to you and may not be altered or revoked without the prior written consent of the Bank.

Due to the significant risk of cyber fraud affecting email accounts and banking details, please note that our bank account details will never change during the course of a transaction and we will never notify you of changes to our bank details via email. If any concerns, please independently confirm bank account details with your Sustainable Harvest contact via telephone.

* Using the FLO Fairtrade label on products requires a valid certificate.

Please note that all past due balances are subject to 1.5% per month finance charge.

Sustainable Harvest Coffee Importers - 2303 W Commodore Way, Unit 204, Seattle WA 98199 - accounting@sustainableharvest.com - Ph: 503-235-1119 - Fx: 503-296-2349



Swiss Water Decaffeinated Coffee Inc.
 7750 Beedie Way
 Delta B.C. V4G0A5
 Canada
 T (604) 420-4050 | (800) 667-6181
 F (604) 420-8711
 FLO ID: 2604

018
PROFORMA

Date	Invoice #
29-Nov-2024	PRF002801

Bill To / Facturer à :

Salt Spring Coffee
 105-3551 Viking Way
 Richmond, BC V6V1W1
 Canada

SO# Commande	Cust. Reference Référence du	Payment Terms	Ship Via Transporté par	Freight Terms Mode de transp.	Location Emplacement	SW	Due Date Échéance	Ship Date Expédition
S38380	PO-27438	NET30		Ex-Warehouse	Seaforth Supply Chain Solutions	MMJRR	29-Dec-2024	29-Nov-2024
Weight	Bags/Sacs	Item/Article	Description			Price/Prix per Lb	Amt/Montant	
6,614.00 Lbs (3,000.06 Kg)	50	6960D001	Organic Green Decaf Coffee - Peru Organic FT Grade 1 Inventory Lot : BB32908 Production # : 69-1664 Customer Reference: PO-27438			4.5125	29,845.68	
6,614.00 Lb	50						USD	29,845.68

TOTAL: USD 29,845.68

GST/HST No. 865420632

Accounts subject to an Interest charge of 1.5% per month on balance past due.
 Le compte est soumis à des frais d'intérêt de 1,5% par mois sur le solde

Certified in compliance with the terms of the U.S.- Canada Organic Equivalency Arrangement

The exporter of the products covered by this document (Business Number 865420632RM0001) declares that, except where otherwise clearly indicated, these products are of Canadian preferential origin.
 L'exportateur des produits couverts par le présent document (Business

Payment Instructions - US Dollars:

Intermediary Bank: WELLS FARGO BANK, N.A. NEW YORK, I
 Intermediary Bank ABA/Routing number: 026 005 092
 Intermediary Bank Swift Code: PNBPU33NNYC
 Beneficiary Bank: Canadian Imperial Bank of Commerce (CIBC)
 Beneficiary Bank Account Number: 0435015 (USD)
 Beneficiary Bank Institution/Bank Code: 010
 Beneficiary Bank Branch/Transit Number: 00010

Following account should be used if transfers originate outside North America:

Routing Number: CC001000010 / 04-35015
 Beneficiary Swift Code: CIBCCATT

Amazing Coffee Without Caffeine

For detailed origin information visit our website www.swisswater.com.
 ® is a Trademark of Swiss Water Decaffeinated Coffee Inc.

**RE: Salt Spring Coffee: Purchase Order #PO-27467 **REVISED** -MCR****'OutboundNA' via Accounting** <accounting@saltspringcoffee.com>

Fri, Nov 29, 2024 at 8:03 AM

Reply-To: OutboundNA <OutboundNA@sucafina.com>

To: Abu Salleh <abu@saltspringcoffee.com>, Stacy Bocskor <stacy.bocskor@sucafina.com>, Katherine Nolte Ferguson <katherine.ferguson@sucafina.com>, OutboundNA <OutboundNA@sucafina.com>, ReceivablesNA <ReceivablesNA@sucafina.com>, Victoria Carvajal <victoria.carvajal@sucafina.com>

Cc: Accounting <accounting@saltspringcoffee.com>, Jessie Gullett <jessie@saltspringcoffee.com>, Alex Leung <alex@saltspringcoffee.com>

Hello Alex and Abu,

New PO 27467 for \$110,281.16

Thank you,

**Camila Ceron**
Client Support SpecialistSucafina Colombia
109 North 12 Street Suite 602 Brooklyn New York 11249
T: +1 646 740 0815
camila.ceron@sucafina.com | www.sucafina.com**De:** Abu Salleh <abu@saltspringcoffee.com>**Enviado el:** jueves, 28 de noviembre de 2024 7:19 p. m.**Para:** Stacy Bocskor <stacy.bocskor@sucafina.com>; Katherine Nolte Ferguson <katherine.ferguson@sucafina.com>; OutboundNA <outboundna@sucafina.com>; ReceivablesNA <ReceivablesNA@sucafina.com>; Victoria Carvajal <victoria.carvajal@sucafina.com>**CC:** Accounting <accounting@saltspringcoffee.com>; Jessie Gullett <jessie@saltspringcoffee.com>**Asunto:** Re: Salt Spring Coffee: Purchase Order #PO-27467 **REVISED**

Good afternoon Sucafina team,

we have to adjust the PO and add another lot to the order.

attached is revised PO-27467

please let us know amount for wire transfer for the order to be released

thank you for your attention.

Abu

Abu Salleh (he/him/his)
Purchasing Manager
Salt Spring Coffee
604.328.5363

To: **Maynbridge Capital Inc. (the "Secured Party")**

Date: **November 29, 2024**

GENERAL SECURITY AGREEMENT

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Debtor, the Debtor hereby agrees as follows:

Definitions and Interpretation

1. In this agreement, the following words shall, unless otherwise provided, have the meanings set out below:

"Business Day" means a day, other than a Saturday, Sunday or statutory holiday in the Province of British Columbia.

"Collateral" means all present and future property, assets and undertaking of the Debtor pledged, assigned, mortgaged, charged, hypothecated or made subject to a security interest pursuant to this agreement.

"Contractual Right" means any agreement, right, franchise, royalty, licence, authorization, approval, privilege or permit (a) to which the Debtor is now or hereafter becomes a party, (b) in which the Debtor now or hereafter has any interest or (c) of which the Debtor is or hereafter becomes a beneficiary.

"Debtors" means the signatories to this agreement and "Debtor" means any one of them.

"Intellectual Property" means all patents, trademarks, trade names, business names, trade styles, logos and other business identifiers, copyrights, technology, inventions, industrial designs, know-how, trade secrets and other industrial and intellectual property in which the Debtor now or in the future has any right, title or interest.

"Investment Collateral" means all present and future Investment Property (as such term is defined in the PPSA) and Financial Assets (as such term is defined in the STA) of the Debtor, including all present and future options and warrants of the Debtor and all other rights and entitlements arising therefrom or related thereto, and the Debtor's present and future interests in partnerships, limited partnerships, limited liability partnerships and limited liability companies, and including all substitutions for any of the foregoing and dividends and income derived therefrom or payable in connection therewith, including, for greater certainty, any Investment Collateral listed or described in Schedule "C" hereto.

"Loan Agreement" means any equipment loan and security agreement between the Debtor and the Secured Party, as may be amended, supplemented, otherwise modified, restated or replaced from time to time.

"Obligations" means all present and future indebtedness, liabilities and obligations, direct or indirect, absolute or contingent, matured or unmatured, joint or several, of the Debtors (collectively) to the Secured Party, including without limitation any such indebtedness, liabilities and obligations arising under any Loan Agreements or any guarantees given in respect thereof.

"Other Collateral" shall have the meaning ascribed to such term in subsection 11(b).

"Permitted Encumbrances" means any and all liens, charges, mortgages, security interests, hypothecs and other encumbrances which affect all or any portion of the Collateral and which have been permitted or consented to in writing by the Secured Party (including any such liens, charges, mortgages, security interests and encumbrances the particulars of which are listed in Schedule "B" hereto).

"Person" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, limited partnership or other entity.

"PPSA" means the *Personal Property Security Act* (British Columbia), as amended from time to time and any legislation substituted therefor and any amendments thereto.

"Receiver" means a receiver, receiver-manager and receiver and manager.

"Security Interest" means the pledges, assignments, mortgages, charges and hypothecations of and the security interests in the Collateral created in favour of the Secured Party hereunder.

"STA" means the *Securities Transfer Act* (British Columbia), as amended from time to time and any legislation substituted therefor and any amendments thereto.

2. References such as "this agreement", "hereof", "herein", "hereto" and like references refer to this agreement and any exhibits or schedules attached hereto (all of which exhibits and schedules, form a part of this agreement) and not to any particular section, subsection, paragraph or other subdivision of this agreement.
3. The division of this agreement into sections, subsections and paragraphs and the insertion of headings in this agreement are for convenience of reference only and shall not affect the construction or interpretation of this agreement.
4. Terms used herein which are defined in the PPSA shall have the same meanings herein as are ascribed to such terms in the PPSA, unless such terms are otherwise defined.
5. The word "Debtor", the personal pronoun "it" or "its" and any verb relating thereto and used therewith shall be read and construed as required by and in accordance with the context in which such words are used. The term "successors" shall include, without limiting its meaning, any corporation resulting from the amalgamation of a corporation with another corporation. Where the context so requires, words used herein (including defined terms) importing the singular shall include the plural and vice versa and words used herein (including defined terms) importing gender shall include all genders (including the neuter).
6. This agreement shall be binding upon each Debtor as if each such Debtor had executed and delivered a separate agreement to the Secured Party in the same form as this agreement without any other signatories thereto; and each reference to "the Debtor" in this Agreement shall refer to each Debtor individually. The addition of any Debtors as parties to this agreement from time to time, and the release by the Secured Party of any Debtors from this agreement from time to time, shall not require the consent of any other Debtor; and for greater certainty the obligations of each Debtor hereunder shall remain in full force and effect until this agreement is released by the Secured Party in accordance with the terms hereof notwithstanding the said addition or release of any other Debtor. Any notice delivered to a Debtor hereunder shall be deemed to have been received by all Debtors concurrently. The Secured Party's rights hereunder may be enforced

from time to time against any Debtor or its assets without the requirement on the part of the Secured Party to marshal any of its claims or to exercise any of its rights against or for the benefit of any Debtor or to exhaust any remedies available to it against any Debtor or to resort to any other source or means of obtaining payment of any of the Obligations or to elect any other remedy.

7. Nothing herein (including the definition and use of the term Permitted Encumbrances) is intended or shall be deemed to subordinate the Security Interest to any Permitted Encumbrance or any other lien, charge, mortgage, security interest, hypothec or encumbrance affecting all or any portion of the Collateral.
8. If one or more of the provisions contained herein shall be invalid, illegal or unenforceable in any respect, such provision or provisions shall be severed from this agreement only to the extent necessary, and the validity, legality and enforceability of the remaining provisions hereof, including the provision or provisions remaining after such severance, shall not in any way be affected or impaired thereby.
9. Unless otherwise expressly provided in this agreement, if any matter in this agreement is subject to the determination, consent or approval of the Secured Party or is to be acceptable to the Secured Party, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Secured Party, which means the Secured Party shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this agreement refers to any action taken or to be taken by the Debtor, or which the Debtor is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "including, without limitation" and the use of the term "includes" shall mean "includes, without limitation".
10. This agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Debtor hereby irrevocably and unconditionally attorns and submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia, provided that nothing herein shall prevent the Secured Party from proceeding at its election against the Debtor in the courts of any other province, country or jurisdiction.

Grant of Security Interest

11. As continuing security for the payment and performance of all Obligations, the Debtor:
 - (a) hereby pledges, assigns, mortgages, charges and hypothecates to the Secured Party and grants to the Secured Party a security interest in the following:
 - (i) all present and future equipment of the Debtor, including all of its present and future machinery, fixtures, plant, tools, furniture, books, records, documents, vehicles of any nature, kind or description, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating to the foregoing;
 - (ii) all present and future inventory of the Debtor, including all of its present and future raw materials, materials used or consumed in its business, work-in-progress, finished goods, goods used for packing and goods acquired or held for sale or lease or that have been leased

or furnished or that are to be furnished under contracts of rental or service, and all accessions to any of the foregoing, including all spare parts and accessories installed in or affixed or attached to any of the foregoing;

- (iii) all present and future Contractual Rights and all other intangibles of the Debtor, including all of its present and future accounts and other amounts receivable, book debts, goodwill, Intellectual Property, choses in action of every nature and kind and interests in partnerships;
 - (iv) all present and future documents of title, chattel paper, instruments and money of the Debtor;
 - (v) all present and future Investment Collateral; and
 - (vi) all proceeds arising from the property, assets and undertaking of the Debtor referred to in this section 11, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto; and
- (b) hereby charges as and by way of a floating charge in favour of the Secured Party all present and future real property, personal property, assets, and undertaking of the Debtor of any nature or kind, including all real property, personal property, assets and undertaking at any time owned, leased or licenced by the Debtor or in which the Debtor at any time has any right or interest or to which the Debtor is or may at any time become entitled, other than the property, assets and undertaking of the Debtor validly pledged or assigned or subjected to a valid mortgage, charge, hypothec or security interest by subsection 11(a)(i), 11(a)(ii), 11(a)(iii), 11(a)(iv) and 11(a)(v) hereof and subject to the exceptions hereinafter contained (all of which property, assets, effects and undertakings so charged by this clause are herein collectively called the “**Other Collateral**”) and the charge created by this subsection 11(b) shall be a floating charge such that the Debtor shall not have power without the prior written consent of the Secured Party to:
- (i) create or permit to exist any lien, encumbrance or security interest against any of the Other Collateral which ranks or could in any event rank in priority to or pari passu with the Security Interest, save for Permitted Encumbrances; or
 - (ii) grant, sell, exchange, transfer, assign, lease or otherwise dispose of the Other Collateral.

Limited Exceptions to Grant of Security Interest

12. Despite any other provision of this agreement, the last day of any term reserved by any lease of real property, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, and whether falling within the general or particular description of the Collateral, is hereby and shall be excepted out of the Security Interest, but the Debtor shall stand possessed of the reversion of one day remaining in the Debtor in respect of any such term, for the time being demised, as aforesaid, upon trust to assign and dispose of the same as any purchaser of such term shall direct.
13. Despite any other provision of this agreement, the Security Interest shall not attach to any Contractual Right to the extent that the granting of the Security Interest therein would constitute a breach of, or permit any Person to terminate such Contractual Right, but the Debtor shall hold its interest in each such Contractual

Right in trust for the Secured Party and shall, after the Security Interest shall have become enforceable, specifically assign each such Contractual Right to the Secured Party, or as the Secured Party may otherwise direct. The Debtor agrees that it shall, upon the request of the Secured Party, whether before or after the Security Interest has become enforceable, use all commercially reasonable efforts to obtain any consent required to permit any such Contractual Right to be subjected to the Security Interest, and the Security Interest shall attach to such Contractual Right following the receipt of such consent.

14. Despite any other provision of this agreement, the interests granted to the Secured Party pursuant to this agreement in the Debtor's existing and after-acquired trademarks shall be limited to the Secured Party's security interests therein.

Attachment

15. The Debtor confirms and agrees that:
- (a) value has been given by the Secured Party to the Debtor;
 - (b) the Debtor has rights in all existing Collateral and power to transfer rights in the Collateral to the Secured Party; and
 - (c) the Debtor and the Secured Party have not postponed the time for attachment of the Security Interest, and the Security Interest shall attach to existing Collateral upon the execution of this agreement and shall attach to Collateral in which the Debtor hereafter acquires rights at the time that the Debtor acquires rights in such Collateral.

Provisions with respect to Investment Collateral

16. Whenever any Investment Collateral is a certificated security, an uncertificated security or a security entitlement, the Debtor shall, or shall cause the issuer of such Investment Collateral to, or shall cause the securities intermediary that holds such Investment Collateral to, take all steps as are necessary to give exclusive control over such Investment Collateral to the Secured Party in a manner satisfactory to the Secured Party.
17. All certificates representing Investment Collateral may remain registered in the name of the Debtor, but the Debtor shall, promptly at the request of the Secured Party, duly endorse such certificates in blank for transfer or execute stock powers of attorney in respect thereof and deliver such certificates or powers of attorney to the Secured Party; in either case with signatures guaranteed and with all documentation being in form and substance satisfactory to the Secured Party. Upon the request of the Secured Party:
- (a) the Debtor shall promptly cause the Investment Collateral to be registered in the name of the Secured Party or its nominee, and the Secured Party is hereby appointed the irrevocable attorney (coupled with an interest) of the Debtor with full power of substitution to cause any or all of the Investment Collateral to be registered in the name of the Secured Party or its nominee;
 - (b) the Debtor shall promptly cause each securities intermediary that holds any Investment Collateral that is a security entitlement to record the Secured Party as the entitlement holder of such Investment Collateral; and

- (c) the Debtor shall promptly:
- (i) cause a security certificate to be issued for any Investment Collateral that is in the form of an uncertificated security or a security entitlement;
 - (ii) endorse such security certificate in blank;
 - (iii) deliver such security certificate to the Secured Party; and
 - (iv) take all other steps necessary to give exclusive control over such certificated security to the Secured Party,

in a manner satisfactory to the Secured Party.

18. Until further notice is given by the Secured Party to the Debtor terminating such rights of the Debtor, the Debtor shall be entitled to exercise all voting rights attached to the Investment Collateral and give consents, waivers and ratifications in respect thereof; provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be prejudicial to the interests of the Secured Party or which would have the effect of reducing the value of the Investment Collateral as security for the Obligations, or imposing any restriction on the transferability of any of the Investment Collateral. All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately upon receipt by the Debtor of such notice by the Secured Party.
19. All dividends, distributions, interest and other income in respect of Investment Collateral and all proceeds received by the Debtor in respect of Investment Collateral may be received by the Debtor in the ordinary course and distributed in the ordinary course to the Debtor's shareholder or shareholders until further notice by the Secured Party. Upon receipt by the Debtor of such notice, the Debtor shall not be entitled to retain or distribute to its shareholder or shareholders any such dividends, distributions, interest or other income or proceeds and, if any such amounts are received by the Debtor after the Debtor receives such notice by the Secured Party, the Debtor shall hold such amounts in trust, as trustee for the Secured Party, and the Debtor shall forthwith pay such amounts to the Secured Party, to be applied to reduce the Obligations or, at the option of the Secured Party, to be held as additional security for the Obligations.
20. The responsibility of the Secured Party in respect of any Investment Collateral held by the Secured Party shall be limited to exercising the same degree of care which it gives valuable property of the Secured Party at the Secured Party's office where such Investment Collateral is held. The Secured Party shall not be bound under any circumstances to realize on any Investment Collateral or allow any Investment Collateral to be sold, or exercise any option or right attaching thereto, or be responsible for any loss occasioned by any sale of Investment Collateral or by the retention or other refusal to sell the same; nor shall the Secured Party be obliged to collect or see to the payment of interest or dividends thereon but, subject to section 19, all such interest and dividends, if and when received by the Debtor, shall be held by the Debtor in trust for the Secured Party and shall be forthwith paid to the Secured Party.

Representations and Warranties of the Debtor

21. The Debtor hereby represents and warrants to the Secured Party that:

- (a) the Debtor has the capacity and authority to incur the Obligations, to create the Security Interest and to execute and deliver and perform its obligations under this agreement;
- (b) the execution and delivery of this agreement and the performance by the Debtor of its obligations hereunder have been duly authorized by all necessary proceedings;
- (c) this agreement constitutes a legal, valid and binding obligation of the Debtor, enforceable against the Debtor in accordance with its terms subject only to bankruptcy, insolvency, reorganization, moratorium and other similar laws of general application affecting creditors' rights and the discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies;
- (d) except for the Security Interest and any Permitted Encumbrances, the Collateral is owned by the Debtor free from any mortgage, charge, lien, pledge, security interest or other encumbrance or claim whatsoever;
- (e) the chief executive office of the Debtor is located at the address listed in Part I of Schedule "A" of this agreement;
- (f) a description of each real property leased by the Debtor is listed in Part II of Schedule "A" of this agreement;
- (g) the Debtor does not keep tangible Collateral at any location(s) except:
 - (i) the location listed in Part I of Schedule "A" hereto, and
 - (ii) any location(s) listed in Part II of Schedule "A" hereto,other than tangible Collateral in transit to or from such locations;
- (h) the Collateral does not include any goods which are used or acquired by the Debtor primarily for personal, family or household purpose;
- (i) the Debtor has made all necessary filings, registrations and recordations to protect all of its right, title and interest in the Intellectual Property including all relevant renewals; and all such filings, registrations and recordations have been duly and properly made and are in full force and effect and are not subject to dispute by any governmental authority or agency;
- (j) all Contractual Rights relating to or affecting the Intellectual Property are in good standing;
- (k) the Debtor owns directly or is entitled to use by Contractual Right or otherwise all of the Intellectual Property; and
- (l) no litigation is pending or threatened which contains allegations respecting the validity, enforceability, infringement or ownership of any of the Intellectual Property, including any of right, title or interest of the Debtor in the Intellectual Property.

Covenants of the Debtor

22. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied and paid in full, it will:
- (a) observe, perform and satisfy the Obligations when due;
 - (b) maintain the tangible Collateral in good condition and repair and allow the Secured Party or its agent access to all premises of the Debtor to inspect any and all Collateral;
 - (c) make and maintain all filings, registrations and recordations necessary or desirable to protect its right, title and interest in the Collateral, including all filings, registrations and recordations necessary or desirable in respect of patents, trade-marks, copyrights and industrial designs included in the Intellectual Property;
 - (d) defend the Collateral against any actions, claims and demands of any Person (other than the Secured Party) claiming the Collateral (or any of it) or an interest therein;
 - (e) pay all taxes, rates, levies, assessments and other impositions and charges, of every nature and kind, which may now or hereafter be lawfully levied, assessed or imposed on or in respect of the Debtor or the Collateral (or any of it), including those which could result in the creation of a statutory lien or deemed trust affecting the Debtor or the Collateral, as and when the same become due and payable;
 - (f) maintain its corporate existence and file or cause to be filed any returns, documents or other information necessary to preserve such corporate existence;
 - (g) notify the Secured Party of any loss or damage to the Collateral, any change in any information provided in this agreement (including the schedules hereto) or any actual or potential claim affecting the Debtor, the Collateral or the Security Interest;
 - (h) hold the proceeds received from any direct or indirect dealing with the Collateral in trust for the Secured Party after either the Security Interest becomes enforceable or any of the Collateral is sold other than in the ordinary course of business of the Debtor and for the purpose of carrying on such business;
 - (i) comply with every covenant and undertaking herein and in any other agreement with the Secured Party;
 - (j) permit the Secured Party at any time after the Security Interest shall have become enforceable, to require any account debtor of the Debtor to make payment to the Secured Party of any or all amounts owing by the account debtor to the Debtor and the Secured Party may take control of any proceeds referred to in subsection 11(a)(vi) hereof and may hold all amounts received from any account debtor and any proceeds as cash collateral as part of the Collateral and as security for the Obligations;
 - (k) prevent any Collateral from becoming an accession to any personal property not subject to the Security Interest, or becoming affixed to any real property;

- (l) deliver to the Secured Party, at the Secured Party's request, duly endorsed and/or accompanied by such assignments, transfers, powers of attorney or other documents as the Secured Party may request, all items of the Collateral comprising chattel paper, instruments, Investment Collateral and documents of title;
- (m) deliver to the Secured Party, at the Secured Party's request, a written agreement from each landlord of the Debtor in favour of the Secured Party and in form and substance satisfactory to the Secured Party, whereby such landlord:
 - (i) agrees to give notice to the Secured Party of any default by the Debtor under the Debtor's lease and a reasonable opportunity to cure such default prior to the exercise of any remedies by the landlord; and
 - (ii) consents to the Security Interest and agrees that the Secured Party shall be entitled to enforce the Security Interest in priority to any right, interest or claim of the landlord in the Collateral;
- (n) pay, on demand by the Secured Party, all costs and expenses (including all legal fees) incurred by the Secured Party in the preparation, perfection, administration and enforcement of this agreement (including expenses incurred in considering, protecting or improving the Secured Party's position, or attempting to do so, whether before or after default) and all such costs and expenses shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest;
- (o) at all times, both before and after the occurrence of a default, do or cause to be done such further and additional acts and things and execute and deliver or cause to be executed and delivered all such further and additional documents and agreements as the Secured Party may reasonably require to better pledge, assign, mortgage, charge and hypothecate the Collateral in favour of the Secured Party, to perfect the Security Interest and, without limiting the generality of the foregoing, to accomplish the intentions of this agreement;
- (p) preserve the Debtor's rights, powers, licences, privileges, franchises and goodwill, comply with all applicable laws, regulations and orders (including environmental laws, regulations and orders) affecting the Debtor or the Collateral and conduct its business in a proper and efficient manner so as to protect the Collateral, the Security Interest and the business and undertaking of the Debtor; and
- (q) without limiting the generality of any of the foregoing, perform all covenants required of the Debtor under any Contractual Right relating to or affecting the Intellectual Property (or any of it), including promptly paying all required fees, royalties and taxes, to maintain each and every item of Intellectual Property in full force and effect, and vigorously protect, preserve and maintain all of the value of, and all of the right, title and interest of the Debtor in, all Intellectual Property, by way of the prosecution of or defence against suits concerning the validity, infringement, enforceability or ownership of the Intellectual Property (or any of it) or otherwise; and

23. The Debtor agrees with the Secured Party that, until the Obligations have been satisfied and paid in full, it will not, without the prior written consent of the Secured Party:
- (a) incur or create any further or additional indebtedness except to the Secured Party and except such normal indebtedness as may be incidental to the ordinary course of its business;
 - (b) create any lien upon, assign or transfer as security, or pledge, hypothecate, charge, mortgage or grant a security interest in any Collateral except to the Secured Party and except for Permitted Encumbrances;
 - (c) other than in the ordinary course of business and for the purpose of carrying on such business, sell, transfer, assign, or otherwise dispose of any Collateral or any group of property and assets forming part of the Collateral;
 - (d) guarantee, endorse or otherwise become surety for or upon the obligations of others except to the Secured Party or by endorsement of negotiable instruments for deposit or collection in the ordinary course of the Debtor's business;
 - (e) declare or pay any dividends on or make any other payment or distribution in respect of any shares of its capital stock or make any change in its issued or authorized capital stock either by way of redemption of stock or otherwise;
 - (f) pay any amount to officers or directors of the Debtor in their capacities as officers or directors by way of salary, bonus, commission, directors' fees or otherwise in excess of the scale of such payments to such officers or directors now being made by the Debtor;
 - (g) lend money to or invest money in any Person, by way of loan, acquisition of shares, acquisition of debt obligations or in any other way whatsoever;
 - (h) change its name;
 - (i) merge or amalgamate with any other corporation;
 - (j) change the location of its chief executive office from that set out in Part I of Schedule "A" hereto without providing the Secured Party with thirty (30) Business Days' prior written notice thereof;
 - (k) keep tangible Collateral at any location other than the location(s) listed in Parts I and II of Schedule "A" hereto without providing the Secured Party with thirty (30) Business Days' prior written notice thereof; or
 - (l) make payments to any shareholders of the Debtor, or any Persons related to the Debtor or any of its shareholders within the meaning of the *Income Tax Act* (Canada), whether by way of loans, advances, repayment of indebtedness owing by the Debtor, interest on such indebtedness, salaries, dividends, guarantees, compensation or benefits of any kind whatsoever, other than as contemplated by subsection 23(f).

Default

24. Without prejudice to any right which the Secured Party may now or hereafter have to demand payment of any of the Obligations, the Obligations shall, at the option of the Secured Party, become payable and the Security Interest shall become enforceable in each and every of the following events:
- (a) if the Debtor defaults in the payment of any of the Obligations when due;
 - (b) if there occurs an event of default under any Loan Agreement or if the Debtor defaults in the observance or performance of any other written agreement or undertaking heretofore or hereafter given by the Debtor to the Secured Party, whether contained herein or not;
 - (c) if an order is made or a resolution passed for the winding-up, liquidation or dissolution of the Debtor, or if a petition is presented or filed for the winding-up of the Debtor, whether pursuant to the *Winding-up and Restructuring Act* (Canada) or otherwise;
 - (d) if the Debtor ceases or threatens to cease to carry on business or makes a bulk sale of its assets, or if a Receiver or trustee for the Debtor or any of its property or assets is appointed (whether privately or by court order);
 - (e) if the Debtor becomes insolvent or commits or threatens to commit any act of bankruptcy or if the Debtor makes an assignment or proposal in bankruptcy or files a notice of intention to make a proposal in bankruptcy or if a bankruptcy petition is filed or presented against the Debtor or if the Debtor otherwise becomes subject to proceedings under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous law in any jurisdiction;
 - (f) if any proceedings with respect to the Debtor are commenced under the *Companies' Creditors Arrangement Act* (Canada) or if the Debtor seeks relief or consents to the filing of a petition against it under any law which involves any compromise of any creditor's rights against the Debtor;
 - (g) if an execution or any other process of any court becomes enforceable against the Debtor or if a distress or analogous process is initiated or levied against or upon the property of the Debtor or any part thereof;
 - (h) if the Debtor permits any sum which has been admitted as due by the Debtor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the Security Interest to remain unpaid after proceedings have been taken to enforce such charge;
 - (i) if any representation or warranty made by the Debtor or any of its officers, employees or agents to the Secured Party shall be false or inaccurate in any material respect;
 - (j) if the Debtor defaults in the observance or performance of any provision relating to the indebtedness or liability of the Debtor to any Person other than the Secured Party; or
 - (k) if any licence, permit or approval required by any law, regulation or governmental policy or any governmental agency or commission for the operation by the Debtor of its business shall be withdrawn or cancelled.

Remedies of the Secured Party

25. Whenever the Security Interest shall have become enforceable, and so long as it shall remain enforceable, the Secured Party may proceed to realize the Security Interest and the Collateral and to enforce its rights by doing any one or more of the following:
- (a) entering upon the Collateral and any lands and premises where any Collateral is or may be located;
 - (b) taking possession of Collateral by any method permitted by law;
 - (c) occupying any lands and premises owned or occupied by the Debtor and using all or any part of such lands and premises and the equipment and other Collateral located thereon;
 - (d) leasing, selling, licensing or otherwise disposing of the whole or any part or parts of the Collateral;
 - (e) collecting, selling or otherwise dealing with any accounts or other amounts receivable by the Debtor, including notifying any Person obligated to the Debtor in respect of an account, chattel paper or instrument to make payment to the Secured Party of all present and future amounts due thereon;
 - (f) taking steps and expending such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including making payments on account of other security interests affecting the Collateral; provided that the Secured Party shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Secured Party shall be added to the Obligations and shall be secured by the Security Interest;
 - (g) collecting any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
 - (h) exercising all voting rights attached to any Collateral constituting Investment Collateral (whether or not registered in the name of the Secured Party or its nominee) and giving or withholding all consents, waivers and ratifications in respect thereof and otherwise acting with respect thereto as though it were the absolute owner thereof;
 - (i) exercising any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any Collateral constituting Investment Collateral as if it were the absolute owner thereof including the right to exchange at its sole discretion any and all of such Investment Collateral upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any such Investment Collateral, and in connection therewith, to deposit and deliver any such Investment Collateral with any committee, depositary, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine in its sole discretion, all without liability except to account for property actually received by it;
 - (j) complying with any limitation or restriction in connection with any proposed sale or other disposition of Collateral constituting Investment Collateral as may be necessary in order to comply with applicable law or regulation or any policy imposed by any stock exchange, securities commission or other governmental or regulatory authority or official, and the Debtor agrees that

such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, and the Secured Party shall not be liable or accountable to the Debtor for any discount in the sale price of any such Investment Collateral which may be given by reason of the fact that such Investment Collateral are sold in compliance with any such limitation or restriction;

- (k) carrying on the business of the Debtor or any portion thereof;
- (l) exercising any and all of the rights and remedies granted pursuant to the PPSA and any other applicable legislation, or otherwise available at law or in equity;
- (m) demanding, commencing, continuing or defending any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and giving valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the accounts or other amounts receivable of the Debtor or any other obligation of any third party to the Debtor;
- (n) borrowing money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest or otherwise, as security for the money so borrowed;
- (o) accepting the Collateral in satisfaction of the Obligations;
- (p) appointing by instrument in writing a Receiver or Receivers of the Collateral or any part thereof;
- (q) bringing proceedings in any court of competent jurisdiction for the appointment of a Receiver or Receivers or for the sale of the Collateral or any part thereof; and
- (r) filing such proofs of claim and other documents as may be necessary or advisable in order to have its claim lodged in any bankruptcy, winding-up or other judicial proceedings relating to the Debtor or the Collateral.

26. Any Receiver appointed by the Secured Party may be any Person or Persons (including one or more officers or employees of the Secured Party), and the Secured Party may remove any Receiver so appointed and appoint another or others instead. Any such Receiver may exercise any and all of the rights, remedies and powers of the Secured Party provided in this agreement. The Secured Party shall not be responsible for the actions, errors or omissions of any Receiver it appoints and any such Receiver shall be deemed to act as agent for the Debtor for all purposes, including the occupation of any lands and premises of the Debtor and in carrying on the Debtor's business, unless the Secured Party expressly specifies in writing that the Receiver shall be agent for the Secured Party for one or more purposes. Without limiting the generality of the foregoing, for the purposes of realizing upon the Security Interest, any Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Secured Party as the Secured Party may specify in writing in its sole discretion. The Debtor agrees to ratify and confirm all actions of any Receiver appointed by the Secured Party acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions.

27. Without limiting the ability of the Secured Party or any Receiver to dispose of Collateral in any other manner, the Debtor agrees that any sale, lease or other disposition of the Collateral hereunder may be completed by public auction, public tender or private contract, with or without notice, with or without advertising and with or without any other formality (except as required by law), all of which are hereby waived by the Debtor. Any such disposition of Collateral may involve all or part of the Collateral and may be on such terms and conditions as to credit or otherwise and as to upset or reserve bid or price as the Secured Party or any Receiver appointed by the Secured Party may, in its sole discretion, deem advantageous and may take place whether or not the Secured Party or any such Receiver has taken possession of such Collateral. Any purchaser or lessee of Collateral may be a customer of the Secured Party.
28. The Secured Party shall not be liable for any delay or failure to enforce any rights, powers or remedies available to it or to institute any proceedings for such purposes.
29. No right, power or remedy of the Secured Party (whether granted herein or otherwise) shall be exclusive of or dependent on or merge in any other right, power or remedy, but all such rights, powers and remedies may from time to time be exercised independently or in combination.
30. The Debtor agrees to pay to the Secured Party, forthwith on demand by the Secured Party, all costs and expenses incurred by the Secured Party in connection with the exercise by the Secured Party of its rights, powers and remedies hereunder, including:
- (a) any costs and expenses incurred by the Secured Party in taking, holding, moving, storing, recovering, possessing, repairing, processing, preparing for disposition or disposing of Collateral;
 - (b) any legal fees and expenses incurred by the Secured Party in enforcing its rights, powers and remedies, including those incurred in connection with any proceedings taken for the purpose of enforcing its rights, powers and remedies hereunder or otherwise relating to the non-payment or non-performance of any Obligations;
 - (c) the cost of borrowing amounts as hereinbefore provided (for the purpose of carrying on the Debtor's business or otherwise), including, the principal amount or any such amount borrowed, all interest thereon and fees relating thereto; and
 - (d) all costs and expenses of or incurred by any Receiver, agent or consultant appointed by the Secured Party (including any legal fees and expenses incurred by any such Receiver, agent or consultant).
- All such sums shall bear interest at the highest rate applicable to the Obligations, shall form part of the Obligations and shall be secured by the Security Interest.
31. Any and all payments made in respect of the Obligations from time to time and moneys realized from any Collateral (including moneys realized on any enforcement of this agreement) may be applied to such part or parts of the Obligations as the Secured Party may see fit, and the Secured Party shall at all times and from time to time have the right to change any appropriation as the Secured Party may see fit.
32. The Debtor shall remain liable for all Obligations that are outstanding following realization of all or any part of the Collateral.

Rights of the Secured Party

33. The Secured Party may pay the whole or any part of any liens, taxes, rates, charges or encumbrances now or hereafter existing in respect of any Collateral and such payments together with all costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations, shall bear interest at the highest rate applicable to the Obligations, and shall be secured by the Security Interest. Whenever the Secured Party pays any such lien, tax, rate, charge or encumbrance, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so.
34. If the Debtor fails to perform or comply with any covenant or other obligation of the Debtor under this agreement, the Secured Party may, but need not, perform or otherwise cause the performance or compliance of such covenant or other obligation, provided that any performance or compliance undertaken by the Secured Party will not constitute a waiver, remedy or satisfaction of such failure. The costs and expenses of the Secured Party incurred in connection with any such performance or compliance shall be payable by the Debtor to the Secured Party on demand, form part of the Obligations, bear interest at the highest rate applicable to the Obligations and be secured by the Security Interest.
35. The Debtor grants to the Secured Party the right to set off against the Obligations (or any portion thereof) any amount owed by the Secured Party to the Debtor, including the amount of any and all accounts, credits or balances maintained by the Debtor with the Secured Party.
36. The Secured Party, without exonerating in whole or in part the Debtor, may grant time, renewals, extensions, indulgences, releases and discharges to, may take securities from and give the same and any or all existing securities up to, may abstain from taking securities from or from perfecting securities of, may accept compositions from, and may otherwise deal with the Debtor and all other Persons and securities as the Secured Party may see fit.
37. Nothing herein shall obligate the Secured Party to extend or amend any credit to the Debtor or to any other Person.
38. The Secured Party may assign, transfer and deliver to any transferee any of the Obligations or any security or any documents or instruments held by the Secured Party in respect thereof. The Debtor shall not assign any of its rights or obligations hereunder without the prior written consent of the Secured Party.

Notices

39. Any notice, demand or other communication permitted or required to be given hereunder shall be delivered to the Debtor in accordance with the notice provisions under the Loan Agreement.

Miscellaneous

40. In the event that any day, on or before which any action is required to be taken hereunder, is not a Business Day, then such action shall be required to be taken on or before the first Business Day thereafter.
41. Time shall be of the essence of this agreement.

42. Upon payment and fulfillment by the Debtor, its successors or permitted assigns, of all Obligations and provided that the Secured Party is then under no obligation (conditional or otherwise) to make any further loan or extend any other type of credit to the Debtor or to any of its affiliates the payment of which is secured, directly or indirectly, by this agreement, the Secured Party shall, upon request in writing by the Debtor, delivered to the Secured Party at the Secured Party's address as set out in the Loan Agreement and at the Debtor's expense, discharge this agreement.
43. This agreement is in addition to and not in substitution for any other security now or hereafter held by the Secured Party and shall be general and continuing security notwithstanding that the Obligations shall be at any time or from time to time fully satisfied or paid.
44. No provision of this agreement, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification, waiver or termination is sought to be enforced. Possession of an executed copy of this agreement by the Secured Party constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.
45. The Secured Party may in writing (and not otherwise) waive any default by the Debtor in the observance or performance of any provision of this agreement; provided that no waiver by the Secured Party shall extend to or be taken in any manner whatsoever to affect any subsequent default, whether of the same or a different nature, or the rights resulting therefrom.
46. In accordance with the *Property Law Act* (British Columbia), the doctrine of consolidation applies to this agreement.
47. This agreement shall enure to the benefit of the Secured Party, its successors and assigns, and shall be binding on the Debtor, its successors and permitted assigns.
48. The Debtor agrees that the Secured Party may from time to time provide information concerning this agreement (including a copy hereof), the Collateral and the Obligations to any Person the Secured Party in good faith believes is entitled thereto pursuant to applicable legislation.
49. The Debtor acknowledges receipt of an executed copy of this agreement and waives all rights to receive from the Secured Party a copy of any financing statement or financing change statement filed, or any verification statement received, at any time in respect of this agreement.

(The remainder of the page has intentionally been left blank; the signature page follows.)

IN WITNESS WHEREOF, this agreement has been executed by the Debtor as of the date on the face hereof.

**MICROB RESOURCES INC.
DBA SALT SPRING COFFEE CO**

By: 
Name: Norman (Mickey) McLeod
Title: President

SCHEDULE "A"

Part I

Location of the Debtor's Chief Executive Office

Microb Resources Inc. dba Salt Spring Coffee Co
#105 - 3551 Viking Way
Richmond BC, Canada V6V 1W1 211

Part II

Locations of Leased Properties

#105 - 3551 Viking Way
Richmond BC, Canada V6V 1W1 211

SCHEDULE "B"
Permitted Encumbrances

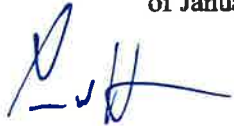
1. Statutory liens which secure payment of amounts not then overdue;
2. Statutory liens which secure payment of amounts which are then overdue but the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established;
3. Security given to a public utility, municipality, government or statutory or public authority to secure obligations incurred to such utility, municipality, government or other authority in the ordinary course of business and not then overdue;
4. Liens and privileges arising out of judgments or awards in respect of which an appeal or proceeding for review has been commenced, provided a stay of execution pending such appeal or proceedings for review has been obtained and provided reserves satisfactory to the Secured Party in its sole discretion have been established;
5. Liens or rights of distress reserved in or exercisable under any lease of real property for rent not then overdue or for compliance with the provisions of such lease not then in default;
6. Security deposits given under leases of real property not in excess of an amount equivalent to six months' rent;
7. Liens securing obligations or duties affecting real property due to any public utility, municipality, government, or statutory or public authority with respect to any franchise, grant, licence or permit in good standing and any minor irregularities in title to any real property, provided such obligations, duties and minor title irregularities do not materially impair the use, value or marketability of such real property;
8. Liens incurred or deposits made in connection with contracts, bids or tenders made in the ordinary course of business or in connection with expropriation proceedings, surety or appeal bonds or costs of litigation to the extent required by law;
9. Liens (including builders' liens) arising in connection with the construction or improvement of any real property or arising out of the furnishing of materials or supplies therefor, provided that such liens secure payment of amounts not then overdue (or if overdue, the validity of which is being contested in good faith and in respect of which reserves satisfactory to the Secured Party in its sole discretion have been established) and provided notice of such lien has not been given to the Secured Party and such lien has not been registered against title to such real property;
10. Zoning and building by-laws affecting real property provided they are complied with;
11. Garage keepers' liens securing amounts not then overdue; and
12. Encumbrances in favour of the Secured Party.

Schedule "C"

Investment Collateral

NIL.

This is Exhibit "D" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'R. H.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia



Royal Bank

FORM 460 (Rev 04/2023) O

ROYAL BANK OF CANADA CREDIT AGREEMENT

DATE: June 28, 2023

BORROWER:

MICROB RESOURCES INC.

SRF:

394436869

ADDRESS (Street, City/Town, Province, Postal Code)

550 BARRARD ST

SUITE 2900

VANCOUVER, BC V6C 0A3

Royal Bank of Canada (the "Bank") hereby confirms to the undersigned (the "Borrower") the following credit facilities (the "Credit Facilities"), banking services and other products subject to the terms and conditions set forth below and in the standard terms provided herewith (collectively the "Agreement"). The Credit Facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

CREDIT FACILITIES

Facility #1 Revolving demand facility in the amount of \$1,500,000.00, available by way of RBP based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 2.50% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes No

Facility #2 Non-revolving term loan in the amount of \$175,000.00 by way of:

Variable or fixed rate loans to be determined at the time of Borrowing. Repayable by consecutive payments to be determined at drawdown based on a 24 month amortization. Payment amount, type and frequency are to be determined at drawdown. All outstanding principal and interest is payable in full at the end of the term selected by the Borrower. If a fixed rate term is selected by the Borrower, the amount eligible for prepayment is to be determined at the time of Borrowing.

The specific interest, prepayment and repayment terms for Borrowings under this facility will be agreed to between the Borrower and the Bank at the time of drawdown by way of a Borrowing Request substantially in the form of Schedule "A" provided by the Borrower and accepted by the Bank.

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "Other Facilities"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

a) Credit Card to a maximum amount of \$50,000.00;

b) All Foreign Exchange Forward Contracts ("FEF Contracts") outstanding at any time and from time to time.



* Registered trademark of Royal Bank of Canada.

ROYAL BANK OF CANADA CREDIT AGREEMENT

Page 1 of 4

SECURITY

Security for the Borrowings and all other obligations of the Borrower to the Bank, including without limitation any amounts outstanding under any Leases, if applicable, (collectively, the "Security"), shall include:

- a) General security agreement on the Bank's form 924 signed by the Borrower constituting a first ranking security interest in all personal property of the Borrower;
- b) Guarantee and postponement of claim on the Bank's form 812 in the amount of \$1,825,000.00 signed by Norman Mcleod and Robbyn Mcleod;
- c) Postponement and assignment of claim on the Bank's form 918 signed by Robbyn ^{Scott} ~~Mcleod~~;  
- d) Postponement and assignment of claim on the Bank's form 918 signed by Norman Mcleod;
- e) Priority agreement between the Bank, the Borrower and Business Development Bank Of Canada.

FEES

Annual renewal fee of \$1,500.00 payable upon acceptance of this Agreement or as agreed upon between the Borrower and the Bank.

Facility #1 management fee of \$250.00 payable in arrears on the same day each month.

Renewal Fee:

If the Bank renews or extends any term facility or term loan beyond its maturity date, an additional review fee may be payable in connection with any such renewal in such amount as the Bank may determine and notify the Borrower.

REPORTING REQUIREMENTS

The Borrower will provide to the Bank:

- a) annual aged list of accounts receivable, aged list of accounts payable and listing of inventory for the Borrower, within 90 days of each fiscal year end;
- b) annual review engagement financial statements for the Borrower, within 90 days of each fiscal year end;
- c) annual personal statement of affairs for all Guarantors, who are Individuals, within 90 days of the end of every fiscal year of the Borrower, commencing with the fiscal year ending in 2024;
- d) such other financial and operating statements and reports as and when the Bank may reasonably require.

OTHER INFORMATION/REQUIREMENTS

- a) No Borrowing under Facility #1 will be made available unless the Bank has received a copy of payout statement from TD Canada Trust and Bank Development of Canada in form and substance satisfactory to the Bank.
- b) No Borrowing under Facility #2 will be made available unless the Bank has received a copy of payout statement from TD Canada Trust in form and substance satisfactory to the Bank.

BUSINESS LOAN INSURANCE PLAN

The Borrower hereby acknowledges that the Bank has offered it group creditor insurance coverage on the Borrowings under the Business Loan Insurance Plan and the Borrower hereby acknowledges that it is the Borrower's responsibility to apply for any new or increased insurance amount for the Borrowings that may be eligible.

If the Borrower decides to apply for insurance on the Borrowings, the application will be made via the Bank's Business Loan Insurance Plan application (form 3460 ENG or 53460 FRE). If the Borrower has existing uninsured Borrowings and decides not to apply for Business Loan Insurance Plan coverage on any new Borrowings, it hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for Business Loan Insurance Plan coverage on all such Borrowings, and that all such Borrowings are not insured under the Policy as at the date of acceptance of this Agreement.

* Registered trademark of Royal Bank of Canada.

If the Borrower has Business Loan Insurance Plan coverage on previously approved Borrowings, such coverage will be applied automatically to all new Borrowings eligible for Business Loan Insurance Plan coverage that share the same loan account number, up to the approved amount of Business Loan Insurance Plan coverage. This Agreement cannot be used to waive coverage on new Borrowings eligible for Business Loan Insurance Plan coverage if Business Loan Insurance Plan coverage is in effect on the Borrower's existing Borrowings. If the Borrower does not want Business Loan Insurance Plan coverage to apply to any new Borrowings, a different loan account number will need to be set up and all uninsured loans attached to it.

If the Borrower has existing Borrowings to which Business Loan Insurance Plan coverage applies, and any new Borrowings would exceed the approved amount of Business Loan Insurance Plan coverage already in place, the Borrower must apply for additional Business Loan Insurance Plan coverage (if eligible) in order for Business Loan Insurance Plan coverage to apply to any new Borrowings. If the Borrower decides not to apply for additional Business Loan Insurance Plan coverage in respect of any new Borrowings (if eligible), the Borrower hereby acknowledges that the Bank may accept the Borrower's signature below as the Borrower's waiver of the Bank's offer to apply for additional Business Loan Insurance Plan coverage on such new Borrowings and that such new Borrowings are not insured under the Policy as at the date the Borrower executes this Agreement.

If there are any discrepancies between the insurance information in this Agreement and the Business Loan Insurance Plan documents regarding the Borrowings, the Business Loan Insurance Plan documents govern.

Business Loan Insurance Plan premiums (plus applicable taxes), will be taken as a separate payment, directly from the bank account associated with the loan, at the same frequency and schedule as your regular loan payments, where applicable. As premiums are based on the outstanding loan balance and the insured person's age at the time the premiums are due, the cost of Business Loan Insurance Plan coverage may increase during the term of the loan. The premium calculation is set out in the Business Loan Insurance Plan terms and conditions provided to the Borrower at the time the application for Business Loan Insurance Plan coverage was completed. Refer to the terms and conditions (form 3460 ENG or 53460 FRE) for further explanation and disclosure.

STANDARD TERMS

The following standard terms have been provided to the Borrower:

- Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

ACCEPTANCE

This Agreement is open for acceptance until July 28, 2023, after which date it will be null and void, unless extended by the Bank in its sole discretion.

ROYAL BANK OF CANADA



Per: _____
Title: Vice President

RBC Contact: CELIA HUI

/mc

Registered trademark of Royal Bank of Canada.

ROYAL BANK OF CANADA CREDIT AGREEMENT

Page 3 of 4

CONFIRMATION & ACCEPTANCE

The Borrower (i) confirms that it has received a copy of the Royal Bank of Canada Credit Agreement Standard Terms, Form 472, as well as all other standard terms which are hereinabove shown as having been delivered to the Borrower, all of which are incorporated in and form an integral part of this Agreement; and (ii) accepts and agrees to be bound by the terms and conditions of this Agreement including all terms and conditions contained in such standard terms.


Confirmed, accepted and agreed this 30 day of June, 2023.

MICROB RESOURCES INC.

Per: _____

Name: _____

Title: _____



Norman (Mickey) McLeod
President

Per: _____

Name: _____

Title: _____

I/We have the authority to bind the Borrower

Attachments:

- Schedule – Borrowing Request


**ROYAL BANK OF CANADA CREDIT AGREEMENT – SCHEDULE "A"
BORROWING REQUEST STANDARD FORM**

In support of the Royal Bank of Canada Credit Agreement dated June 28, 2023 the Borrower hereby requests the following be established under Facility # 2:

Date of Borrowing	July 10, 2023		
Amount of Borrowing:	\$ 175,000		
Amortization (in months):	24		
Selected Term: (Borrowing repayable in full on the last day of the Term)	2 years		
Payment Amount:	\$ 7954.33		
Payment Frequency:	weekly	<input type="checkbox"/>	bi-weekly <input type="checkbox"/>
	semi-monthly	<input type="checkbox"/>	monthly <input checked="" type="checkbox"/>
	quarterly	<input type="checkbox"/>	semi-annual <input type="checkbox"/> annual <input type="checkbox"/>
Selected Interest Rate (per annum):	8.47% <input checked="" type="checkbox"/>	RBP +	% <input type="checkbox"/>
Selected Payment Type:	Blended (Principal and Interest) <input checked="" type="checkbox"/>	Principal plus Interest <input type="checkbox"/>	
	If variable interest rate selected with blended payments, the payment amount is subject to annual adjustment to ensure amortization		
First Payment Due Date:	August 10, 2023		
Amount Eligible for Prepayment of FRT Loan:	0% <input checked="" type="checkbox"/>	10%	<input type="checkbox"/>

Dated this 30 day of June, 2023.

MICROB RESOURCES INC.

Per: 
Name: NORMAN MCLEOD
Title: PRESIDENT

Per: _____
Name: _____
Title: _____

I/We have the authority to bind the Borrower

SRF# 394436969

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

The following set of standard terms is deemed to be included in and forms an integral part of the Royal Bank of Canada Loan Agreement which refers to standard terms with this document version date, receipt of which has been duly acknowledged by the Borrower. Terms defined elsewhere in this Agreement and not otherwise defined below have the meaning given to such terms as so defined. The Borrower agrees and if the Borrower is comprised of more than one Person, such Persons jointly and severally agree, or in Quebec solidarily agree, with the Bank as follows:

GENERAL

This Agreement amends and restates, without novation, any existing credit or loan agreement between the Borrower and the Bank and any amendments thereto, (other than existing agreements for Other Facilities). Any credit facility existing under any such credit or loan agreement which is secured by security under section 427 of the *Bank Act* (Canada) (or any successor to such provision) is deemed to be continued and renewed, without novation, under the Credit Facilities. Any amount owing by the Borrower to the Bank under any such credit or loan agreement is deemed to be a Borrowing under this Agreement. This Agreement is in addition to, and not in replacement of, agreements for Other Facilities. Any and all Security that has been delivered to the Bank and which is included as Security in this Agreement shall remain in full force and effect, is expressly reserved by the Bank and shall apply in respect of all obligations of the Borrower under the Credit Facilities. The Bank expressly reserves all Security granted to the Bank by the Borrower to secure the Borrower's existing debt towards the Bank, should the execution of this Agreement effect a novation of said debt. Unless otherwise provided, all dollar amounts are in Canadian currency.

CONDITIONS PRECEDENT

In no event will the Credit Facilities or any part thereof be available unless the Bank has received:

- a) a duly executed copy of this Agreement;
- b) the Security provided for herein, in form and substance, and executed and registered to the satisfaction of the Bank;
- c) such financial and other information or documents relating to the Borrower or any Guarantor if applicable as the Bank may reasonably require; and
- d) such other authorizations, approvals, opinions and documentation as the Bank may reasonably require.

AVAILABILITY

Revolving facilities: The Borrower may borrow, convert, repay and reborrow up to the amount of each revolving facility (subject to Margin where applicable) provided each facility is made available at the sole discretion of the Bank and the Bank may cancel or restrict the availability of any unutilized portion at any time and from time to time without notice.

Non-revolving facilities: The Borrower may borrow up to the amount of each non-revolving facility provided these facilities are made available at the sole discretion of the Bank and the Bank may cancel or restrict availability of any unutilized portion of these facilities at any time and from time to time without notice.

LOAN REVOLVEMENT

If the Credit Facilities include a revolving demand facility by way of RBP and/or RBUSBR based loans, the Borrower shall establish a current account in Canadian currency, and, where RBUSBR based loans are made available, in US currency (each a "General Account") for the conduct of the Borrower's day-to-day banking business. The Borrower authorizes the Bank daily or otherwise as and when determined by the Bank to ascertain the balance of any General Account and:

- a) if such position is a debit balance the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, make available a Borrowing by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- b) where the facility is indicated to be Bank revolved, if such position is a credit balance, the Bank may, subject to the revolving increment amount and minimum retained balance specified in this Agreement, apply the amount of such credit balance or any part as a repayment of any Borrowings outstanding by way of RBP Loans, or RBUSBR Loans as applicable, under this facility;
- c) where this facility is indicated to be Borrower revolved, if such position is a credit balance, the Bank will apply repayments on such facility only if so advised and directed by the Borrower;
- d) Overdrafts and Bank revolved facilities by way of RBP Loans, or RBUSBR Loans, are not available on the same General Account.

REPAYMENT

- a) Amounts outstanding under the Credit Facilities, together with interest, shall become due in the manner and at the rates and times specified in or pursuant to this Agreement and shall be paid in the currency of the Borrowing. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day.
- b) Unless the Bank otherwise agrees, any payment hereunder must be made in money which is legal tender at the time of payment.
- c) In the case of a demand facility of any kind, the Borrower shall repay all principal sums outstanding under such facility upon demand including, without limitation, an amount equal to the face amount of all LCs and LGs, if applicable, which are unmatured or unexpired, which amount shall be held by the Bank as security for the Borrower's obligations to the Bank in respect of such Borrowings.
- d) Where any Borrowings are repayable by scheduled blended payments of principal and interest, such payments shall be applied, firstly, to interest due, and the balance, if any, shall be applied to principal outstanding with any balance of such Borrowings being due and payable as and when specified in this Agreement. If any such payment is insufficient to pay all interest then due, the unpaid balance of such interest will be added to such Borrowing, will bear interest at the same rate, and will be payable on demand or on the date specified herein, as the case may be.
- e) Borrowings repayable by way of scheduled payments of principal plus interest shall be so repaid with any balance of such Borrowings being due and payable as and when specified in this Agreement.
- f) For any Borrowings that are repayable by scheduled payments, if the scheduled payment date is changed then the maturity date of the applicable Borrowings shall automatically be amended accordingly.
- g) Without limiting the right of the Bank to terminate or demand payment of or to cancel or restrict availability of any unused portion of any revolving demand tender loan facility, Borrowings by way of tender loans shall be repaid (i) if the tender is not accepted, by returning the relevant draft, or certified cheque, if applicable, to the Bank for cancellation or (ii) if the tender is accepted, by returning the relevant draft, or certified cheque, if applicable, once letters of guarantee or performance bonds are arranged. In the event such draft, or certified cheque, if applicable, is presented for payment, the amount of the draft, or certified cheque, if applicable, will be converted to an RBP based loan with an interest rate of RBP plus 5% per annum.
- h) Should the Bank demand immediate repayment in full of any amounts outstanding under any term facility due to an Event of Default, the Borrower shall immediately repay all principal sums outstanding under such facility and all other obligations in connection with any such term facility.
- i) Except for Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the rate of RBP plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%, or, in the case of an amount in US currency if applicable, RBUSBR plus 5% per annum or the highest premium indicated for any of the Borrower's facilities when in excess of 5%. Such interest on overdue amounts shall be computed daily, compounded monthly and shall be payable both before and after any or all of default, maturity, demand

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

- and judgement. For Borrowings secured by a mortgage, any amount that is not paid when due hereunder shall bear interest until paid at the same rate as the interest rate applicable to the principal amount of the Borrowings as specified in this Agreement.
- j) In the case of any reducing term loan and/or reducing term facility ("Reducing Term Loan/Facility"), provided that nothing contained in this paragraph shall confer any right of renewal or extension upon the Borrower, the Borrower and the Bank agree that, at the Bank's option, the Bank may provide a letter ("Renewal Letter") to the Borrower setting out the terms upon which the Bank is prepared to extend the Reducing Term Loan/Facility. In the event that the Bank provides a Renewal Letter to the Borrower and the Reducing Term Loan/Facility is not repaid on or before the maturity date of the applicable Reducing Term Loan/Facility, then at the Bank's option the Reducing Term Loan/Facility shall be automatically renewed on the terms set out in the Renewal Letter and the terms of this Agreement shall be amended accordingly.

PREPAYMENT

Where Borrowings under any term facility are by way of RBP and/or RBUSBR based loans, the Borrower may prepay such Borrowings in whole or in part at any time without fee or premium.

Where Borrowings under any term facility are at a fixed interest rate, provided an Event of Default shall not have occurred and be continuing, the Borrower may prepay such Borrowings on a non-cumulative basis up to the percentage indicated in this Agreement of the outstanding principal balance on the day of prepayment, without fee or premium, once per year during the 12 month period from each anniversary date of the Borrowing. Any prepayment of the Borrowing prior to the maturity date, in whole or in part (in excess of any prepayment explicitly permitted in this Agreement), requires an amendment of the terms of this Agreement. An amendment to permit such a prepayment requires the Bank's prior written consent. The Bank may provide its consent to an amendment to permit a prepayment upon satisfaction by the Borrower of any conditions the Bank may reasonably impose, including, without limitation, the Borrower's agreement to pay the Prepayment Fee as defined below.

The Prepayment Fee will be calculated by the Bank as the sum of:

- a) the greater of:
 - (i) the amount equal to three (3) months' interest payable on the amount of the fixed rate term facility Borrowing being prepaid, calculated at the interest rate applicable to the fixed rate term facility Borrowing on the date of prepayment; and
 - (ii) the present value of the cash flow associated with the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the current cost of funds for a fixed rate term loan with a term substantially similar to the remaining term and an amortization period substantially similar to the remaining amortization period of the fixed rate term facility Borrowing, each as determined by the Bank on the date of such prepayment;

plus:
- b) Foregone margin over the remainder of the term of the fixed rate term facility Borrowing. Foregone margin is defined as the present value of the difference between the Bank's original cost of funds for the fixed rate term facility Borrowing and the interest that would have been charged to the Borrower over the remaining term of the fixed rate term facility Borrowing;

plus:

- c) a processing fee.

The Prepayment Fee shall also be payable by the Borrower in the event the Bank demands repayment of the outstanding fixed rate term facility Borrowing on the occurrence of an Event of Default. The Borrower's obligation to pay the Prepayment Fee will be in addition to any other amounts then owing by the Borrower to the Bank, will form part of the Borrowings outstanding and will be secured by the Security described herein.

The repayment of any Borrowings under a term facility will be made in the reverse order of maturity.

EVIDENCE OF INDEBTEDNESS

The Bank shall maintain accounts and records (the "Accounts") evidencing the Borrowings made available to the Borrower by the Bank under this Agreement. The Bank shall record the principal amount of such Borrowings, the payment of principal and interest on account of the Borrowings, and all other amounts becoming due to the Bank under this Agreement. The Accounts constitute, in the absence of manifest error, conclusive evidence of the indebtedness of the Borrower to the Bank pursuant to this Agreement. The Borrower authorizes and directs the Bank to automatically debit, by mechanical, electronic or manual means, any bank account of the Borrower for all amounts payable under this Agreement, including, but not limited to, the repayment of principal and the payment of interest, fees and all charges for the keeping of such bank accounts.

CALCULATION AND PAYMENT OF INTEREST AND FEES

- a) The Borrower shall pay interest on each Overdraft, RBP and/or RBUSBR based loan monthly in arrears on the same day of each month as determined by the Bank. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- b) The Borrower shall pay interest on each fixed and/or variable rate term facility in arrears at the applicable rate on such date as agreed upon between the Bank and the Borrower. Such interest will be calculated monthly and will accrue daily on the basis of the actual number of days elapsed and a year of 365 days.
- c) The Borrower shall pay an LC fee on the date of issuance of any LC calculated on the face amount of the LC issued, based upon the number of days in the term and a year of 365 days. If applicable, fees for LCs issued in US currency shall be paid in US currency.
- d) The Borrower shall pay LG fees in advance on a quarterly basis calculated on the face amount of the LG issued and based on the number of days in the upcoming quarter or remaining term thereof and a year of 365 days. LG fees are non-refundable. If applicable, fees for LGs issued in US currency shall be paid in US currency.
- e) Amounts payable by the Borrower hereunder shall be paid at such place as the Bank may advise from time to time in the applicable currency. Amounts due on a day other than a Business Day shall be deemed to be due on the Business Day next following such day. Interest and fees payable under this Agreement are payable both before and after any or all of default, maturity, demand and judgement.
- f) The Borrower shall not be obligated to pay any interest, fees or costs under or in connection with this Agreement in excess of what is permitted by Applicable Law. In no event shall the effective interest rate payable by the Borrower under any facility be less than zero.

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

- g) The annual rates of interest or fees to which the rates calculated in accordance with this Agreement are equivalent, are the rates so calculated multiplied by the actual number of days in the calendar year in which such calculation is made and divided by 365.

FEES, COSTS AND EXPENSES

The Borrower agrees to pay the Bank all fees stipulated in this Agreement and all fees charged by the Bank relating to the documentation or registration of this Agreement and the Security. In addition, the Borrower agrees to pay all fees (including legal fees), costs and expenses incurred by the Bank in connection with the preparation, negotiation, documentation and registration of this Agreement and any Security and the administration, operation, termination, enforcement or protection of its rights in connection with this Agreement and the Security. The Borrower shall indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank if any facility under the Credit Facilities is repaid or prepaid other than on its Maturity Date. The determination by the Bank of such loss, cost or expense shall be conclusive and binding for all purposes and shall include, without limitation, any loss incurred by the Bank in liquidating or redeploying deposits acquired to make or maintain any facility.

GENERAL COVENANTS

Without affecting or limiting the right of the Bank to terminate or demand payment of, or cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, the Borrower covenants and agrees with the Bank that the Borrower:

- a) will pay all sums of money when due under the terms of this Agreement;
- b) will immediately advise the Bank of any event which constitutes or which, with notice, lapse of time or both, would constitute a breach of any covenant or other term or condition of this Agreement or any Security or an Event of Default;
- c) will file all material tax returns which are or will be required to be filed by it, pay or make provision for payment of all material taxes (including interest and penalties) and Potential Prior-Ranking Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- d) will give the Bank 30 days prior notice in writing of any intended change in its ownership structure or composition and will not make or facilitate any such changes without the prior written consent of the Bank;
- e) will comply with all Applicable Laws, including, without limitation, all Environmental and Health and Safety Laws;
- f) will immediately advise the Bank of any action requests or violation notices received concerning the Borrower and hold the Bank harmless from and against any losses, costs or expenses which the Bank may suffer or incur for any environment related liabilities existent now or in the future with respect to the Borrower;
- g) will deliver to the Bank such financial and other information as the Bank may reasonably request from time to time, including, but not limited to, the reports and other information set out under this Agreement;
- h) will immediately advise the Bank of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- i) will keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- j) except for Permitted Encumbrances, will not, without the prior written consent of the Bank, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- k) will not, without the prior written consent of the Bank, sell, transfer, convey, lease or otherwise dispose of any of its properties or assets other than in the ordinary course of business and on commercially reasonable terms;
- l) will not, without the prior written consent of the Bank, guarantee or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, except as may be provided for herein;
- m) will not, without the prior written consent of the Bank, merge, amalgamate, or otherwise enter into any other form of combination with any other Person;
- n) will permit the Bank or its representatives, from time to time, i) to visit and inspect the Borrower's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, ii) to collect information from any person regarding any Potential Prior-Ranking Claims and iii) to discuss the Borrower's affairs with the auditors, counsel and other professional advisers of the Borrower. The Borrower hereby authorizes and directs any such third party to provide to the Bank or its representatives all such information, records or documentation requested by the Bank; and
- o) will not use the proceeds of any Credit Facility for the benefit or on behalf of any Person other than the Borrower.

GENERAL INDEMNITY

The Borrower hereby agrees to indemnify and hold the Bank and its directors, officers, employees and agents harmless from and against any and all claims, suits, actions, demands, debts, damages, costs, losses, obligations, judgements, charges, expenses and liabilities of any nature which are suffered, incurred or sustained by, imposed on or asserted against any such Person as a result of, in connection with or arising out of i) any breach of any term or condition of this Agreement or any Security or any other agreement delivered to the Bank by the Borrower or any Guarantor if applicable or any Event of Default, ii) the Bank acting upon instructions given or agreements made by electronic transmission of any type, iii) the presence of Contaminants at, on or under or the discharge or likely discharge of Contaminants from, any properties now or previously used by the Borrower and iv) the breach of or non-compliance with any Applicable Law by the Borrower or any Guarantor.

AMENDMENTS AND WAIVERS

Save and except for any waiver or extension of the deadline for acceptance of this Agreement at the Bank's sole discretion, which may be communicated in writing, verbally, or by conduct, no amendment or waiver of any provision of this Agreement will be effective unless it is in writing, signed by the Borrower and the Bank. No failure or delay, on the part of the Bank, in exercising any right or power hereunder or under any Security or any other agreement delivered to the Bank shall operate as a waiver thereof. Each Guarantor, if applicable, agrees that the amendment or waiver of any provision of this Agreement (other than agreements, covenants or representations expressly made by any Guarantor herein, if any) may be made without and does not require the consent or agreement of, or notice to, any Guarantor.

SUCCESSORS AND ASSIGNS

This Agreement shall extend to and be binding upon the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns. The Borrower shall not be entitled to assign or transfer any rights or obligations hereunder, without the consent in writing of the Bank.

GAAP

Unless otherwise provided, all accounting terms used in this Agreement shall be interpreted in accordance with Canadian Generally Accepted Accounting Principles, as appropriate, for publicly accountable enterprises, private enterprises, not-for-profit organizations, pension plans and in accordance, as appropriate, with Public Sector Accounting Standards for government organizations in effect from time to time, applied on a consistent basis from period

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS**FORM 472 (12/2022)**

to period. All financial statements and/or reports shall be prepared using one of the above bases of presentation, as appropriate, including, without limitation, the application of accrual accounting. Except for the transition of accounting standards in Canada, any change in accounting principles or the application of accounting principles is only permitted with the prior written consent of the Bank.

SEVERABILITY

The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement and such invalid provision shall be deemed to be severable.

DEFAULT BY LAPSE OF TIME

The mere lapse of time fixed for performing an obligation shall have the effect of putting the Borrower in default thereof.

SET-OFF

The Bank is authorized (but not obligated), at any time and without notice, to apply any credit balance (whether or not then due) in any account in the name of the Borrower, or to which the Borrower is beneficially entitled (in any currency) at any branch or agency of the Bank in or towards satisfaction of the indebtedness of the Borrower due to the Bank under the Credit Facilities and the other obligations of the Borrower under this Agreement. For that purpose, the Bank is irrevocably authorized to use all or any part of any such credit balance to buy such other currencies as may be necessary to effect such application.

CONSENT OF DISCLOSURE

The Borrower hereby grants permission to any Person having information in such Person's possession relating to any Potential Prior-Ranking Claim, to release such information to the Bank (upon its written request), solely for the purpose of assisting the Bank to evaluate the financial condition of the Borrower.

JOINT AND SEVERAL / SOLIDARY

Where more than one Person is liable as Borrower, for any obligation under this Agreement, then the liability of each such Person for such obligation is joint and several (in Quebec, solidary) with each other such Person.

EVENTS OF DEFAULT

Without affecting or limiting the right of the Bank to terminate or demand payment of, or to cancel or restrict availability of any unutilized portion of, any demand or other discretionary facility, each of the following shall constitute an "Event of Default" which shall entitle the Bank, in its sole discretion, to cancel any Credit Facilities, demand immediate repayment in full of any amounts outstanding under any term facility, together with outstanding accrued interest and any other indebtedness under or with respect to any term facility, and to realize on all or any portion of any Security:

- a) failure of the Borrower to pay any principal, interest or other amount when due pursuant to this Agreement;
- b) failure of the Borrower, or any Guarantor if applicable, to observe any covenant, term or condition or provision contained in this Agreement, the Security or any other agreement delivered to the Bank or in any documentation relating hereto or thereto;
- c) the Borrower, or any Guarantor if applicable, is unable to pay its debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent;
- d) if any proceeding is taken to effect a compromise or arrangement with the creditors of the Borrower, or any Guarantor if applicable, or to have the Borrower, or any Guarantor if applicable, declared bankrupt or wound up, or to have a receiver appointed for any part of the assets or operations of the Borrower, or any Guarantor if applicable, or if any encumbrancer takes possession of any part thereof;
- e) if in the opinion of the Bank there is a material adverse change in the financial condition, ownership structure or composition or operation of the Borrower, or any Guarantor if applicable;
- f) if any representation or warranty made by the Borrower in any document relating hereto or under any Security shall be false in any material respect; or
- g) if the Borrower, or any Guarantor if applicable, defaults in the payment of any other indebtedness, whether owing to the Bank or to any other Person, or defaults in the performance or observance of any agreement in respect of such indebtedness where, as a result of such default, the maturity of such indebtedness is or may be accelerated.

LETTERS OF CREDIT AND/OR LETTERS OF GUARANTEE

Borrowings made by way of LCs and/or LGs will be subject to the following terms and conditions:

- a) each LC and/or LG shall expire on a Business Day and shall have a term of not more than 365 days;
- b) at least 2 Business Days prior to the issue of an LC and/or LG, the Borrower shall execute a duly authorized application with respect to such LC and/or LG and each LC and/or LG shall be governed by the terms and conditions of the relevant application for such contract. If there is any inconsistency at any time between the terms of this Agreement and the terms of the application for LC and/or LG, the terms of the application for the LC and/or LG shall govern; and
- c) an LC and/or LG may not be revoked prior to its expiry date unless the consent of the beneficiary of the LC and/or LG has been obtained.
- d) LC and/or LG fees and drawings will be charged to the Borrower's accounts.

FEF CONTRACTS

Bank makes no formal commitment herein to enter into any FEF Contract and the Bank may, at any time and at all times, in its sole and absolute discretion, accept or reject any request by the Borrower to enter into a FEF Contract. Should the Bank make FEF Contracts available to the Borrower, the Borrower agrees, with the Bank as follows:

- a) the Borrower shall promptly issue or countersign and return a confirmation or acknowledgement of the terms of each such FEF Contract as required by the Bank;
- b) the Borrower shall, if required by the Bank, promptly enter into a Foreign Exchange and Options Master Agreement or such other agreement in form and substance satisfactory to the Bank to govern the FEF Contract(s);
- c) in the event of demand for payment under the Agreement, the Bank may terminate all or any FEF Contracts. If the agreement governing any FEF Contract does not contain provisions governing termination, any such termination shall be effected in accordance with customary market practice. The Bank's determination of amounts owing under any terminated FEF Contract shall be conclusive in the absence of manifest error. The Bank shall apply any amount owing by the Bank to the Borrower on termination of any FEF Contract against the Borrower's obligations to the Bank under the Agreement and any amount owing to the Bank by the Borrower on such termination shall be added to the Borrower's obligations to the Bank under the Agreement and secured by the Security;

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

- d) the Borrower shall pay all required fees in connection with any FEF Contracts and indemnify and hold the Bank harmless against any loss, cost or expense incurred by the Bank in relation to any FEF Contract;
- e) any rights of the Bank herein in respect of any FEF Contract are in addition to and not in limitation of or substitution for any rights of the Bank under any agreement governing such FEF Contract. In the event that there is any inconsistency at any time between the terms hereof and any agreement governing such FEF Contract, the terms of such agreement shall prevail;
- f) in addition to any security which may be held at any time in respect of any FEF Contract, upon request by the Bank from time to time, the Borrower will deliver to the Bank such security as is acceptable to the Bank as continuing collateral security for the Borrower's obligations to the Bank in respect of FEF Contracts; and
- g) the Borrower will enter each FEF Contract as principal, and only for purposes of hedging currency risk arising in the ordinary course of the Borrower's business and not for purposes of speculation. The Borrower understands and hereby acknowledges the risks associated with each FEF Contract.

EXCHANGE RATE FLUCTUATIONS

If, for any reason, the amount of Borrowings and/or Leases if applicable, outstanding under any facility in a currency other than Canadian currency, when converted to the Equivalent Amount in Canadian currency, exceeds the amount available under such facility, the Borrower shall immediately repay such excess or shall secure such excess to the satisfaction of the Bank.

LANGUAGE

The parties hereto have expressly requested that this Agreement and all related documents, including notices, be drawn up in the English language. Les parties ont expressément demandé que la présente convention et tous les documents y afférents, y compris les avis, soient rédigés en langue anglaise.

WHOLE AGREEMENT

This Agreement and any documents or instruments referred to in, or delivered pursuant to, or in connection with, this Agreement constitute the whole and entire agreement between the Borrower and the Bank with respect to the Credit Facilities.

GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the Province in which the branch of the Bank, which is the Borrower's branch of account, is located, and the laws of Canada applicable therein, as the same may from time to time be in effect. The Borrower irrevocably submits to the non-exclusive jurisdiction of the courts of such Province and acknowledges the competence of such courts and irrevocably agrees to be bound by a judgment of any such court.

NOTICES

Any notice or demand to be given by the Bank shall be given in writing by way of a letter addressed to the Borrower. If the letter is sent by telecopier, it shall be deemed received on the date of transmission, provided such transmission is sent prior to 5:00 p.m. on a day on which the Borrower's business is open for normal business, and otherwise on the next such day. If the letter is sent by ordinary mail to the address of the Borrower, it shall be deemed received on the date falling five (5) days following the date of the letter, unless the letter is hand-delivered to the Borrower, in which case the letter shall be deemed to be received on the date of delivery. The Borrower must advise the Bank at once about any changes in the Borrower's address.

COUNTERPART EXECUTION

This Agreement may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together constitute one and the same instrument.

ELECTRONIC MAIL AND FAX TRANSMISSION

The Bank is entitled to rely on any agreement, document or instrument provided to the Bank by the Borrower or any Guarantor as applicable, by way of electronic mail or fax transmission as though it were an original document. The Bank is further entitled to assume that any communication from the Borrower received by electronic mail or fax transmission is a reliable communication from the Borrower.

ELECTRONIC IMAGING

The parties hereto agree that, at any time, the Bank may convert paper records of this Agreement and all other documentation delivered to the Bank (each, a "Paper Record") into electronic images (each, an "Electronic Image") as part of the Bank's normal business practices. The parties agree that each such Electronic Image shall be considered as an authoritative copy of the Paper Record and shall be legally binding on the parties and admissible in any legal, administrative or other proceeding as conclusive evidence of the contents of such document in the same manner as the original Paper Record.

CONFIDENTIALITY

This Agreement and all of its terms are confidential ("Confidential Information"). The Borrower shall keep the Confidential Information confidential and will not disclose the Confidential Information, or any part thereof, to any Person other than the Borrower's directors, officers, employees, agents, advisors, contractors, consultants and other representatives of the Borrower who need to know the Confidential Information for the purpose of this Agreement, who shall be informed of the confidential nature of the Confidential Information and who agree or are otherwise bound to treat the Confidential Information consistent with the terms of this Agreement. Without limiting the generality of the foregoing, the Borrower shall not issue any press release or make any other public announcement or filing with respect to the Confidential Information without the Bank's prior written consent.

DEFINITIONS

For the purpose of this Agreement, if applicable, the following terms and phrases shall have the following meanings:

"Applicable Laws" means, with respect to any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, rules, policies, guidelines, rulings, interpretations, directives (whether or not having the force of law), orders, codes, treaties, conventions, judgements, awards, determinations and decrees of any governmental, quasi-governmental, regulatory, fiscal or monetary body or agency or court of competent jurisdiction in any applicable jurisdiction;

"Borrowing" means each use of a Credit Facility, excluding Leases, and all such usages outstanding at any time are "Borrowings";

"Business Day" means a day, excluding Saturday, Sunday and any other day which shall be a legal holiday in Canada or any Province thereof, or a day on which banking institutions are closed throughout Canada;

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

"Business Loan Insurance Plan" means the optional group creditor insurance coverage, underwritten by RBC Life Insurance Company, and offered in connection with eligible loan products offered by the Bank;

"Capital Expenditures" means, for any fiscal period, any amounts accrued or paid in respect of any purchase or other acquisition for value of capital assets and, for greater certainty, excludes amounts expended in respect of the normal repair and maintenance of capital assets utilized in the ordinary course of business;

"Contaminant" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, hazardous material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental and Health and Safety Law;

"Corporate Distributions" means any payments to any shareholder, director or officer, or to any associate or holder of subordinated debt, or to any shareholder, director or officer of any associate or holder of subordinated debt, including, without limitation, bonuses, dividends, interest, salaries or repayment of debt or making of loans to any such Person, but excluding salaries to officers or other employees in the ordinary course of business;

"Current Assets" means, at any time, those assets ordinarily realizable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year;

"Current Liabilities" means, at any time, amounts payable within one year from the date of determination or within the normal operating cycle, where such cycle is longer than a year (the operating cycle must correspond with that used for current assets);

"Current Ratio" means the ratio of Current Assets to Current Liabilities;

"Debt Service Coverage" means, for any fiscal period, the ratio of EBITDA to the total of Interest Expense and scheduled principal payments in respect of Funded Debt;

"EBITDA" means, for any fiscal period, net income from continuing operations (excluding extraordinary gains or losses) plus, to the extent deducted in determining net income, interest expense and income taxes accrued during, and depreciation, depletion and amortization expenses deducted for, the period;

"Environmental Activity" means any activity, event or circumstance in respect of a Contaminant, including, without limitation, its storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation, or its Release into the natural environment, including movement through or in the air, soil, surface water or groundwater;

"Environmental and Health and Safety Laws" means all Applicable Laws relating to the environment or occupational health and safety, or any Environmental Activity;

"Equivalent Amount" means, with respect to an amount of any currency, the amount of any other currency required to purchase that amount of the first mentioned currency through the Bank in Toronto, in accordance with normal banking procedures;

"Equity" means the total of share capital (excluding preferred shares redeemable within one year) contributed surplus and retained earnings plus Postponed Debt;

"Financial Assistance" means any form of direct or indirect financial assistance of any other Person by means of a loan, guarantee or otherwise or any obligations (contingent or otherwise) intended to enable another Person to incur or pay any debt or comply with any agreements related thereto or to otherwise assure or protect creditors of another Person against loss in respect of debt or any other obligations of such other Person;

"Fixed Charge Coverage" means, for any fiscal period, the ratio of EBITDA plus payments under operating leases less cash income taxes, Corporate Distributions and Unfunded Capital Expenditures to Fixed Charges;

"Fixed Charges" means, for any fiscal period, the total of Interest Expense, scheduled principal payments in respect of Funded Debt and payments under operating leases;

"Foreign Exchange Forward Contract" or "FEF Contract" means a currency exchange transaction or agreement or any option with respect to any such transaction now existing or hereafter entered into between the Borrower and the Bank.

"Funded Debt" means, at any time for the fiscal period then ended, all obligations for borrowed money which bears interest or to which interest is imputed plus, without duplication, all obligations for the deferred payment of the purchase of property, all capital lease obligations and all indebtedness secured by purchase money security interests, but excluding Postponed Debt;

"Guarantor" means any Person who has guaranteed the obligations of the Borrower under this Agreement;

"Lease" means an advance of credit by the Bank to the Borrower by way of a Master Lease Agreement, Master Leasing Agreement, Leasing Schedule, Equipment Lease, Conditional Sales Contract, or pursuant to an Interim Funding Agreement or an Agency Agreement, in each case issued to the Borrower;

"Interest Expense" means, for any fiscal period, the aggregate cost of advances of credit outstanding during that period including, without limitation, interest charges, capitalized interest, the interest component of capital leases, fees payable in respect of letters of credit and letters of guarantee and discounts incurred and fees payable in respect of bankers' acceptances.

"Investment" means the acquisition (whether for cash, property, services, securities or otherwise) of shares, bonds, notes, debentures, partnership or other property interests or other securities of any other Person or any agreement to make any such acquisition;

"Letter of Credit" or "LC" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of paying suppliers of goods;

"Letter of Guarantee" or "LG" means a documentary credit issued by the Bank on behalf of the Borrower for the purpose of providing security to a third party that the Borrower or a person designated by the Borrower will perform a contractual obligation owed to such third party;

ROYAL BANK OF CANADA CREDIT AGREEMENT – STANDARD TERMS

FORM 472 (12/2022)

"Margin" or "Margined" means that the availability of Borrowings under the credit facilities will be based on the Borrower's level of accounts receivable, inventory and Potential Prior Ranking Claims as determined by reference to regular reports provided to the Bank by the Borrower;

"Overdraft" means advances of credit by way of debit balances in the Borrower's current account;

"Permitted Encumbrances" means, in respect of the Borrower:

- a) liens arising by operation of law for amounts not yet due or delinquent, minor encumbrances on real property such as easements and rights of way which do not materially detract from the value of such property, and security given to municipalities and similar public authorities when required by such authorities in connection with the operations of the Borrower in the ordinary course of business; and
- b) Security granted in favour of the Bank;

"Person" includes an individual, a partnership, a joint venture, a trust, an unincorporated organization, a company, a corporation, an association, a government or any department or agency thereof including Canada Revenue Agency, and any other incorporated or unincorporated entity;

"Policy" means the Business Loan Insurance Plan policy 52000 and 53000, issued by RBC Life Insurance Company to the Bank;

"Postponed Debt" means indebtedness that is fully postponed and subordinated, both as to principal and interest, on terms satisfactory to the Bank, to the obligations owing to the Bank hereunder;

"Potential Prior-Ranking Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any law, statute, regulation or otherwise, which ranks or is capable of ranking in priority to the Security or otherwise in priority to any claim by the Bank for repayment of any amounts owing under this Agreement;

"RBP" and "Royal Bank Prime" each means the annual rate of interest announced by the Bank from time to time as being a reference rate then in effect for determining interest rates on commercial loans made in Canadian currency in Canada;

"RBUSBR" and "Royal Bank US Base Rate" each means the annual rate of interest announced by the Bank from time to time as a reference rate then in effect for determining interest rates on commercial loans made in US currency in Canada;

"Release" includes discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"Tangible Net Worth" means the total of Equity less intangibles, deferred charges, leasehold improvements, deferred tax credits and unsecured advances to related parties. For the purpose hereof, intangibles are assets lacking physical substance;

"Total Liabilities" means all liabilities exclusive of deferred tax liabilities and Postponed Debt;

"Unfunded Capital Expenditures" means Capital Expenditures not funded by either bank debt or equity proceeds.

"US" means United States of America.



Royal Bank

FORM 484 OWL (Rev 06/2023)

ROYAL BANK OF CANADA AMENDING AGREEMENT		DATE: August 2, 2023
BORROWER: MICROB RESOURCES INC.		SRF: 394436869
ADDRESS (Street, City/Town, Province, Postal Code) Unit 105 3551 VIKING WAY RICHMOND BC V6V1W1		

Royal Bank of Canada (the "**Bank**") hereby confirms to the undersigned borrower (the "**Borrower**") the following amendments to the credit agreement dated June 28, 2023, and any previous amendments thereto, between the Borrower and the Bank (the "**Agreement**"):

1. Under the Credit Facilities section of the Agreement, Facility #1 is amended and restated as follows:

Facility #1 Revolving demand facility in the amount of \$1,500,000.00, available by way of RBP and/or RBUSBR based loans.

Minimum retained balance \$0.00

Revolved by the Bank in increments of \$5,000.00

Interest rate: RBP + 2.50% and/or RBUSBR+ 2.50% per annum. Interest payable monthly, in arrears, on the same day each month as determined by the Bank.

Margined: Yes [] No [X]

2. The Other Facilities section is amended and restated as follows:

OTHER FACILITIES

The Credit Facilities are in addition to the following facilities (the "**Other Facilities**"). The Other Facilities will be governed by this Agreement and separate agreements between the Borrower and the Bank. In the event of a conflict between this Agreement and any such separate agreement, the terms of the separate agreement will govern.

- a) Credit Card to a maximum amount of \$100,000.00 available in Canadian currency and US currency;
- b) All Foreign Exchange Forward Contracts ("FEF Contracts") outstanding at any time and from time to time.

OTHER TERMS AND CONDITIONS

- a) All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement; and
- b) All other terms and conditions of the Agreement including those contained in the standard terms provided therewith, remain in full force and effect.

STANDARD TERMS

In addition to the standard terms previously provided to the Borrower as indicated in the Agreement, the following standard terms, if indicated in the boxes below, are being provided to the Borrower:

- [] Form 472 (12/2022) Royal Bank of Canada Credit Agreement – Standard Terms
- [] Form 473 (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms
- [] Form 473A (06/2021) Royal Bank of Canada Credit Agreement – RBC Covarity Terms and Conditions
- [] Form 473B (02/2020) Royal Bank of Canada Credit Agreement – Margined Accounts Standard Terms

* Registered trademark of Royal Bank of Canada.

ACCEPTANCE

The Borrower and the Bank waive any requirement for the amendments set out above to be signed by the Borrower. The Borrower is deemed to agree to the amendments set out above and to the new or amended standard terms, if provided, so taking effect by accessing credit, borrowing or continuing to borrow under the Credit Facilities. The above amendments and the new or amended standard terms, if applicable, take effect as of the date of this amending agreement.

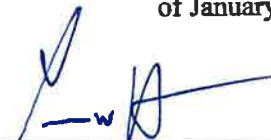
ROYAL BANK OF CANADA

Per: _____
Title: Vice President

RBC Contact: Celia Hui

/rc

This is Exhibit "E" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

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

A Commissioner/Notary Public for the
Province of British Columbia

PERSONAL PROPERTY REGISTRY SEARCH RESULT
BC Registries and Online Services

Business Debtor - "MICROB RESOURCES INC."

Search Date and Time: December 10, 2024 at 12:13:15 pm Pacific time
Account Name: OSLER, HOSKIN & HARCOURT LLP
Folio Number: 1263723

TABLE OF CONTENTS

5 Matches in 5 Registrations in Report

Exact Matches: 5 (*)

Total Search Report Pages: 25

	Base Registration	Base Registration Date	Debtor Name	Page
1	143401E	January 18, 2008	* MICROB RESOURCES INC.	2
2	020610M	January 23, 2020	* MICROB RESOURCES INC.	6
3	595200P	June 12, 2023	* MICROB RESOURCES INC.	17
4	628667P	June 27, 2023	* MICROB RESOURCES INC.	20
5	799518Q	December 2, 2024	* MICROB RESOURCES INC.	24

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 143401E

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 18, 2008 at 8:59:40 am Pacific time
Current Expiry Date and Time:	January 18, 2037 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of December 10, 2024 at 12:13:15 pm Pacific time)

Secured Party Information

BUSINESS DEVELOPMENT BANK OF CANADA	Address
	1500 - 1133 MELVILLE STREET VANCOUVER BC V6E 4E5 Canada

Debtor Information

MICROB RESOURCES INC.	Address
	#1 - 156 ALDERS ROAD SALT SPRING ISLAND BC V8K 2K5 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

March 6, 2019 at 10:48:34 am Pacific time

ADDED

PRINTER, VIKING M400 SPARE PARTS, STAINLESS STEEL LOAD SHELF, ONE ADDITIONAL QUAD FORMING TUBE FOR 124MM WIDE X 85MM DEEP, ACCRAPLY LABEL VALVE APPLICATOR, VIKING CAROUSEL UNIT, M400 BAGGER STAND, AND SET OF EXCHANGEABLE POCKETS FOR SECOND 908 GRAM BAG SIZE; (III) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE ,(I) BUHLER INC. COFFEE ROASTER ROASTMASTER 120 (AIR RE-CIRCULATING SYSTEM), INCLUDING CONTROL PANEL UL VERSION, FREIGHT DDP, FEEDING SYSTEM TO ROASTMASTER 120, AND DE-STONING SYSTEM; (II) VIKING MASEK GLOBAL PACKAGING TECHNOLOGIES EQUIPMENT DESCRIBED AS PNEU-CON \WHISPER LOADER\ FREE FLOW GRANULAR CONVEYING SYSTEM, WEIGH RIGHT IQ-SHUTTLE NET WEIGH FILLING MACHINE, VIKING MASEK M400 VFFS MACHINE, MARKEM-IMAJE X40 (53 MM)THERMAL TRANSFER ,AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY, INCLUDING INVENTORY, EQUIPMENT AND FIXTURES AND PROCEEDS, INCLUDING ACCOUNTS RECEIVABLE, BOOK ACCOUNTS AND THE PROCEEDS THEREOF, BUT EXCLUDING CONSUMER GOODS

Original Registering Party

**MCCONNAN BION O'CONNOR &
PETERSON**

Address

420 880 DOUGLAS STREET
VICTORIA BC
V8W 2B7 Canada

HISTORY

(Showing most recent first)

COLLATERAL ADDITION

Registration Date and Time: March 6, 2019 at 10:48:34 am Pacific time
Registration Number: 354421L

General Collateral

March 6, 2019 at 10:48:34 am Pacific time

ADDED

PRINTER, VIKING M400 SPARE PARTS, STAINLESS STEEL LOAD SHELF, ONE ADDITIONAL QUAD FORMING TUBE FOR 124MM WIDE X 85MM DEEP, ACCRAPLY LABEL VALVE APPLICATOR, VIKING CAROUSEL UNIT, M400 BAGGER STAND, AND SET OF EXCHANGEABLE POCKETS FOR SECOND 908 GRAM BAG SIZE; (III) TOGETHER WITH ALL ATTACHMENTS ACCESSORIES ACCESSIONS REPLACEMENTS SUBSTITUTIONS ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY SALE ,(I) BUHLER INC. COFFEE ROASTER ROASTMASTER 120 (AIR RE-CIRCULATING SYSTEM), INCLUDING CONTROL PANEL UL VERSION, FREIGHT DDP, FEEDING SYSTEM TO ROASTMASTER 120, AND DE-STONING SYSTEM; (II) VIKING MASEK GLOBAL PACKAGING TECHNOLOGIES EQUIPMENT DESCRIBED AS PNEU-CON \WHISPER LOADER\ FREE FLOW GRANULAR CONVEYING SYSTEM, WEIGH RIGHT IQ-SHUTTLE NET WEIGH FILLING MACHINE, VIKING MASEK M400 VFFS MACHINE, MARKEM-IMAGE X40 (53 MM)THERMAL TRANSFER ,AND OR DEALINGS WITH THE COLLATERAL AND A RIGHT TO AN INSURANCE PAYMENT OR OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR PROCEEDS OF THE COLLATERAL.

Registering Party Information

CAMPBELL FROH MAY & RICE LLP **Address**
200 5611 COONEY ROAD
RICHMOND BC
V6X 3J6 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

RENEWAL

Registration Date and Time: March 5, 2019 at 2:28:10 pm Pacific time
Registration Number: 352473L
Registration Life: 4 Years
New Expiration Date and Time: January 18, 2037 at 11:59:59 pm Pacific time

Registering Party Information

CAMPBELL FROH MAY & RICE LLP **Address**
200 5611 COONEY ROAD
RICHMOND BC
V6X 3J6 Canada

AMENDMENT

Registration Date and Time: May 21, 2014 at 9:46:01 am Pacific time
Registration Number: 965513H
Description: BUSINESS DEVELOPMENT BANK OF CANADA GRANTS TO THE TORONTO- DOMINION BANK PRIORITY OVER THE INTEREST OF BUSINESS DEVELOPMENT BANK OF CANADA AND POSTPONES THE RIGHT, TITLE AND INTEREST OF BUSINESS DEVELOPMENT BANK OF CANADA TO THE TORONTO-DOMINION BANK AS IF BASE REGISTRATION NUMBER 143401E HAD BEEN REGISTERED IMMEDIATELY AFTER THE REGISTRATION OF THE TORONTO-DOMINION BANK, BASE REGISTRATION NUMBER 965447H, NOTWITHSTANDING THE RESPECTIVE DATES AND TIME OF EXECUTION AND REGISTRATION OF THE CHARGES OR THE RESPECTIVE DATES OF ADVANCEMENT OF MONIES UNDER THEM.

Registering Party Information

**CHARLES L. ANDERSON,
BARRISTER & SOLICITOR** **Address**
835 GRANVILLE STREET
VANCOUVER BC
V6Z 1K7 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 020610M

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	January 23, 2020 at 2:15:20 pm Pacific time
Current Expiry Date and Time:	January 23, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of December 10, 2024 at 12:13:15 pm Pacific time)

Secured Party Information

**BODKIN, A DIVISION OF
BENNINGTON FINANCIAL CORP.**

Address

102-1465 NORTH SERVICE RD E
OAKVILLE ON
L6H 1A7 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Debtor Information

MICROB RESOURCES INC.

Address

105-3551 VIKING WAY
RICHMOND BC
V6V 1W1 Canada

MCLEOD, NORMAN

Address

211 HOREL RD
SALT SPRING ISLAND BC
V8K 2A4 Canada

Birthdate

April 7, 1956

SALT SPRING COFFEE CO

Address

105-3551 VIKING WAY
RICHMOND BC
V6V 1W1 Canada

MCLEOD, NORMAN LEWIS

Address

211 HOREL RD
SALT SPRING ISLAND BC
V8K 2A4 Canada

Birthdate

April 7, 1956

Vehicle Collateral

None

General Collateral

May 21, 2020 at 8:06:04 am Pacific time

DELETED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT

ADDED

220LB/HR 1 642/B628106.12 RATIONAL ELECTRIC COMBI 62E 208V-3PH 1 435/TP424-208/240V
TOASTMASTER 4 SLOT TOASTER 208/240V 1 1768/02157397 T1-6060RSRD-S GRAB & GO
REFRIGERATED DISPLAY 60\ 1 747/02173565 PANINI TURBOCHEF OVEN 1 WORK TOP 137.25\
W/SINK ITEM #2163/02180922 1 WORK TOP 54.5\ W/SINK ITEM #2163/02180922B 1 WORK TOP
55.5\ ITEM #2163/02180922C 1 CLEAN SIDE DISHTABLE ITEM #2163/02180922D 1 L-SHAPED SOILED
DISHTABLE ITEM #2163/02180922D 1 WORK TOP 77.5\ ITEM #2163/02180922G & DELIVERY, 2
AIRBLADE-LOW VOLT NKL (6) DYSON PART NUMBER 307174-01, KITCHEN SMALLWARES AND
SHELVES AS PER INVOICE NO. 232615 ,REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 318/TUC-27F-
D-2-HC(2.5) TRUE UNDERCOUNTER DRAWERED FREEZER 2.5\ CASTORS 1 318/TUC-27-HC(2.5) TRUE
U/C COOLER 27\ W/2.5\ CASTORS 2.5\ CASTORS 1 318/TUC-27-HC(2.5-LH) UNDERCOUNTER COOLER,
LH HINGE 2.5\ CASTORS LEFT HAND HINGE 1 318/TUC-24-HC(LH) TRUE UNDERCOUNTER COOLER
LEFT HINGE LEFT HAND HINGE 1 642/60.30.343 BASE CABINET US III FOR TYPE 62 - MOBILE 1
807/UYF0190A - NEO U/C ICE MACHINE 1 124/02173555 DH6000VHR VENTLESS HEAT RECOVERY
DOOR TYPE DISHWASHER 208V-3PH CORNER CONFIGURATION SPLASH SHIELD KIT DRAIN WATER
TEPMERING KIT 1 318/TUC-48-HC(2.5) TRUE REFRIGERATED COUNTER 48\ 2.5\ CASTORS 1
085/02173560 KET12T TILTING KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE
PANTRY KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 -
EQUIPMENT STAND WITH SLIDING DRAIN DRAWER& SPLASH SCREEN1 642/60.74.974 ULTRA VENT
FOR COMBI DUO 1 153/CL50E VEGETABLE PREP,TRUE REFRIGERATION CANADA MODEL NO. TUC-48-
HC 1 KETTLE, ELECTRIC, COUNTERTOP - GARLAND CANADA MODEL NO. KET12T 1 60.30.343 US III
ULTRAVENT 1 60.74.974 ULTRAVENT RECIRCULATING CONDENSATION HOOD 1 ICE MAKER WITH BIN,
CUBE-STYLE - MANITOWOC MODEL NO. UYF0190A 1 POP-UP TOASTER - TOASTMASTER MODEL NO.
TP424 1 COMBI OVEN, ELECTRIC - RATIONAL CANADA MODEL NO. B628106.12 1 DISHWASHER,
DOOR TYPE, VENTLESS - CHAMPION MOYER DIEBEL CANADA MODEL NO. DH-6000-VHR 1 REACH-IN
UNDERCOUNTER FREEZER - TRUE REFRIGERATION CANADA MODEL NO. TUC-27F-D-2-HC 1
MICROWAVE CONVECTION / IMPINGEMENT OVEN - TURBOCHEF MODEL NO. PANINI 2 318/TWT-48-
HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 COOLER DISPLAY - SMART COOLING
CONCEPTS MODEL NO. 2.5\ CASTORS 1 COOLER DISPLAY - SMART COOLING CONCEPTS MODEL NO.
T1-6060RSRD-S 1 REFRIGERATED WORK TOP - TRUE REFRIGERATION CANADA MODEL NO. TWT-48-
HC 1 VARIOUS FOOD EQUIPMENT 1 318/TWT-48-HC(2.5) TRUE,PURSUANT TO LEASE AGREEMENT
50008681, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50008681
TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS,
ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN
ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 MODULAR RANGE, 24\ CHAR-BROILER - QUEST METAL PRODUCTS MODEL NO. 105-BROQB24 1 UNDERCOUNTER REFRIGERATOR -

February 14, 2020 at 10:09:44 am Pacific time

DELETED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT

ADDED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50008681 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 MODULAR RANGE, 24\ CHAR-BROILER - QUEST METAL PRODUCTS MODEL NO. 105-BROQB24 1 UNDERCOUNTER REFRIGERATOR -,REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 318/TUC-27F-D-2-HC(2.5) TRUE UNDERCOUNTER DRAWERED FREEZER 2.5\ CASTORS 1 318/TUC-27-HC(2.5) TRUE U/C COOLER 27\ W/2.5\ CASTORS 2.5\ CASTORS 1 318/TUC-27-HC(2.5-LH) UNDERCOUNTER COOLER, LH HINGE 2.5\ CASTORS LEFT HAND HINGE 1 318/TUC-24-HC(LH) TRUE UNDERCOUNTER COOLER LEFT HINGE LEFT HAND HINGE 1 642/60.30.343 BASE CABINET US III FOR TYPE 62 - MOBILE 1 807/UYF0190A - NEO U/C ICE MACHINE 1 124/02173555 DH6000VHR VENTLESS HEAT RECOVERY DOOR TYPE DISHWASHER 208V-3PH CORNER CONFIGURATION SPLASH SHIELD KIT DRAIN WATER TEPMERING KIT 1 318/TUC-48-HC(2.5) TRUE REFRIGERATED COUNTER 48\ 2.5\ CASTORS 1 085/02173560 KET12T TILTING KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 - EQUIPMENT STAND WITH SLIDING DRAIN DRAWER& SPLASH SCREEN1 642/60.74.974 ULTRA VENT FOR COMBI DUO 1 153/CL50E VEGETABLE PREP,220LB/HR 1 642/B628106.12 RATIONAL ELECTRIC COMBI 62E 208V-3PH 1 435/TP424-208/240V TOASTMASTER 4 SLOT TOASTER 208/240V 1 1768/02157397 T1-6060RSRD-S GRAB & GO REFRIGERATED DISPLAY 60\ 1 747/02173565 PANINI TURBOCHEF OVEN 1 WORK TOP 137.25\ W/SINK ITEM #2163/02180922 1 WORK TOP 54.5\ W/SINK ITEM #2163/02180922B 1 WORK TOP 55.5\ ITEM #2163/02180922C 1



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

CLEAN SIDE DISHTABLE ITEM #2163/02180922D 1 L-SHAPED SOILED DISHTABLE ITEM
#2163/02180922D 1 WORK TOP 77.5\ ITEM #2163/02180922G & DELIVERY ,TRUE REFRIGERATION
CANADA MODEL NO. TUC-48-HC 1 KETTLE, ELECTRIC, COUNTERTOP - GARLAND CANADA MODEL NO.
KET12T 1 60.30.343 US III ULTRAVENT 1 60.74.974 ULTRAVENT RECIRCULATING CONDENSATION
HOOD 1 ICE MAKER WITH BIN, CUBE-STYLE - MANITOWOC MODEL NO. UYF0190A 1 POP-UP
TOASTER - TOASTMASTER MODEL NO. TP424 1 COMBI OVEN, ELECTRIC - RATIONAL CANADA MODEL
NO. B628106.12 1 DISHWASHER, DOOR TYPE, VENTLESS - CHAMPION MOYER DIEBEL CANADA
MODEL NO. DH-6000-VHR 1 REACH-IN UNDERCOUNTER FREEZER - TRUE REFRIGERATION CANADA
MODEL NO. TUC-27F-D-2-HC 1 MICROWAVE CONVECTION / IMPINGEMENT OVEN - TURBOCHEF
MODEL NO. PANINI 2 318/TWT-48-HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1
COOLER DISPLAY - SMART COOLING CONCEPTS MODEL NO. 2.5\ CASTORS 1 COOLER DISPLAY -
SMART COOLING CONCEPTS MODEL NO. T1-6060RSRD-S 1 REFRIGERATED WORK TOP - TRUE
REFRIGERATION CANADA MODEL NO. TWT-48-HC 1 VARIOUS FOOD EQUIPMENT 1 318/TWT-48-
HC(2.5) TRUE

Base Registration General Collateral:

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT
ENCOMPASSED BY LEASE AGREEMENT 50008681 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES,
ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL
PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM
ANY DEALING WITH ,COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT,
INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS,
SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS
AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR
COMPENSATES FOR LOSS OR DAMAGE ,TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL
INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 MODULAR RANGE, 24\ CHAR-BROILER - QUEST
METAL PRODUCTS MODEL NO. 105-BROQB24 1 UNDERCOUNTER REFRIGERATOR - TRUE
REFRIGERATION CANADA MODEL NO. TUC-48-HC 1 KETTLE, ELECTRIC, COUNTERTOP - GARLAND
CANADA MODEL NO. KET12T 1 60.30.343 US III ,ULTRAVENT 1 60.74.974 ULTRAVENT RECIRCULATING
CONDENSATION HOOD 1 ICE MAKER WITH BIN, CUBE-STYLE - MANITOWOC MODEL NO. UYF0190A 1
POP-UP TOASTER - TOASTMASTER MODEL NO. TP424 1 COMBI OVEN, ELECTRIC - RATIONAL CANADA
MODEL NO. B628106.12 1 DISHWASHER, DOOR TYPE, VENTLESS - CHAMPION MOYER DIEBEL
CANADA MODEL NO. DH-6000-VHR 1 REACH-IN ,UNDERCOUNTER FREEZER - TRUE REFRIGERATION
CANADA MODEL NO. TUC-27F-D-2-HC 1 MICROWAVE CONVECTION / IMPINGEMENT OVEN -
TURBOCHEF MODEL NO. PANINI 2 318/TWT-48-HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\
CASTORS 1 COOLER DISPLAY - SMART COOLING CONCEPTS MODEL NO. T1-6060RSRD-S 1
REFRIGERATED WORK TOP - TRUE REFRIGERATION CANADA ,MODEL NO. TWT-48-HC 1 VARIOUS
FOOD EQUIPMENT 1 318/TWT-48-HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1
318/TUC-27F-D-2-HC(2.5) TRUE UNDERCOUNTER DRAWERED FREEZER 2.5\ CASTORS 1 318/TUC-27-
HC(2.5) TRUE U/C COOLER 27\ W/2.5\ CASTORS 2.5\ CASTORS 1 318/TUC-27-HC(2.5-LH)
UNDERCOUNTER COOLER, LH HINGE 2.5\ CASTORS LEFT HAND HINGE 1 ,318/TUC-24-HC(LH) TRUE



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

UNDERCOUNTER COOLER LEFT HINGE LEFT HAND HINGE 1 642/60.30.343 BASE CABINET US III FOR TYPE 62 - MOBILE 1 807/UYF0190A - NEO U/C ICE MACHINE 1 124/02173555 DH6000VHR VENTLESS HEAT RECOVERY DOOR TYPE DISHWASHER 208V-3PH CORNER CONFIGURATION SPLASH SHIELD KIT DRAIN WATER TEPMERING KIT 1 318/TUC-48-HC(2.5) TRUE ,REFRIGERATED COUNTER 48\ 2.5\ CASTORS 1 085/02173560 KET12T TILTING KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 - EQUIPMENT STAND WITH SLIDING DRAIN DRAWER& SPLASH SCREEN 1 642/60.74.974 ULTRA VENT FOR COMBI DUO 1 153/CL50E VEGETABLE PREP 220LB/HR 1 642/B628106.12 RATIONAL ELECTRIC COMBI 62E 208V-3PH 1 ,435/TP424-208/240V TOASTMASTER 4 SLOT TOASTER 208/240V 1 1768/02157397 T1-6060RSRD-S GRAB & GO REFRIGERATED DISPLAY 60\ 1 747/02173565 PANINI TURBOCHEF OVEN

Original Registering Party

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

HISTORY

(Showing most recent first)

AMENDMENT

Registration Date and Time:	May 21, 2020 at 8:06:04 am Pacific time
Registration Number:	227424M
Description:	AMEND GENERAL COLLATERAL



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

May 21, 2020 at 8:06:04 am Pacific time

DELETED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT

ADDED

220LB/HR 1 642/B628106.12 RATIONAL ELECTRIC COMBI 62E 208V-3PH 1 435/TP424-208/240V
TOASTMASTER 4 SLOT TOASTER 208/240V 1 1768/02157397 T1-6060RSRD-S GRAB & GO
REFRIGERATED DISPLAY 60\ 1 747/02173565 PANINI TURBOCHEF OVEN 1 WORK TOP 137.25\
W/SINK ITEM #2163/02180922 1 WORK TOP 54.5\ W/SINK ITEM #2163/02180922B 1 WORK TOP
55.5\ ITEM #2163/02180922C 1 CLEAN SIDE DISHTABLE ITEM #2163/02180922D 1 L-SHAPED
SOILED DISHTABLE ITEM #2163/02180922D 1 WORK TOP 77.5\ ITEM #2163/02180922G &
DELIVERY, 2 AIRBLADE-LOW VOLT NKL (6) DYSON PART NUMBER 307174-01, KITCHEN
SMALLWARES AND SHELVES AS PER INVOICE NO. 232615 ,REFRIGERATED COUNTER, 2 DR 2.5\
CASTORS 1 318/TUC-27F-D-2-HC(2.5) TRUE UNDERCOUNTER DRAWERED FREEZER 2.5\ CASTORS
1 318/TUC-27-HC(2.5) TRUE U/C COOLER 27\ W/2.5\ CASTORS 2.5\ CASTORS 1 318/TUC-27-
HC(2.5-LH) UNDERCOUNTER COOLER, LH HINGE 2.5\ CASTORS LEFT HAND HINGE 1 318/TUC-24-
HC(LH) TRUE UNDERCOUNTER COOLER LEFT HINGE LEFT HAND HINGE 1 642/60.30.343 BASE
CABINET US III FOR TYPE 62 - MOBILE 1 807/UYF0190A - NEO U/C ICE MACHINE 1 124/02173555
DH6000VHR VENTLESS HEAT RECOVERY DOOR TYPE DISHWASHER 208V-3PH CORNER
CONFIGURATION SPLASH SHIELD KIT DRAIN WATER TEPMERING KIT 1 318/TUC-48-HC(2.5) TRUE
REFRIGERATED COUNTER 48\ 2.5\ CASTORS 1 085/02173560 KET12T TILTING KETTLE ELECTRIC
208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY KETTLE ELECTRIC 208V-3PH CL12- LIFT
OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 - EQUIPMENT STAND WITH SLIDING DRAIN
DRAWER& SPLASH SCREEN1 642/60.74.974 ULTRA VENT FOR COMBI DUO 1 153/CL50E
VEGETABLE PREP,TRUE REFRIGERATION CANADA MODEL NO. TUC-48-HC 1 KETTLE, ELECTRIC,
COUNTERTOP - GARLAND CANADA MODEL NO. KET12T 1 60.30.343 US III ULTRAVENT 1
60.74.974 ULTRAVENT RECIRCULATING CONDENSATION HOOD 1 ICE MAKER WITH BIN, CUBE-
STYLE - MANITOWOC MODEL NO. UYF0190A 1 POP-UP TOASTER - TOASTMASTER MODEL NO.
TP424 1 COMBI OVEN, ELECTRIC - RATIONAL CANADA MODEL NO. B628106.12 1 DISHWASHER,
DOOR TYPE, VENTLESS - CHAMPION MOYER DIEBEL CANADA MODEL NO. DH-6000-VHR 1
REACH-IN UNDERCOUNTER FREEZER - TRUE REFRIGERATION CANADA MODEL NO. TUC-27F-D-2-
HC 1 MICROWAVE CONVECTION / IMPINGEMENT OVEN - TURBOCHEF MODEL NO. PANINI 2
318/TWT-48-HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 COOLER DISPLAY -
SMART COOLING CONCEPTS MODEL NO. 2.5\ CASTORS 1 COOLER DISPLAY - SMART COOLING
CONCEPTS MODEL NO. T1-6060RSRD-S 1 REFRIGERATED WORK TOP - TRUE REFRIGERATION
CANADA MODEL NO. TWT-48-HC 1 VARIOUS FOOD EQUIPMENT 1 318/TWT-48-HC(2.5)
TRUE,PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT
ENCOMPASSED BY LEASE AGREEMENT 50008681 TOGETHER WITH ALL ATTACHMENTS

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 MODULAR RANGE, 24\ CHAR-BROILER - QUEST METAL PRODUCTS MODEL NO. 105-BROQB24 1 UNDERCOUNTER REFRIGERATOR -

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

AMENDMENT

Registration Date and Time:	February 14, 2020 at 10:09:44 am Pacific time
Registration Number:	062205M
Description:	AMEND GENERAL COLLATERAL



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

February 14, 2020 at 10:09:44 am Pacific time

DELETED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT

ADDED

PURSUANT TO LEASE AGREEMENT 50008681, ALL PRESENT AND FUTURE EQUIPMENT ENCOMPASSED BY LEASE AGREEMENT 50008681 TOGETHER WITH ALL ATTACHMENTS ACCESSORIES, ACCESSIONS, REPLACEMENTS, SUBSTITUTIONS, ADDITIONS AND IMPROVEMENTS THERETO AND ALL PROCEEDS OF EVERY TYPE, ITEM OR KIND IN ANY FORM DERIVED DIRECTLY OR INDIRECTLY FROM ANY DEALING WITH COLLATERAL INCLUDING WITHOUT LIMITATION TRADE-INS, EQUIPMENT, INVENTORY, GOODS, NOTES, CHATTEL PAPER, CONTRACT RIGHTS, ACCOUNTS, RENTAL PAYMENTS, SECURITIES, INTANGIBLES, DOCUMENTS OF TITLE AND MONEY AND ALL PROCEEDS OF PROCEEDS AND A RIGHT TO ANY INSURANCE PAYMENT AND ANY OTHER PAYMENT THAT INDEMNIFIES OR COMPENSATES FOR LOSS OR DAMAGE TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT TO THE COLLATERAL OR THE PROCEEDS OF THE COLLATERAL INCLUDING BUT NOT LIMITED TO THE FOLLOWING 1 MODULAR RANGE, 24\ CHAR-BROILER - QUEST METAL PRODUCTS MODEL NO. 105-BROQB24 1 UNDERCOUNTER REFRIGERATOR -,REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 318/TUC-27F-D-2-HC(2.5) TRUE UNDERCOUNTER DRAWERED FREEZER 2.5\ CASTORS 1 318/TUC-27-HC(2.5) TRUE U/C COOLER 27\ W/2.5\ CASTORS 2.5\ CASTORS 1 318/TUC-27-HC(2.5-LH) UNDERCOUNTER COOLER, LH HINGE 2.5\ CASTORS LEFT HAND HINGE 1 318/TUC-24-HC(LH) TRUE UNDERCOUNTER COOLER LEFT HINGE LEFT HAND HINGE 1 642/60.30.343 BASE CABINET US III FOR TYPE 62 - MOBILE 1 807/Uyf0190A - NEO U/C ICE MACHINE 1 124/02173555 DH6000VHR VENTLESS HEAT RECOVERY DOOR TYPE DISHWASHER 208V-3PH CORNER CONFIGURATION SPLASH SHIELD KIT DRAIN WATER TEPMERING KIT 1 318/TUC-48-HC(2.5) TRUE REFRIGERATED COUNTER 48\ 2.5\ CASTORS 1 085/02173560 KET12T TILTING KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY KETTLE ELECTRIC 208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 - EQUIPMENT STAND WITH SLIDING DRAIN DRAWER& SPLASH SCREEN1 642/60.74.974 ULTRA VENT FOR COMBI DUO 1 153/CL50E VEGETABLE PREP,220LB/HR 1 642/B628106.12 RATIONAL ELECTRIC COMBI 62E 208V-3PH 1 435/TP424-208/240V TOASTMASTER 4 SLOT TOASTER 208/240V 1 1768/02157397 T1-6060RSRD-S GRAB & GO REFRIGERATED DISPLAY 60\ 1 747/02173565 PANINI TURBOCHEF OVEN 1 WORK TOP 137.25\ W/SINK ITEM #2163/02180922 1 WORK TOP 54.5\ W/SINK ITEM #2163/02180922B 1 WORK TOP 55.5\ ITEM #2163/02180922C 1 CLEAN SIDE DISHTABLE ITEM #2163/02180922D 1 L-SHAPED SOILED DISHTABLE ITEM #2163/02180922D 1 WORK TOP 77.5\ ITEM #2163/02180922G & DELIVERY ,TRUE REFRIGERATION CANADA MODEL NO. TUC-48-HC 1 KETTLE, ELECTRIC, COUNTERTOP - GARLAND CANADA MODEL NO. KET12T 1 60.30.343 US III ULTRAVENT 1 60.74.974 ULTRAVENT RECIRCULATING CONDENSATION HOOD 1 ICE MAKER WITH

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

BIN, CUBE-STYLE - MANITOWOC MODEL NO. UYF0190A 1 POP-UP TOASTER - TOASTMASTER MODEL NO. TP424 1 COMBI OVEN, ELECTRIC - RATIONAL CANADA MODEL NO. B628106.12 1 DISHWASHER, DOOR TYPE, VENTLESS - CHAMPION MOYER DIEBEL CANADA MODEL NO. DH-6000-VHR 1 REACH-IN UNDERCOUNTER FREEZER - TRUE REFRIGERATION CANADA MODEL NO. TUC-27F-D-2-HC 1 MICROWAVE CONVECTION / IMPINGEMENT OVEN - TURBOCHEF MODEL NO. PANINI 2 318/TWT-48-HC(2.5) TRUE REFRIGERATED COUNTER, 2 DR 2.5\ CASTORS 1 COOLER DISPLAY - SMART COOLING CONCEPTS MODEL NO. 2.5\ CASTORS 1 COOLER DISPLAY - SMART COOLING CONCEPTS MODEL NO. T1-6060SRD-S 1 REFRIGERATED WORK TOP - TRUE REFRIGERATION CANADA MODEL NO. TWT-48-HC 1 VARIOUS FOOD EQUIPMENT 1 318/TWT-48-HC(2.5) TRUE

Registering Party Information

AVS SYSTEMS INC.

Address

201-1325 POLSON DR.
VERNON BC
V1T 8H2 Canada

PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Base Registration Number: 595200P

DISCHARGED

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	June 12, 2023 at 6:27:03 am Pacific time
Discharge Date and Time:	December 4, 2024 at 1:54:38 pm Pacific time
Current Expiry Date and Time:	June 12, 2026 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION

(as of December 10, 2024 at 12:13:15 pm Pacific time)

Secured Party Information

**MERCHANT OPPORTUNITIES FUND
LIMITED PARTNERSHIP**

Address

200-171 WATER ST.
VANCOUVER BC
V6B 1A7 Canada

Debtor Information

MICROB RESOURCES INC.

Address

2900-550 BURRARD ST
VANCOUVER BC
V6C 0A3 Canada

SALT SPRING COFFEE

Address

2900-550 BURRARD ST
VANCOUVER BC
V6C 0A8 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS, INCLUDING, BUT NOT LIMITED TO, THE FUTURE DEBIT/CREDIT CARD RECEIVABLES OF THE DEBTORS

Original Registering Party

MERCHANT GROWTH LTD.

Address

200 - 171 WATER ST
VANCOUVER BC
V6B 1A7 Canada

HISTORY

(Showing most recent first)

TOTAL DISCHARGE

Registration Date and Time: December 4, 2024 at 1:54:38 pm Pacific time
Registration Number: 807046Q

Registering Party Information

MERCHANT GROWTH LTD.

Address

200 - 171 WATER ST
VANCOUVER BC
V6B 1A7 Canada

Base Registration Number: 628667P

Registration Description: PPSA SECURITY AGREEMENT
Act: PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time: June 27, 2023 at 9:05:06 am Pacific time
Current Expiry Date and Time: June 27, 2028 at 11:59:59 pm Pacific time
Expiry date includes subsequent registered renewal(s)
Trust Indenture: No

CURRENT REGISTRATION INFORMATION
(as of December 10, 2024 at 12:13:15 pm Pacific time)

Secured Party Information

MAYNBRIDGE CAPITAL INC.

Address

SUITE 388, 1111 WEST HASTINGS STREET
VANCOUVER BC
V6E 2J3 Canada

Debtor Information

MICROB RESOURCES INC.

Address

3551 VIKING WAY UNIT #105
RICHMOND BC
V6V 1W1 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY WHEREVER SITUATE INCLUDING BUT NOT LIMITED TO GOODS (INCLUDING INVENTORY, EQUIPMENT (EQUIPMENT INCLUDES, WITHOUT LIMITATION, MACHINERY, TOOLS, APPARATUS, PLANTS, FURNITURE, FIXTURES, AIRCRAFT AND VEHICLES OF WHATSOEVER NATURE AND KIND), BUT EXCLUDING CONSUMER GOODS) CHATTEL PAPER, DOCUMENTS OF TITLE, INSTRUMENTS, INTANGIBLES, MONEY, LICENCES, CROPS, SECURITIES AND OTHER INVESTMENT PROPERTY.

Original Registering Party

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

HISTORY

(Showing most recent first)

AMENDMENT - SECURED PARTIES AMENDED

Registration Date and Time: December 9, 2024 at 9:32:33 am Pacific time
Registration Number: 814313Q
Description: SECURED PARTY TRANSFER

Secured Party Information

MAYNBRIDGE CAPITAL INC.

ADDED

Address

SUITE 388, 1111 WEST HASTINGS STREET
VANCOUVER BC
V6E 2J3 Canada

Registering Party Information

**BORDEN LADNER GERVAIS LLP
(VANCOUVER)**

Address

BOX 48600 1200 WATERFRONT CENTRE
200 BURRARD STREET
VANCOUVER BC
V7X 1T2 Canada

AMENDMENT

Registration Date and Time: June 28, 2023 at 3:56:32 pm Pacific time
Registration Number: 633212P
Description: address amended as per CAM's request

Debtor Information

MICROB RESOURCES INC.

ADDRESS CHANGED

Address

3551 VIKING WAY UNIT #105
RICHMOND BC
V6V 1W1 Canada



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

Registering Party Information

D + H LIMITED PARTNERSHIP

Address

2 ROBERT SPECK PARKWAY, 15TH FLOOR
MISSISSAUGA ON
L4Z 1H8 Canada

Base Registration Number: 799518Q

Registration Description:	PPSA SECURITY AGREEMENT
Act:	PERSONAL PROPERTY SECURITY ACT
Base Registration Date and Time:	December 2, 2024 at 9:00:31 am Pacific time
Current Expiry Date and Time:	December 2, 2029 at 11:59:59 pm Pacific time Expiry date includes subsequent registered renewal(s)
Trust Indenture:	No

CURRENT REGISTRATION INFORMATION
(as of December 10, 2024 at 12:13:15 pm Pacific time)

Secured Party Information

MAYNBRIDGE CAPITAL INC.

Address

388-1111 HASTINGS ST W
VANCOUVER BC
V6E 2J3 Canada

Debtor Information

MICROB RESOURCES INC.

Address

105-3551 VIKING WAY
RICHMOND BC
V6V 1W1 Canada

Vehicle Collateral

None



PERSONAL PROPERTY REGISTRY SEARCH RESULT

BC Registries and Online Services

General Collateral

Base Registration General Collateral:

ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY;

UNCRYSTALLIZED FLOATING CHARGE ON LAND;

ALL PROCEEDS INCLUDING ACCOUNTS, MONEY, CHATTEL PAPER, INTANGIBLES, GOODS, DOCUMENTS OF TITLE, INSTRUMENTS, SECURITIES, SUBSTITUTIONS, CROPS, LICENCES, TRADE INS, INSURANCE PROCEEDS AND ANY OTHER FORM OF PROCEEDS.

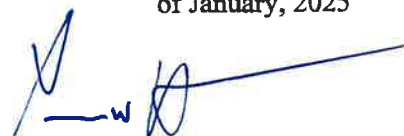
Original Registering Party

MAYNBRIDGE CAPITAL INC.

Address

388-1111 HASTINGS ST W
VANCOUVER BC
V6E 2J3 Canada

This is Exhibit "F" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, consisting of a stylized 'N' followed by a horizontal line and a circular flourish.

A Commissioner/Notary Public for the
Province of British Columbia

Dated

Dec 2, 2024

ROYAL BANK OF CANADA

and

MAYNBRIDGE CAPITAL INC.

**ASSIGNMENT AND ASSUMPTION
AGREEMENT**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT is dated December 2, 2024 and is made between:

- (1) **ROYAL BANK OF CANADA**, a chartered bank formed under the laws of Canada (the **Assignor**); and
- (2) **MAYNBRIDGE CAPITAL INC.**, a corporation formed under the laws of British Columbia (the **Assignee**).

RECITALS:

- (A) The Assignor has made certain loans available to Microb Resources Inc., a corporation formed under the laws of the Province of British Columbia (the "**Borrower**"), as guaranteed by Norman Mcleod and Robbyn Scott (the "**Guarantors**" and together with the Borrower, the "**Obligors**"), upon the terms and conditions contained in a loan agreement dated June 28, 2023 between the Borrower, and the Assignor, and as amended by the first amendment to the loan agreement dated August 2, 2023 (as may be further amended, supplemented, restated or otherwise modified from time to time, collectively, the "**Loan Agreement**").
- (B) As at the date and time noted in **Schedule "C"** hereof, the Borrower's outstanding indebtedness to the Assignor under the Loan Agreement is detailed in **Schedule "C"** attached hereto. All amounts owing to the Assignor under or in connection with the Loan Agreement, together with the current balance of the amounts outstanding under the accounts detailed in **Schedule "C"** attached hereto are collectively the "**Outstanding Loans**".
- (C) As security for the payment and performance of its obligations under the Loan Agreement, the Borrower granted security over all its personal property and assets in favour of the Assignor pursuant to certain security documents more particularly described in **Schedule "A"** attached hereto (collectively, the "**Security Documents**").
- (D) The Assignor wishes to sell and the Assignee wishes to purchase the Outstanding Loans and all of the Assignor's rights and obligations under the Loan Agreement and the Security Documents.
- (E) The Loan Agreement, the Security Documents and all other agreements, certificates and documents delivered in connection therewith, including but not limited to those documents set out in **Schedule "B"** attached hereto, are referred to collectively as the "**Assigned Documents**".

NOW THEREFORE, in consideration of the foregoing premises and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1 Definitions, etc.

- (a) Capitalized terms used without definition in this assignment and assumption agreement (the "Agreement") have the meanings specified in the Loan Agreement.
- (b) Where any representation or warranty is qualified by reference to the knowledge of the Assignor, it is deemed to refer to the knowledge which the Assignor has or would have had if it had made a reasonable and diligent inquiry of such Persons (including appropriate officers and directors) as a prudent Person would have considered necessary or advisable.

2 Assignment

- (a) The Assignor hereby irrevocably sells, assigns and transfers to the Assignee and the Assignee hereby irrevocably purchases and assumes from the Assignor, as of December 2, 2024 (the "Effective Date") the following (the "Purchased Loan"): (i) the Outstanding Loans, (ii) all the Assignor's rights and obligations as a lender under the Loan Agreement and the other Assigned Documents together with all registrations made in connection therewith, (iii) all payments due or to become due thereunder or in connection therewith after the Effective Date, and (iv) all claims, causes of action, and any other rights of the Assignor as a lender, against any Person, whether known or unknown, arising under the Loan Agreement and the other Assigned Documents or in any way based on or relating thereto, including contract and tort claims, statutory claims, and all other claims related to the rights and obligations sold and assigned. Except as expressly provided in this Agreement, the sale and assignment provided for in this Section 2(a) is without recourse to the Assignor and without representation, warranty or indemnity by the Assignor other than as specifically set out herein;
- (b) In consideration of the sale, assignment and transfer of the Purchased Loan, the Assignee agrees to pay the Assignor an amount of [REDACTED] (the "Purchase Price"). Such purchase price shall be paid to the Assignor by the Assignee pursuant to the wire transfer instructions provided by the Assignor by 5:00 p.m. December 6, 2024. The date that the Purchase Price is paid by the Assignee to the Assignor shall be the "Closing Date";
- (c) In accordance with the provisions of the Priority Agreement between the Assignor and Business Development Bank of Canada ("BDC") dated July 13, 2023 (the "BDC Priority Agreement") as set forth in Schedule "B-1" to this Agreement, and in particular Article 5.02 of the BDC Priority Agreement, the Assignee hereby agrees that it is bound by the provisions of the BDC Priority Agreement and the Assignee hereby acknowledges that the BDC Priority Agreement shall apply to both financing advanced prior to and subsequent to the date of the assignment herein. Notice of default by the Assignor to BDC as required pursuant to the BDC Priority Agreement, will be given by the Assignee to BDC with respect to the demands issued to Microb Resources Inc. by BDC on November 25, 2024.
- (d) The Assignor will, within 30 days of the Closing Date, deliver a final confirmation of the amount of the Outstanding Loans. The Purchase Price shall not be adjusted in any way as a result of any change in the amount of the Outstanding Loans from the amounts set out in Schedule "C".
- (e) The Assignor agrees that funds received by the Assignor in the account of the Borrower after the Closing Date shall not be applied to reduce any amount of the

Outstanding Loans. Any such funds shall be deposited into the Borrower's account.

3 Effect of Assignment

From and after the Effective Date, (a) the Assignee shall be bound by the provisions of the Loan Agreement and the other Assigned Documents and, to the extent provided in this Agreement, shall have the rights and perform the obligations of a lender thereunder, (b) the Assignor shall, to the extent provided in this Agreement, relinquish its rights and be released from its obligations under the Loan Agreement and the other Assigned Documents, and (c) the Assignee may file such assignments, financing change statements or other similar filings as the Assignee may require in order to reflect the assignments contained therein.

The Assignee agrees that any steps or proceedings for recovery of the Outstanding Loans or for enforcement of the security shall be taken and filed in any Court proceeding in the name of the Assignee as Plaintiff or Petitioner as the case may be and not in the name of the Assignor.

4. No Responsibility of Assignor

Except as expressly set out in this Agreement, the Assignor makes no representation or warranty and assumes no responsibility with respect to:

- (a) any statements, warranties or representations made in, or in connection with, the Loan Agreement or any of the other Assigned Documents;
- (b) the value of the Collateral; or
- (c) the financial condition of the Borrower or any Guarantor, or the performance or observance by the Borrower or any Guarantor of any of their respective obligations under the Loan Agreement or the other Assigned Documents.

5. Assignor Representations and Warranties

The Assignor represents and warrants to the Assignee that:

- (a) the Assigned Documents constitute all agreements and documents entered into in connection with the Outstanding Loans and none of them have been amended (orally or in writing) and none of the obligations of the Borrower and the Guarantors thereunder has been waived, postponed, compromised, settled, adjusted or released except to the extent disclosed herein. The Assignor has delivered to the Assignee true and complete copies of the Assigned Documents and there are no other agreements or documents related to the Outstanding Loans other than the Assigned Documents;
- (b) as of the Effective Date the entire amount owing to the Assignor under the Outstanding Loans is set out in **Schedule "C"**;
- (c) the Assignor is the legal and beneficial owner of the Purchased Loan, it is entitled to all the rights and benefits of a lender under the Assigned Documents and it has not sold, transferred or assigned any interest in the Purchased Loan or any part thereof;

- (d) the prior consent of the Borrower and Guarantors is not required to give effect to the assignment of the Assignor's interest in the Purchased Loan herein and the obligations of the Borrower and Guarantors under the Loan Agreement and Security Documents will continue to be in full force and effect after the Effective Date;
- (e) the Purchased Loan is free and clear of any lien, encumbrance or other adverse claim of any third party as against the Assignor;
- (f) there have been no prepayments of the Outstanding Loans or any other amounts payable by the Borrower under the Loan Agreement and the other Assigned Documents;
- (g) to the Assignor's knowledge, neither the Borrower nor any Guarantor has any right of set-off, counterclaim or defence against the Assignor under or in connection with the Outstanding Loans or the Assigned Documents and the Assignor has not done anything nor omitted to do anything that would give rise to such right of set-off, counterclaim or defence;
- (h) all taxes, duties, levies, charges and other imposts required to have been paid or withheld by the Assignor in connection with the Purchased Loan have been paid or withheld and remitted to the appropriate taxation authority within the time periods required by applicable laws;
- (i) all material notices and material consents delivered to the Borrower by the Assignor and all material notices received by the Assignor from the Borrower with respect to any of the Assigned Documents have been provided to the Assignee. The Notice to BDC with regard to the demand for payment to Microb Resources Inc. on November 25, 2024, has not yet been given to BDC and the Assignee will give such notice
- (j) the Assignor has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and complete the transactions contemplated hereby;
- (k) all consents, authorizations, approvals or registrations, governmental or otherwise, required by the Assignor in connection with the execution, delivery, performance, validity and enforceability of this Agreement have been obtained or made and are in full force and effect; and
- (l) the Assignor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).

6. Assignee Representations and Warranties

The Assignee represents and warrants to the Assignor that:

- (a) it has full power and authority, and has taken all action necessary, to execute and deliver this Agreement and become the lender under the Loan Agreement;
- (b) it is not a non-resident of Canada for purposes of the *Income Tax Act* (Canada);
- (c) it has received a copy of the Loan Agreement and the other Assigned Documents and it is satisfied with the terms thereof;

- (d) it has received copies of the most recent financial statements of the Borrower and such other documents and information as it has deemed necessary to enable it to make its credit analysis and decision to purchase the Purchased Loan; and
- (e) it has, independently and without reliance upon the Assignor (except as expressly set out in this Agreement) and based on such documents and information as it deems appropriate, made its own credit analysis and decision to enter into this Agreement and purchase the Purchased Loan on an "as is, where is" and "without recourse" basis and without any representation or warranty of any kind whatsoever other than the representations and warranties contained herein.

In addition to and without limiting any of the foregoing, the Assignee confirms, acknowledges and agrees that, except in connection with a breach of the representations, warranties or covenants of the Assignor expressly set out in this Agreement the Assignor shall assume no responsibility or liability whatsoever with respect to the:

- (i) payment in whole or in part of the Purchased Loan or performance of any obligations under the Assigned Documents;
- (ii) the creation, validity, genuineness, enforceability, sufficiency of value of any of the Assigned Documents;
- (iii) the perfection or priority of the security interests or other encumbrances expressed to be created under any of the Assigned Documents;
- (iv) the financial condition of the Obligors.

The Assignee, on behalf of itself, its subsidiaries and affiliates and all of their respective associates, officers, directors, servants, employees, advisors, consultants, agents, and each of their successors and assigns, in their personal and representative capacities, as the case may be, and anyone claiming through or under them (collectively, the "Assignee Releasees"), does, except in connection with a breach of the covenants, representations or warranties of the Assignor expressly set out in this Agreement, hereby release, defend, remise, indemnify, hold harmless and forever discharge the Assignor, including its subsidiaries and affiliates and all of their respective associates, officers, directors, servants, employees, advisors, consultants, agents and each of their successors and assigns, in their personal and representative capacities, as the case may be, and anyone claiming through or under them of and from any and all claims and demands of every nature and kind at law or in equity or under any statute, actions, causes of action, suits, debts, dues, sums of money, losses, damages, injury, liability, indemnities, expenses, costs and any indirect, incidental and consequential damage of any kind, which the Assignee Releasees or any one or more of them now have or ever had, can, shall or may have, in respect of or in any way arising out of or related to the treatment, dealings, transactions or the enforcement of the Purchased Loan and Assigned Documents after the Effective Date, including without in any way limiting the generality of the foregoing, for litigation costs related to the Statement of Claim. For greater certainty, nothing herein shall release, or constitute an indemnity by the Assignee for, any claim, demand, cause of action, suit, debt, sum of money, loss damages, injury, liability expense, cost or other damage prior to the Effective Date. The releases granted under this Section 7 shall survive the termination of this Agreement.

7. Release of Interest in Collateral

Upon the assignment of the Purchased Loan to the Assignee as provided in this Agreement, the Assignor, for itself, shall have no right, title or interest in any Collateral (including by way of security) and the Assignor agrees, to the extent necessary to give effect to the foregoing, to provide such documents or instruments as the Assignee may reasonably request to give effect thereto. Furthermore, if at any time after the Effective Date the Assignor comes into possession of any proceeds or collateral relating to the Purchased Loan, the Assignor agrees to promptly remit such proceeds or transfer such collateral to the Assignee.

8. Confidential Information

The Assignor and the Assignee acknowledge that all information relating to this transaction is confidential and is deserving of the same care and standards typically afforded customers by responsible financial institutions. All information relating to the Borrower and this transaction which the Assignee obtains from the Assignor and which is not generally available to the public is solely for the Assignee's internal use, and the Assignee therefore agrees not to share it in any way with any other Person who is not an officer, employee, counsel, bank examiner, accounting firm, or authorized agent of the Assignee, unless such disclosure is permitted under the Loan Agreement or otherwise required by applicable law.

9. Notice

Any, notice, consent, waiver, demand or other communication given under this Agreement must be in writing and given by delivering it or sending it by facsimile or similar form of recorded electronic communication addressed:

to the Assignor at:

Royal Bank of Canada
6th Floor, 885 West Georgia Street
Vancouver, BC V6C 3G1

Attention: Nelly Bakker
Email: nelly.bakker@rbc.com, with a copy to

Poulsen & Company
Barristers & Solicitors
1800 - 999 West Hastings Street
Vancouver, B.C.

Attention: Jef Poulsen
Email: contact@poulsenlaw.com

to the Assignee at:

Maynbridge Capital Inc.
Suite 388, 1111 West Hastings St.
Vancouver, BC V6E 2J3

Attention : Dean Shillington
 Email: dean@kbcapital.ca
 with a copy to

Borden Ladner Gervais LLP
 Suite 1200, 200 Burrard St.
 Vancouver, BC V7X 1T2

Attention : Kendall Andersen
 Email: kandersen@blg.com

Any such communication shall be deemed to have been validly and effectively given if (a) delivered personally or by courier, on the day of delivery if such day is a Business Day and delivery was made prior to 4 pm (Vancouver time), otherwise on the next Business Day, or (b) transmitted by facsimile or another means of electronic communication on the day of transmission if such day is a Business Day and transmission was made prior to 4 pm (Vancouver time), otherwise on the next Business Day. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

10. Further Assurances

The parties agree to execute and deliver such further and other documents and perform or cause to be performed such further acts and things as may be necessary or desirable in order to give full effect to this Agreement. Assignee hereby agrees to amend the Statement of Claim to remove the Assignor as plaintiff in the action.

11. Binding Effect

This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors and permitted assigns.

12. Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be illegal, invalid or unenforceable that provision will be severed from this Agreement and be ineffective to the extent of such illegality, invalidity or unenforceability and the remaining provisions will continue in full force and effect, without limitation.

13. Governing Law and Jurisdiction

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein but reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia. Each party hereto irrevocably attorns to the jurisdiction of the Courts of the Province of British Columbia.

14. Counterparts; Execution

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Such executed

counterparts may be delivered by email transmission and in PDF or other electronic form and, when so delivered, shall constitute a binding agreement of the parties hereto.

[signature page follows]

IN WITNESS WHEREOF the parties have executed and delivered this Agreement as of the date first above written.

ROYAL BANK OF CANADA

By: 
Authorized Signing Officer
RBC Bank

MAYNBRIDGE CAPITAL INC.

By: 
Authorized Signing Officer

SCHEDULE "A"
SECURITY DOCUMENTS

1. General Security Agreement form 924 dated June 30, 2023 granted by the Borrower in favour of the Assignor (the "Borrower GSA");
2. Postponement and Assignment of Claim signed by Robbyn Scott and Microb Resources Inc.;
3. Postponement and Assignment of Claim signed by Norman MacLeod and Microb Resources Inc.;
4. Guarantee and Postponement of Claim signed by Robbyn Scott and Norman MacLeod dated June 30, 2023;
5. Priority Agreement between RBC and Business Development Bank dated July 13, 2023;
6. The Priority Agreement dated June 28, 2023 among RBC and Merchant Growth Ltd.; and
7. The financing statement registered in the British Columbia Personal Property Registry on June 27, 2023 under Base Registration No. 628667P.

SCHEDULE "B"**ASSIGNED DOCUMENTS**

1. Loan Agreement dated June 28, 2023 among the Borrower, the Guarantors and the Assignor, as amended by:
 - a. the first amendment to the commitment letter dated August 2, 2023;
2. General Security Agreement form 924 dated June 30, 2023 granted by the Borrower in favour of the Assignor;
3. Postponement and Assignment of Claim signed by Robbyn Scott and Microb Resources Inc.;
4. Postponement and Assignment of Claim signed by Norman MacLeod and Microb Resources Inc.;
5. Guarantee and Postponement of Claim signed by Robbyn Scott and Norman MacLeod dated June 30, 2023;
6. Priority Agreement between RBC and Business Development Bank dated July 13, 2023; and
7. The Priority Agreement dated June 28, 2023 among RBC and Merchant Growth Ltd. ; and
8. The financing statement registered in the British Columbia Personal Property Registry on June 27, 2023 under Base Registration No. 628667P.

SCHEDULE "C"

Current RBC Debt

As at __: __ am/pm on December 5, 2024:

Loan #90902678-001		In CAD	
	Principal	\$1,312,550.00	
	Interest	\$4,111.72	
	Wire Fees	N/A	
	Legal Fees	N/A	
	Total	\$1,316,661.72	(CAD) *
	<i>Per Diem</i>	\$303.86	**
Loan 90902678-002	Principal	\$61,714.73	
	Interest	\$243.46	
	Total	\$61,958.19	(CAD) *
	<i>Per Diem</i>	\$14.32	
Loan #90902678-003		In USD	
	Principal	\$125,000.00	
	Interest	\$511.07	
	Total	\$125,511.07	(USD) **
	<i>Per Diem</i>	\$36.71	
Loan 4516 0701 0055 1391 (CAD Visa)	Total	\$56,645.84	(CDN) *
Loan 4514 0310 1095 5611 (USD Visa)	Total	\$12,620.59	(USD) *

* Amount outstanding still fluctuating, but no adjustment to Purchase Price

** Cash in Current Account on closing date will be applied by RBC to reduce above balance
(current cash in account is \$8,914.91 (Cdn) and \$142.25 (USD))

This is Exhibit "G" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A Commissioner/Notary Public for the
Province of British Columbia



Letter of Offer dated January 21, 2019

Microb Resources Inc.
105 - 3551 Viking Way
Richmond, BC
V6V 1W1

Attention of: Mr. Norman McLeod

Re: Loan(s) No. 101056-06

In accordance with this letter of offer of credit as amended from time to time (the "**Letter of Offer**"), Business Development Bank of Canada ("**BDC**") is pleased to offer you the following loan(s) (hereinafter individually or collectively referred to as the "**Loan**"). The Letter of Offer is open for acceptance until January 31, 2019 (the "**Acceptance Date**") after which date it shall become null and void.

This Loan is in addition to the existing CDN dollar loan(s) on which \$73,840.00 is outstanding.

LOAN PURPOSE AND FUNDING

Loan Purpose

Purchase Coffee Roaster and Packaging Line	1,290,000.00
Soft Cost of Equipment Purchase	210,000.00
	<hr/>
	1,500,000.00

Funding

BDC 101056-06	1,500,000.00
	<hr/>
	1,500,000.00

No change to the Loan Purpose or Funding may be made without BDC's prior written consent. The proceeds of the Loan may only be used for the Loan Purpose.

DEFINITIONS

In the Letter of Offer, capitalized terms have the meanings described in Schedule "A" - Section I or are defined elsewhere in the text of the Letter of Offer.

LENDER

BDC

Business Development Bank of Canada
5100 Granville Avenue, Suite 730
Richmond, BC V6Y3T6
www.bdc.ca

BORROWER

Microb Resources Inc. (the "**Borrower**")

GUARANTOR

Norman Lewis McLeod

Robin Jane Scott

(Hereinafter individually or collectively referred to as the "**Guarantor**"). The terms of each guarantee are set forth in the Security section below.

LOAN AMOUNT

Loan 101056-06: \$1,500,000.00

INTEREST RATE

The Loan and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the following rate:

Loan 101056-06**Floating Rate**

BDC's Floating Base Rate minus a variance of 1.50% per year (the "**Variance 06**"). On the date hereof, BDC's Floating Base Rate is 6.05% per year.

The Variance indicated above is based on a discount of 1.00% from BDC's undiscounted Variance of -0.50% (the "Undiscounted Variance"). Notwithstanding that a discounted variance will be applied throughout the term of the Loan, the Borrower acknowledges and agrees that in the event that the Loan is prepaid in full, the Undiscounted Variance will be used to calculate the three months' further interest that is payable to BDC as an indemnity.

INTEREST CALCULATION

Interest shall be calculated monthly on the outstanding principal, commencing on the date of the first disbursement, both before and after maturity, Default and judgement.

Arrears of interest or principal and all other amounts owing by the Borrower pursuant to the Loan Documents shall bear interest at the rate applicable to the Loan and shall be calculated and compounded monthly.

REPAYMENT

Principal of the Loan is repayable according to the following. The balance of the Loan in principal and interest and all other amounts owing pursuant to the Loan Documents shall become due and payable on the Maturity Date (the "**Maturity Date**").

Loan 101056-06**Regular**

Payments			Start Date	End Date
Number	Frequency	Amount (\$)		
1	Once	11,370.00	23-01-2021	23-01-2021
143	Monthly	10,410.00	23-02-2021	23-12-2032

In addition, interest is payable monthly on the 23rd day of the month (the "**Payment Date 06**") commencing on the next occurring Payment Date 06 following the first advance on the Loan.

Maturity Date: December 23, 2032 (the "**Maturity Date 06**").

PREPAYMENT

Annual Prepayment Privilege: Provided that the Borrower is not in default of any of its obligations to BDC, the Borrower may, once in any 12 month period, prepay up to 15% of the outstanding principal on any Loan without indemnity. The first prepayment can be made at any time more than one year after January 21, 2019. The prepayment privilege is not cumulative and each prepayment on an individual Loan must be at least 12 months subsequent to the last prepayment on that same loan. The prepayment privilege is not transferable from one individual Loan to another and is not applicable if any Loan is being repaid in full.

In addition to the annual privilege, the Borrower may prepay at any time all or part of the principal provided that the Borrower pays the interest owing up to the time of the prepayment together with an indemnity equal to:

If the interest rate on the Loan is a floating rate:

- three months further interest on the principal prepaid at the floating interest rate then applicable to the Loan.

If the interest rate on the Loan is a fixed rate:

- the sum of (a) three months further interest on the principal prepaid at the fixed interest rate then applicable to the Loan; and (b) the Interest Differential Charge.

Partial prepayments shall be applied regressively on the then last maturing instalments of principal.

SECURITY

The Loan, interest on the Loan and all other amounts owing pursuant to the Loan Documents shall be secured by the following (the "**Security**"):

Loan 101056-06

1. General Security Agreement from Microb Resources Inc. operating as Salt Spring Coffee, providing:
 1. A first security interest on the equipment to be financed under this Loan (details to be provided by Borrower); and
 2. A security interest in all other present and after-acquired personal property, except consumer goods, subject to all existing and future registered charges except charges in favor of shareholder, directors and related companies.
 Existing General Security Agreement for loan #101056-01 will stand as security for this Loan.
2. Joint and Several Guarantee of Norman Lewis McLeod and Robin Jane Scott for the full amount of the Loan. The guarantors agree that they are directly responsible for the payment of the cancellation, standby and legal fees.
3. Postponement of shareholder(s) loan(s) totalling \$386,818 from Norman Lewis McLeod and Robin Jane Scott to Microb Resources Inc. operating as Salt Spring Coffee. Providing the BDC Loan is in good standing, interest may be paid at an annual rate not greater than the interest rate on the BDC Loan.

DISBURSEMENT

The Loan funds shall be disbursed as follows:

Loan 101056-06

1. Loan or part of the Loan may be disbursed directly to the Borrower.

BDC will disburse upon receipt of invoices evidencing expenditures under the Loan Purpose. The amount disbursed shall not exceed (include 125% of the project element BDC is financing multiplied by maximum of 125%) of the total dollar amount of invoices submitted (excluding applicable taxes).

Physical inspection by a BDC representative of the expenditures under the Loan Purpose is to be done within 30 days following the last disbursement.

Within 30 days following the last disbursement, the Borrower is to prepare and submit a list describing and confirming the location of all newly acquired equipment having a purchase price greater or equal to \$20,000, as well as all equipment accessories (if any) regardless of their purchase price, pledged as Security in this Letter of Offer.

Unless otherwise authorized, funds for each Loan account number shall be disbursed to the solicitor or notary who shall confirm to BDC the execution, delivery and registration of the Security relating to the Loan.

CONDITIONS PRECEDENT

Any obligation to make any advance under the Letter of Offer is subject to the following conditions being fulfilled to the satisfaction of BDC:

1. Receipt of the Security in form and substance satisfactory to BDC registered as required to perfect and maintain the validity and rank of the security, and such certificates, authorizations, resolutions and legal opinions as BDC may reasonably require.
2. Satisfactory review of all financial information relating to the Borrower and any corporate Guarantor and their respective business as BDC may reasonably require.
3. No Default or Event of Default shall have occurred.
4. No Material Adverse Change shall have occurred.
5. Provision of documents evidencing expenditures under the Loan Purpose, if applicable.
6. Satisfaction of all applicable disbursement conditions contained in the Disbursement section of this Letter of Offer.

REPRESENTATIONS AND WARRANTIES

The Borrower makes the representations and warranties in Schedule "A" – Section II. These representations and warranties shall survive the execution of the Letter of Offer and shall continue in force and effect until the full payment and performance of all obligations of the Borrower pursuant to the Loan Documents.

COVENANTS

So long as any amount owing pursuant to the Loan Documents remains unpaid, the Borrower and any corporate Guarantor shall perform the covenants in Schedule "A" – Section III.

REPORTING OBLIGATIONS

The Borrower (and if applicable the corporate Guarantor) shall provide to BDC within 90 days of its (their) fiscal year end the following financial statements:

Company	Type	Frequency	Period Ending
Microb Resources Inc.	Review Engagement	Annual	August

and such other financial and operating statements and reports as and when BDC may reasonably require.

EVENTS OF DEFAULT

The occurrence of any of the events listed in Schedule "A" – Section IV constitutes an event of default under the Letter of Offer (each an "Event of Default"). If an Event of Default occurs, any obligation of BDC to make any advance, shall, at BDC's option, terminate and BDC may, at its option, demand immediate payment of the Loan and enforce any Security.

FEES

Cancellation Fee

If the Borrower does not draw on the Loan by the Lapsing Date indicated below (the "Lapsing Date"), the Loan shall lapse and be cancelled and the Borrower and the Guarantor shall pay BDC the applicable cancellation fee indicated below. If the Loan is partially disbursed on the Lapsing Date, the Borrower and Guarantor shall pay BDC a percentage of the cancellation fee in proportion to the percentage of the Loan that is cancelled. No cancellation fee will be payable if 50% or more of the Loan has been disbursed.

The cancellation fee is payable on demand and is liquidated damages, not a penalty, and represents a reasonable estimate of BDC's damages should the Loan be cancelled or allowed to lapse in whole or in part.

Loan 101056-06

Lapsing Date: January 21, 2021 (the "Lapsing Date 06").
Cancellation Fee: \$45,000.00 (the "Cancellation Fee 06").

Standby Fee

The Borrower and the Guarantor shall pay BDC a non-refundable standby fee calculated at a rate as indicated below on the portion of the Loan which has not been advanced or cancelled excluding the Consulting portion and/or Future Interest Reserve. This fee shall be calculated daily and be payable in arrears commencing on the date indicated below and on each Payment Date thereafter.

Loan 101056-06

Rate: 1.50% per annum
Date: January 21, 2021

Legal Fees and Expenses

The Borrower and the Guarantor shall pay, on demand, all legal and other out-of-pocket costs of BDC incurred in connection with the Loan and the Loan Documents including the enforcement of the Loan and the Loan Documents, whether or not any documentation is entered into or any advance is made to the Borrower. All legal and other out-of-pocket expenses of BDC in connection with any amendment or waiver related to the Loan and the Loan documents shall also be for the account of the Borrower.

Loan Management Fee

The Borrower shall pay BDC an annual management fee as indicated below. This management fee is payable annually on the Payment Date immediately following each anniversary of the first advance of the specific Loan account number. This fee is non-refundable and is subject to change.

Loan 101056-06

\$750.00 per year (the "Management Fee 06")

Transaction Fees

The Borrower shall pay BDC loan amendment and Security processing fees charged for the administrative handling of the Loan.

CONFLICTS

The Loan Documents constitute the entire agreement between BDC and the Borrower. To the extent that any provision of the Letter of Offer is inconsistent with or in conflict with the provisions of the other Loan Documents, such provision of the Letter of Offer shall govern.

INDEMNITY

The Borrower shall indemnify and hold BDC harmless against any and all claims, damages, losses, liabilities and expenses incurred, suffered or sustained by BDC by reason of or relating directly or indirectly to the Loan Documents save and except any such claim, damage, loss, liability and expense resulting from the gross negligence or wilful misconduct of BDC.

GOVERNING LAW

This Letter of Offer shall be governed by and construed in accordance with the laws of the jurisdiction in which the Business Centre of BDC is located as shown on the first page of this Letter of Offer.

SUCCESSORS AND ASSIGNS

The Letter of Offer shall extend to and be binding on the Borrower and BDC and their respective successors and assigns. BDC, in its sole discretion, may assign, sell or grant participation in (a "transfer") all or any part of its rights and obligations under this Letter of Offer or the Loan to any third party, and the Borrower agrees to sign any documents and take any actions that BDC may reasonably require in connection with any such transfer. Upon completion of the transfer, the third party will have the same rights and obligations under this Letter of Offer as if it were a party to it, with respect to all rights and obligations included in the transfer and BDC will be released to the extent of any interest under this Letter of Offer or the Loan it assigns. BDC may disclose information it has in connection with the Borrower or any Guarantor to any actual or prospective transferee. No Borrower or Guarantor shall have the right to assign any of its rights or obligations under or pursuant to the Loan Documents without BDC's prior written consent.

ACCEPTANCE

The Letter of Offer and any modification of it may be executed and delivered by original signature, fax, or any other electronic means of communication acceptable to BDC and in any number of counterparts, each of which is deemed to be an original and all of which taken together shall constitute one and the same Letter of Offer.

SCHEDULE

The Letter of Offer includes Schedule "A" which contains Definitions, Representations and Warranties, Covenants, Events of Default and General Terms and Conditions. Schedule "A" has been inserted after the signature page and forms an integral part of the Letter of Offer.

LANGUAGE CLAUSE

The parties hereby confirm their express wish that the Letter of Offer and all related documents be drawn up in the English language. Les parties reconnaissent leur volonté expresse que la présente lettre d'offre ainsi que tous les documents qui s'y rattachent soient rédigés en langue anglaise.

Should you have any questions regarding the Letter of Offer, do not hesitate to communicate with one of the undersigned.



Vivian Xu
Senior Account Manager
Phone: (604) 666-7854
Fax: (604) 821-1330
Vivian.Xu@bdc.ca



Brett McLean
Senior Client Relationship Officer
Phone: (604) 676-7043
Fax: (604) 821-1330
Brett.McLean@bdc.ca

ACCEPTANCE

The parties accept the terms and conditions set forth above and in the attached Schedule "A".

This _____ day of _____ 2019.

Microb Resources Inc.

Per: **Norman Lewis McLeod**, Authorized Signing Officer

GUARANTOR(S)

Norman Lewis McLeod

Robin Jane Scott

January 21, 2019

SECTION I - DEFINITIONS

"Available Funds" – means in respect of the Borrower and any corporate Guarantor for any period of 12 months, the sum of the net profits before non-recurring or non-operating items that are not related to normal operations (as designated by the external accredited accountant) plus depreciation and amortization; plus deferred income taxes; and minus dividends.

"Available Funds Coverage Ratio" – means the ratio of Available Funds over the current portion of Term Debt.

"BDC's Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its base rate and, as the case may be, subject to a discount for the duration, applicable to each of BDC's fixed interest rate plans then in effect for determining the fixed interest rates on Canadian dollar loans.

"BDC's Floating Base Rate" – means the annual rate of interest announced by BDC through its offices from time to time as its floating rate then in effect for determining the floating interest rates on Canadian dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's Floating Base Rate.

"BDC's US Dollar Floating Base Rate" – means the 1-month US Dollar floating base rate set the last business day of each month for the following month for determining the floating interest rates on US Dollar loans. The interest rate applicable to the Loan shall vary automatically without notice to the Borrower upon each change in BDC's US Dollar Floating Base Rate. BDC's US Dollar Floating Base Rate for the period from the date of the first advance on the Loan to the first business day of the following month will be the 1-month US Dollar floating base rate as established by BDC on the first business day of the month in which the funds are disbursed. Thereafter, the 1-month US Dollar Floating Base Rate may vary on the first business day of each month.

"Corresponding Fixed Interest Rate Plan" – means, at any time in respect of a prepayment, the fixed interest rate plan then being offered by BDC to its clients equal to the number of years, rounded to the nearest year (minimum of one year), from the date such prepayment is received to the next scheduled Interest Adjustment Date (or the Maturity Date if earlier).

"Default" – means an Event of Default or any condition that, with the giving of notice, the passage of time or otherwise, is susceptible of being an Event of Default.

"GAAP" – means generally accepted accounting principles in Canada applied consistently.

"GAAP for Private Enterprises" – means generally accepted accounting principles approved by the Accounting Standards Board for financial reporting for private companies in Canada who have elected not to adopt IFRS.

"IFRS" – means International Financial Reporting Standards approved by the Accounting Standards Board for accounting for publicly accountable enterprises and private enterprises who have voluntarily decided to adopt this set of standards.

"Interest Adjustment Date" – means, in respect of any fixed interest rate plan, the day after the Interest Expiration Date of such fixed interest rate plan.

"Interest Differential Charge" – means, in respect of the prepayment of the Loan or any portion of the Loan on a fixed interest rate plan, if, on the date of the prepayment, the BDC's Base Rate for the Corresponding Fixed Interest Rate Plan is lower than the BDC's Base Rate in effect when the Borrower entered or renewed the fixed interest rate plan, whichever is most recent, the amount calculated as follows:

- (i) the difference between the two rates;
- (ii) such interest differential is multiplied by the principal that would have been outstanding at each future Payment Date until the next Interest Adjustment Date (or the maturity of the principal if earlier);
- (iii) the Interest Differential Charge is the present value of those monthly amounts calculated using BDC's Base Rate for the Corresponding Fixed Interest Rate Plan as the discount rate. In the case of partial prepayment, the Interest Differential Charge will be reduced in the same proportion as the amount prepaid bears to the principal outstanding on the Loan at the time prepayment is received. If the Loan is secured by a mortgage or a hypothec on real estate and the Loan is prepaid in full after 5 years from the date of the mortgage or hypothec, the Interest Differential Charge shall not be payable if the mortgage or hypothec is given by an individual and shall only be payable if permitted under the Interest Act.

Microb Resources Inc.

SCHEDULE "A"

"Interest Expiration Date" – means the date on which a fixed interest rate plan expires.

"Loan" – shall have the meaning indicated in the Letter of Offer, or, as the context may require, at any time the unpaid principal balance of the Loan.

"Loan Documents" – means, collectively, the application for financing, the Letter of Offer, the security contemplated by the Letter of Offer and all other documents, instruments and agreements delivered in connection with the foregoing.

"Material Adverse Change" – means:

- (i) a material adverse change in, or a material adverse effect upon, the financial condition, operations, assets, business, properties or prospects of the Borrower or any corporate Guarantor,
- (ii) a material impairment of the ability of the Borrower or any corporate Guarantor to perform any of their obligations under any Loan Document, or
- (iii) a material adverse effect upon any substantial portion of the assets subject to security in favour of BDC or upon the legality, validity, binding effect, rank or enforceability of any Loan Document.

"Person" – includes any natural person, corporation, company, Limited Liability Company, trust, joint venture, association, incorporated organization, partnership, governmental authority or other entity.

"Tangible Equity" – means the sum of the share capital [owners' capital for non-incorporated businesses]; plus retained earnings [accumulated net income]; plus subordinated loans or advances from the shareholders [owners] and related businesses; minus loans or advances to the shareholders [owners], directors, related or non-related businesses.

"Term Debt" – means the sum of the long-term debt plus the capital leases including the current portion to be paid over the next 12 months; plus the book value of preferred shares subject to a formal redemption agreement, if any.

"Term Debt to Tangible Equity Ratio" – means the ratio of the Term Debt over the Tangible Equity.

"Working Capital Ratio" – means the ratio of the total current assets over the total current liabilities. Current assets include the following: cash on deposit, accounts receivable (trade and other), inventory and prepaid expenses. Current liabilities include the following: bank advances, cheques in transit, accounts payable (trade and other) and the current portion due within the next 12 months of all long term debts.

SECTION II - REPRESENTATIONS AND WARRANTIES

The Borrower hereby represents and warrants to BDC that:

1. It is a partnership, trust or corporation, as the case may be, duly constituted, validly existing and duly registered or qualified to carry on business in each jurisdiction where it is required by applicable laws to be so registered or qualified.
2. The execution, delivery and performance of its obligations under the Letter of Offer and the other Loan Documents to which it is a party have been duly authorized and constitute legal, valid and binding obligations enforceable in accordance with their respective terms.
3. It is not in violation of any applicable law, which violation could lead to a Material Adverse Change.
4. No Material Adverse Change exists and there are no circumstances or events that constitute or would constitute, with the lapse of time, the giving of notice or otherwise, a Material Adverse Change.
5. No Default or Event of Default exists.
6. All information provided by it to BDC is complete and accurate and does not omit any material fact and, without limiting the generality of the foregoing, all financial statements delivered by it to BDC fairly present its financial condition as of the date of such financial statements and the results of its operations for the period covered by such financial statements, all in accordance with GAAP.
7. There is no pending or threatened claim, action, prosecution or proceeding of any kind including but not limited to non-compliance with environmental law or arising from the presence or release of any

Microb Resources Inc.

SCHEDULE "A"

contaminant against it or its assets before any court or administrative agency which, if adversely determined, could lead to a Material Adverse Change.

8. In respect of properties and assets charged to BDC, it has good and marketable title, free and clear of any encumbrances, except those encumbrances which BDC has accepted in writing.

The foregoing representations and warranties shall remain in force and true until the Loan is repaid in full.

SECTION III - COVENANTS

The Borrower and each corporate Guarantor shall:

1. Perform their obligations and covenants under the Loan Documents.
2. Maintain in full force and effect and enforceable the Security contemplated by this Letter of Offer.
3. Notify BDC immediately of the occurrence of any Default under the Letter of Offer or any other Loan Documents.
4. Comply with all applicable laws and regulations.
5. Keep all secured assets insured for physical damages and losses on an "All-Risks" basis, including Equipment Breakdown (or Boiler & Machinery) where applicable, for their full replacement value and cause all such insurance policies to name BDC as loss payee as its interests may appear. The policies shall also name BDC as mortgagee and include a standard mortgage clause in respect of buildings over which BDC holds Security; and
as further Security, assign or hypothecate all insurance proceeds to BDC; and
if requested by BDC, maintain adequate general liability insurance and environmental insurance to protect it against any losses or claims arising from pollution or contamination incidents, or any other type of insurance it may reasonably require, and to provide copies of such policies; and maintain all policies of insurance in effect for the duration of the Loan.
6. Notify BDC immediately of any loss or damage to their property.
7. Without limiting the generality of paragraph 4 above, in relation to their business operations and the assets and projects of their business, operate in conformity with all environmental laws and regulations; make certain that their assets are and shall remain free of environmental damage; inform BDC immediately upon becoming aware of any environmental issue and promptly provide BDC with copies of all communications with environmental authorities and all environmental assessments; pay the cost of any external environmental consultant engaged by BDC to effect an environmental audit and the cost of any environmental rehabilitation or removal necessary to protect, preserve or remediate the assets, including any fine or penalty BDC is obligated to incur by reason of any statute, order or directive by a competent authority.
8. Promptly pay all government remittances, assessments and taxes including real estate taxes and provide BDC with proof of payments as BDC may request from time to time.
9. Promptly furnish to BDC such information, reports, certificates and other documents concerning the Borrower and any corporate Guarantor as BDC may reasonably request from time to time.
10. Not, without the prior written consent of BDC,
 - a. Change the nature of their business.
 - b. Amalgamate, merge, acquire or otherwise restructure their business, or create an affiliated company, or sell or otherwise transfer a substantial part of their business or any substantial part of their assets, or grant any operating license.
 - c. Permit any Person holding Equity Interests in the Borrower or any corporate Guarantor or in any Person that controls directly or indirectly the Borrower or any corporate Guarantor, to sell or transfer their Equity Interests in such Borrower or corporate Guarantor, or permit the Borrower or any corporate Guarantor or any Person that directly or indirectly controls the Borrower or any corporate Guarantor to issue any Equity Interests to any Person which is not a Borrower or a corporate Guarantor.

"Equity Interests" means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated) of such Person's capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, which carry

the right to vote on the election of directors or individuals exercising similar functions in respect of such Person and/or which entitle their holder to participate in the profits of such Person.

This provision shall not apply to any Borrower or any corporate Guarantor who is a Public Issuer.

"Public Issuer" means any Borrower or any corporate Guarantor whose Equity Interests are listed or posted for trading on the Toronto Stock Exchange or the TSX Venture Exchange or any other stock exchange or over-the-counter market acceptable to BDC.

11. Not engage in, or permit their premises to be used by a tenant or other Person, for any activity which BDC, from time to time, deems ineligible, including without limitation any of the following ineligible activities:
- a. businesses that are sexually exploitive or that are inconsistent with generally accepted community standards of conduct and propriety, including those that feature sexually explicit entertainment, products or services; businesses that are engaged in or associated with illegal activities; businesses trading in countries that are proscribed by the Federal Government;
 - b. businesses that operate as stand-alone nightclubs, bars, lounges, cabarets, casinos, discotheques, video arcades, pool and billiard halls, and similar operations; or
 - c. businesses that promote nudism and naturism.

BDC's finding that there is an ineligible activity shall be final and binding between the parties and will not be subject to review. The prohibitions set out in this paragraph 11 shall also apply to any entity that controls, is controlled by, or that is under the common control with, any Borrower and any corporate Guarantor.

SECTION IV - EVENTS OF DEFAULT

1. The Borrower fails to pay any amount owing under or pursuant to the Loan Documents.
2. The Borrower fails to comply with or to perform any provision of the Letter of Offer or the other Loan Documents.
3. The Borrower and/or the Guarantor is in default under any other agreement with BDC or any third party for the granting of a loan or other financial assistance and such default remains unremedied after any cure period provided in such other agreement.
4. Any representation or warranty made by the Borrower or any corporate Guarantor in any Loan Document is breached, false or misleading in any material respect, or becomes at any time false.
5. Any schedule, certificate, financial statement, report, notice or other writing furnished by the Borrower or corporate Guarantor to BDC in connection with the Loan is false or misleading in any material respect on the date as of which the facts therein set forth are stated or certified.
6. The Borrower or corporate Guarantor becomes insolvent or generally fails to pay, or admits in writing their inability or refusal to pay their debts as they become due; or any Borrower or corporate Guarantor applies for, consents to, or acquiesces in the appointment of a trustee, receiver or other custodian for such Borrower or corporate Guarantor or any property thereof, or makes a general assignment for the benefit of creditors; or, in the absence of such application, consent or acquiescence, a trustee, receiver or other custodian is appointed for the Borrower or corporate Guarantor for a substantial part of the property of such party; or any bankruptcy, reorganization, debt arrangement, or other case or proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding, is commenced in respect of such party, or any Borrower or corporate Guarantor takes any action to authorize, or in furtherance of, any of the foregoing.
7. The Borrower ceases or threatens to cease to carry on all or a substantial part of their business.
8. Without the prior written consent of BDC, the occurrence of a change of control of the Borrower (as determined by BDC) who is not a Public Issuer.
9. The Borrower or any corporate Guarantor is in violation of any applicable law relating to terrorism or money laundering, including the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada).
10. In the event that either a) any Person or group of Persons, acting jointly or in concert, that already owns 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning more than 50% of the outstanding Equity Interests of such Public Issuer or b) any Person or

Microb Resources Inc.

SCHEDULE "A"

group of Persons, acting jointly or in concert, that does not already own 20% or more of the outstanding Equity Interests of a Public Issuer, acquires a number of Equity Interests from such Public Issuer or from any third party that would result in such Person or group of Persons owning at least 20% of the outstanding Equity Interests of such Public Issuer, BDC may review the Loan and may require that the Loan, together with interest and any other amounts then outstanding, be repaid within sixty (60) days. Should the Borrower fail to repay the Loan, accrued interest, and all other amounts outstanding within sixty (60) days of the demand by BDC under this provision, the Borrower shall be in Default and same shall constitute an Event of Default.

SECTION V - GENERAL TERMS AND CONDITIONS

The Borrower and each Guarantor agree to the following additional provisions:

Other Available Interest Rate Plans

Upon acceptance of the Letter of Offer, the Borrower can select one of BDC's other available fixed or floating interest rate plans. If the selection is made before the Acceptance Date, there is no fee and the selected plan shall be based on BDC's Base Rate in effect on the Loan Authorization Date. If the selection is made after the initial Acceptance Date, there is a fee and an Interest Differential Charge may apply. The new rate shall become effective on the fourth day following receipt of the request by BDC. However, in the event of a period of increased interest rate volatility, which will be determined by a fluctuation of greater than 0.5% during the same transaction day of the yield to maturity of the five-year Canada bond benchmark, the Bank reserves the right to suspend the borrower's right to switch from a floating interest rate plan to a fixed interest rate plan.

Standby Fee Date Change When Switching From Floating to Fixed Rate Plans

If the Borrower changes to a fixed interest rate plan within 2 months after the Loan Authorization Date, the standby fee shall be effective two months after the Loan Authorization Date. If the change to a fixed interest rate plan occurs later than two months after the Loan Authorization Date, the standby fee shall be effective on the date the new fixed interest plan takes effect.

Interest Adjustment Date

Provided no Default has occurred and is continuing, prior to each Interest Adjustment Date, BDC shall advise the Borrower of BDC's Base Rates then in effect for the fixed interest rate plans available. Not later than on the current Interest Expiration Date, the Borrower shall select a new interest rate plan. If the Borrower selects a new fixed interest rate plan, effective on the Interest Adjustment Date, the interest rate for the Loan shall be BDC's Base Rate applicable to the fixed interest rate plan selected by the Borrower adjusted by the Variance which new rate shall be applicable until the next Interest Expiration Date. If the Loan is on a fixed interest rate plan with blended payments of principal and interest, the repayment schedule shall be adjusted on each Interest Adjustment Date. If the Borrower has not advised BDC in writing of its choice before an Interest Adjustment Date, the Loan shall automatically switch to BDC's floating interest rate plan on the Interest Adjustment Date with an interest rate being BDC's Floating Base Rate as adjusted by the Variance. Outstanding principal for blended payment loans shall then be divided in equal monthly instalments to be paid until Maturity Date.

In the event BDC should demand repayment of the Loan by reason of an Event of Default, any fixed interest rate applicable at the time of demand shall continue to apply to the Loan until full repayment and shall not be adjusted at the next Interest Adjustment Date.

Pre-Authorized Payment System

All payments provided for in the Letter of Offer must be made by pre-authorized debits from the Borrower's bank account. The Borrower shall sign all documentation required to that effect and provide a sample cheque marked void.

Application of Payments

All payments shall be applied in the following order:

1. any prepayment indemnity (including the monthly interest and Interest Differential Charge)
2. protective disbursements;
3. standby fees (arrears and current);

Microb Resources Inc.

SCHEDULE "A"

4. arrears, in the following order: transaction fees, administration fees, management fees, interest and principal;
5. current balances, in the following order: transaction fees, management fees, interest and principal;
6. cancellation fees;
7. credits to the tax reserve account and asset maintenance and upgrade account, if applicable; and
8. other amounts due and payable.

Other than regular payments of principal and interest, BDC may apply any other monies received by it, before or after Default, to any debt the Borrower may owe BDC under or pursuant to the Letter of Offer or any other agreement and BDC may change those applications from time to time.

Consent to Obtaining Information

The Borrower and any corporate Guarantor authorize BDC, from time to time, to obtain financial, compliance, account status and any other information about a Borrower and any corporate Guarantor and their respective business from their accountants, their auditors, any financial institution, creditor, credit reporting or rating agency, credit bureau, governmental department, body or utility.

Notices

Notices must be in writing and may be given in person, or by letter sent by fax, mail, courier or electronically; if to the Borrower, at the Borrower's address above or such other addresses as the Borrower may advise BDC in writing, or if to BDC, at BDC's address above.

Joint and Several Liability

Where in the Loan Documents, any covenant, agreement, warranty, representation or obligation is made or imposed upon two or more Persons or a party comprised of more than one Person, each such covenant, agreement, warranty, representation or obligation shall be deemed to be and be read and construed as a joint and several (solidary in Quebec) covenant, agreement, warranty, representation or obligation of each such Person or party, as the case may be. Without limiting the generality of the foregoing, each Borrower shall be jointly and severally (solidarily) liable with each other to BDC for the full performance of all obligations under the Loan Documents.

Anti- Money Laundering/Know Your Client

The Borrower and each Guarantor acknowledge that, pursuant to prudent banking practices in respect of "knowing your client", BDC, in compliance with its internal policies, is required to verify and record information regarding the Borrower and each Guarantor, their directors, authorized signing officers, shareholders and other Persons in control of the Borrower and each Guarantor. The Borrower and each Guarantor shall promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by BDC or any prospective assignee or other financial institution participating in the Loan with BDC, in order to comply with internal policies and applicable laws on anti-money laundering and anti-terrorist financing.

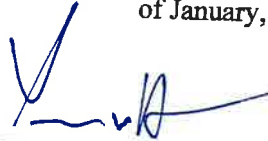
Confidentiality

The Borrower and each Guarantor shall not disclose the contents of this Letter of Offer to anyone except its professional advisors.

Changes in Accounting Standards

In the event that a Borrower or any Guarantor adopts any changes in accounting standards, including but not limited to GAAP for Private Enterprises and International Financial Reporting Standards (IFRS), which have an effect on any provision in the Letter of Offer relying on financial statement calculations, BDC may amend such provision to reflect the original intent of the provision.

This is Exhibit "H" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'V. H.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia

PRIORITY AGREEMENT WITH BDC

THIS AGREEMENT dated the 13th day of July, 2023.

AMONG:

BUSINESS DEVELOPMENT BANK OF CANADA, with a business centre at

1500 - 1133 MELVILLE STREET
VANCOUVER
BRITISH COLUMBIA
V6E 4E5

("BDC")

AND:

ROYAL BANK OF CANADA with a branch office at

1055 W GEORGIA ST
4TH FLR
VANCOUVER BC
V6E 3S5

(the "Lender")

AND:

MICROB RESOURCES INC.

(the "Borrower")

WHEREAS:

A. The Borrower has granted or agreed to grant to BDC a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as BDC may from time to time receive from the Borrower to secure present and future debts and obligations of the Borrower to BDC (the "BDC Security");

B. The Borrower has granted or agreed to grant to the Lender a registered security interest, in all or certain of the Borrower's present and after-acquired personal property, and/or such other security as the Lender may from time to time receive from the Borrower to secure present and future debts and obligations of the Borrower to Lender (the "Lender Security");

C. The parties hereto have agreed to enter into this agreement in order to set out the respective priorities of the BDC Security and the Lender Security and to be applicable in respect of both present and future debts and obligations of the Borrower with BDC and the Lender;

NOW THEREFORE in consideration of the premises and other good and valuable consideration, the parties hereto covenant and agree as follows:

ARTICLE 1 - CONSENT

1.01 BDC hereby acknowledges its consent to the creation and issue by the Borrower to the Lender of the Lender Security and to the incurring by the Borrower of the indebtedness secured thereby.

- 1.02 The Lender hereby acknowledges its consent to the creation and issue by the Borrower to BDC of the BDC Security and to the incurring by the Borrower of the indebtedness secured thereby.

ARTICLE 2 - INTERPRETATION

- 2.01 The preamble hereto forms an integral part of this Agreement.
- 2.02 In this Agreement, the following terms shall have the following meanings:
- (a) "Lender Collateral" means all present and after-acquired personal property of the Borrower, and the Proceeds thereof, other than the Listed Equipment;
 - (b) "Listed Equipment" means the Borrower's equipment listed on Schedule "A" attached hereto and the Proceeds thereof;
 - (c) "PPSA" means the applicable *Personal Property Security Act*;
 - (d) "Proceeds" shall have the meaning ascribed to such term pursuant to the PPSA;
 - (e) "Secured Parties" means BDC and the Lender, and a "Secured Party" means either one of them, and each of their respective successors and permitted assigns; and
 - (f) "Security" means, collectively, the BDC Security and/or the Lender Security.

ARTICLE 3 - PRIORITIES

- 3.01 Subject to the terms and conditions of this Agreement:
- (a) The BDC Security is hereby postponed and subordinated to the security constituted by the Lender Security with respect to the Lender Collateral, to the extent of the Borrower's indebtedness to the Lender from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by the Lender in connection therewith; and
 - (b) The Lender Security is hereby postponed and subordinated to the security constituted by the BDC Security with respect to the Listed Equipment, to the extent of the Borrower's indebtedness to BDC from time to time, together with all accrued interest thereon and all costs, charges and expenses incurred by BDC in connection therewith.
- 3.02 The subordinations and postponements herein shall apply in all events and circumstances regardless of:
- (a) the date of execution, attachment, registration or perfection of any security interest held by BDC or the Lender, or;
 - (b) the date of any advance or advances made to the Borrower by BDC or the Lender; or
 - (c) the date of default by the Borrower under any of the BDC Security or the Lender Security or the dates of crystallization of any floating charges held by BDC or the Lender; or
 - (d) any priority granted by any principle of law or any statute, including the PPSA.

FORM C

RBC-BDC Form of Priority Agreement

BDC 1st on specific listed equipment and RBC 1st on all other personal property

- 3.03 Any Proceeds, including, without limitation, any insurance proceeds received by the Borrower or by BDC or the Lender in respect of the collateral charged by the BDC Security or the Lender Security shall be dealt with according to the preceding provisions hereof as though such Proceeds were paid or payable as Proceeds of realization of the collateral for which they compensate.
- 3.04 If any of the BDC Security or the Lender Security is found by a trustee in bankruptcy or a court of competent jurisdiction to be unenforceable, invalid, unregistered or unperfected, then the foregoing provisions of this Article 3 shall not apply to such security to the extent that such security is so found to be unenforceable, invalid, unregistered or unperfected as against a third party unless the secured party shall be diligently contesting such a claim before a court of competent jurisdiction.
- 3.05 Each of the parties hereto shall permit any of the other parties hereto and their employees, agents and contractors, access at all reasonable times to any property and assets of the Borrower upon which it has a prior charge or security interest in accordance with the terms hereof and to permit such other party to remove such property and assets from the premises of the Borrower at all reasonable times without interference, provided that such other party shall promptly repair any damage caused to the premises by the removal of any such property or assets.
- 3.06 With the exception of monies deposited in any accounts designated as trust accounts by the Borrower for the benefit of BDC, BDC shall not be entitled, notwithstanding anything to the contrary in this Agreement, to make a claim against any monies which are deposited in or disbursed from any account of the Borrower maintained with the Lender, except for monies deposited therein after the time the Lender has received written notice from BDC that it is enforcing the BDC Security against the Borrower and which are not subject to the security interest and priority of the Lender as set out and agreed to in this Agreement.
- 3.07 If any person, other than the Secured Parties, shall have a valid claim, right or interest in or to any of the present or after-acquired personal property of the Borrower which is subject to all or any part of the Security, or the Proceeds thereof, in priority to or on a parity with one of the Secured Parties but not in priority to or on a parity with the other Secured Party, then this Agreement shall not apply so as to diminish the rights (as such rights would have been but for this Agreement) of such other Secured Party to such property or the Proceeds thereof.
- 3.08 Nothing in this Agreement affects the priority of any security over the Borrower's real property interests held by BDC or the Lender. The real property interests of the Borrower are excluded from the operation of this agreement.
- 3.09 This Agreement is not intended to affect the priority of any third party claims and no such parties may benefit from anything contained herein.
- 3.10 Nothing in this Agreement shall affect the priority of purchase money security interests (as defined in the PPSA) properly perfected under the PPSA and hereafter acquired by BDC or the Lender in specific equipment of the Borrower.

ARTICLE 4 - COVENANTS OF THE BORROWER

- 4.01 The Borrower hereby confirms to and agrees with BDC and the Lender that so long as any of the indebtedness of the Borrower to BDC and the Lender remains outstanding, it shall stand possessed of its assets so charged for BDC and for the Lender in accordance with their respective interests and priorities as herein set out.


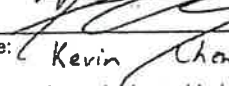
E-FORM 300110 (10/2013)


FORM C


RBC-BDC Form of Priority Agreement

BDC 1st on specific listed equipment and RBC 1st on all other personal property

IN WITNESS WHEREOF the parties hereto have executed this Agreement under the hand(s) of their duly authorized officer(s) on the date first above written.

	<p>BUSINESS DEVELOPMENT BANK OF CANADA</p> <p>Per:  _____ Name: <u>Jeff Ho</u></p> <p>Per:  _____ Name: <u>Kevin Chang</u></p> <p>We have the authority to bind BDC.</p>
--	---

	<p>ROYAL BANK OF CANADA</p> <p>Per:  _____ Name: CELIA HUI</p> <p>Title: ACCOUNT MANAGER</p> <p>I have the authority to bind the Lender.</p>
--	--

	<p>MICROB RESOURCES INC.</p> <p>Per: <u>Norman McLeod</u> Name: _____</p> <p>Per:  _____ Name: _____</p> <p>I/We have the authority to bind the Borrower.</p>
--	--

SCHEDULE "A"

1) Buhler Inc. Coffee Roaster RoastMaster 120 (Air re-circulating system), including Control Panel UL Version, Freight DDP, Feeding System to RoastMaster 120, and De-Stoning System

2) Viking Masek Global Packaging Technologies equipment described as Pneu-Con "Whisper Loader" free flow granular conveying system, Weigh Right iQ-Shuttle Net Weigh Filling Machine, Viking Masek M400 VFFS Machine, Markem-Imaje X40 (53 mm) Thermal Transfer Printer, Viking M400 spare parts, Stainless steel load shelf, one additional quad forming tube for 124mm wide x 85mm deep, Accraply label valve applicator, Viking Carousel Unit, M400 bagger stand, and set of exchangeable pockets for second 908 gram bag

This is Exhibit "I" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, consisting of a stylized 'L' followed by a 'W' and a long horizontal stroke.

A Commissioner/Notary Public for the
Province of British Columbia



Bennington Financial Corp.
 HST/GST: 892634833
 QST: 10233351206

Customer Payment History - All Leases

Lessee Information

Customer Number: 2000184252
 Lessee Name: Microb Resources Inc.
 Address: 105-3551 Viking Way Richmond BC V6V 1W1
 Co-Lessee/Guarantors: , Norman Mcleod, Salt Spring Coffee Co

Payment History

Date	Invoice Number	Description	Lease Number	Amount	GST/HST	PST/QST	Total	Balance
28-Feb-2018				0.00	0.00	0.00	0.00	0.00
23-Jan-2020	INVC-484808	Invoice	50008681	-2,497.02	25.00	35.00	-2,437.02	-2,437.02
23-Jan-2020	INVC-484992	Invoice	50008681	2,175.91	108.81	152.32	2,437.04	0.02
31-Jan-2020	INVC-491277	Invoice	50008681	-0.02	0.00	0.00	-0.02	0.00
22-Feb-2020	RCPT-452412	PAP	50008681	0.00	0.00	0.00	-2,596.53	-2,596.53
22-Feb-2020	INVC-504164	Invoice	50008681	2,318.32	115.92	162.29	2,596.53	0.00
22-Mar-2020	RCPT-468795	PAP	50008681	0.00	0.00	0.00	-2,674.41	-2,674.41
22-Mar-2020	INVC-522929	Invoice	50008681	2,396.20	115.92	162.29	2,674.41	0.00
22-Apr-2020	RCPT-483843	PAP	50008681	0.00	0.00	0.00	-2,674.41	-2,674.41
22-Apr-2020	INVC-547330	Invoice	50008681	2,396.20	115.92	162.29	2,674.41	0.00
27-Apr-2020	INVC-550166	Invoice	50008681	-155.76	0.00	0.00	-155.76	-155.76
22-May-2020	RCPT-504189	PAP	50008681	0.00	0.00	0.00	-2,440.77	-2,596.53
22-May-2020	RCPT-505304	PAP	50008681	0.00	0.00	0.00	-221.18	-2,817.71
22-May-2020	INVC-568407	Invoice	50008681	2,318.32	115.92	162.29	2,596.53	-221.18
22-May-2020	INVC-570878	Invoice	50008681	197.48	9.85	13.81	221.14	-0.04
31-May-2020	INVC-571993	Invoice	50008681	0.04	0.00	0.00	0.04	0.00
22-Jun-2020	RCPT-521151	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jun-2020	INVC-590954	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jul-2020	RCPT-538860	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jul-2020	INVC-612236	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Aug-2020	RCPT-557333	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Aug-2020	INVC-632232	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Sep-2020	RCPT-575820	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Sep-2020	INVC-651798	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Oct-2020	RCPT-594169	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Oct-2020	INVC-671511	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00

Customer Payment History - All Leases

Lessee Information

Customer Number: 2000184252
 Lessee Name: Microb Resources Inc.
 Address: 105-3551 Viking Way Richmond BC V6V 1W1
 Co-Lessee/Guarantors: , Norman Mcleod, Salt Spring Coffee Co
 Payment History

Date	Invoice Number	Description	Lease Number	Amount	GST/HST	PST/QST	Total	Balance
22-Nov-2020	RCPT-614473	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Nov-2020	INVC-691703	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Dec-2020	RCPT-632092	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Dec-2020	INVC-711756	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jan-2021	RCPT-647170	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jan-2021	INVC-729770	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Feb-2021	RCPT-667638	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Feb-2021	INVC-750659	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Mar-2021	RCPT-681923	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Mar-2021	INVC-770297	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Apr-2021	RCPT-701252	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Apr-2021	INVC-790687	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-May-2021	RCPT-722509	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-May-2021	INVC-811286	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jun-2021	RCPT-740139	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jun-2021	INVC-830705	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jul-2021	RCPT-759969	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jul-2021	INVC-850823	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Aug-2021	RCPT-777193	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Aug-2021	INVC-870943	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Sep-2021	RCPT-795104	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Sep-2021	INVC-890841	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Oct-2021	RCPT-816946	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Oct-2021	INVC-911163	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Nov-2021	RCPT-836375	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Nov-2021	INVC-933056	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Dec-2021	RCPT-853942	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Dec-2021	INVC-952961	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00

Customer Payment History - All Leases

Lessee Information

Customer Number: 2000184252
 Lessee Name: Microb Resources Inc.
 Address: 105-3551 Viking Way Richmond BC V6V 1W1
 Co-Lessee/Guarantors: , Norman Mcleod, Salt Spring Coffee Co

Payment History

Date	Invoice Number	Description	Lease Number	Amount	GST/HST	PST/QST	Total	Balance
22-Jan-2022	RCPT-873867	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jan-2022	INVC-973555	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Feb-2022	RCPT-893626	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Feb-2022	INVC-994655	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Mar-2022	INVC-1016001	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Mar-2022	RCPT-912379	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Apr-2022	INVC-1037423	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Apr-2022	RCPT-935322	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-May-2022	INVC-1059176	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-May-2022	RCPT-955449	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Jun-2022	INVC-1081612	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Jun-2022	RCPT-973731	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Jul-2022	INVC-1104270	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Jul-2022	RCPT-996403	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Aug-2022	RCPT-1015449	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Aug-2022	INVC-1126504	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Sep-2022	RCPT-1039099	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Sep-2022	INVC-1149193	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Oct-2022	RCPT-1060644	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Oct-2022	INVC-1172252	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Nov-2022	RCPT-1081452	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Nov-2022	INVC-1195047	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Dec-2022	RCPT-1104672	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Dec-2022	INVC-1218406	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Jan-2023	RCPT-1126152	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Jan-2023	INVC-1241041	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70
22-Feb-2023	RCPT-1144653	PAP	50008681	0.00	0.00	0.00	-2,817.70	0.00
22-Feb-2023	INVC-1263464	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	2,817.70

Customer Payment History - All Leases

Lessee Information

Customer Number: 2000184252
 Lessee Name: Microb Resources Inc.
 Address: 105-3551 Viking Way Richmond BC V6V 1W1
 Co-Lessee/Guarantors: , Norman Mcleod, Salt Spring Coffee Co
 Payment History

Date	Invoice Number	Description	Lease Number	Amount	GST/HST	PST/QST	Total	Balance
22-Mar-2023	RCPT-1165608	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Mar-2023	INVC-1286993	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Apr-2023	RCPT-1189518	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Apr-2023	INVC-1309769	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-May-2023	RCPT-1211295	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-May-2023	INVC-1333390	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jun-2023	RCPT-1239321	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jun-2023	INVC-1466751	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jul-2023	RCPT-1264129	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jul-2023	INVC-1494720	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Aug-2023	RCPT-1287947	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Aug-2023	INVC-1522900	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Sep-2023	RCPT-1313492	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Sep-2023	INVC-1551368	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Oct-2023	RCPT-1341223	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Oct-2023	INVC-1580084	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Nov-2023	RCPT-1363644	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Nov-2023	INVC-1614822	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Dec-2023	RCPT-1388115	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Dec-2023	INVC-1643665	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jan-2024	RCPT-1414490	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jan-2024	INVC-1671920	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Feb-2024	RCPT-1441799	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Feb-2024	INVC-1700632	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Mar-2024	RCPT-1468058	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Mar-2024	INVC-1731975	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Apr-2024	RCPT-1493430	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Apr-2024	INVC-1760291	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00

Customer Payment History - All Leases

Lessee Information

Customer Number: 2000184252
 Lessee Name: Microb Resources Inc.
 Address: 105-3551 Viking Way Richmond BC V6V 1W1
 Co-Lessee/Guarantors: , Norman Mcleod, Salt Spring Coffee Co
 Payment History

Date	Invoice Number	Description	Lease Number	Amount	GST/HST	PST/QST	Total	Balance
22-May-2024	RCPT-1518259	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-May-2024	INVC-1786888	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jun-2024	RCPT-1541669	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jun-2024	INVC-1817572	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Jul-2024	RCPT-1568467	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Jul-2024	INVC-1844924	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Aug-2024	RCPT-1590536	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Aug-2024	INVC-1872901	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00
22-Sep-2024	RCPT-1617393	PAP	50008681	0.00	0.00	0.00	-2,817.70	-2,817.70
22-Sep-2024	INVC-1900185	Invoice	50008681	2,515.80	125.80	176.10	2,817.70	0.00

Lessee Information

Customer Number: 2000184252
 Lessee: Microb Resources Inc.
 Address: 105-3551 Viking Way
 Co-Lessees/Guarantors: Norman Mcleod, Salt Spring Coffee Co

Lease Details

Lease Number: 50008681
 Asset Description: Please see Schedule A

Payment Stream

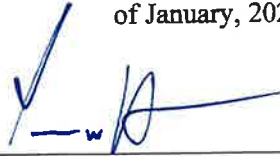
Date	Payment Amount (Plus applicable taxes)
January 23 2020	\$2,175.91 CAD
February 22 2020	\$2,318.32 CAD
March 22 2020	\$2,318.32 CAD
April 22 2020	\$2,318.32 CAD
May 22 2020	\$2,515.80 CAD
June 22 2020	\$2,515.80 CAD
July 22 2020	\$2,515.80 CAD
August 22 2020	\$2,515.80 CAD
September 22 2020	\$2,515.80 CAD
October 22 2020	\$2,515.80 CAD
November 22 2020	\$2,515.80 CAD
December 22 2020	\$2,515.80 CAD
January 22 2021	\$2,515.80 CAD
February 22 2021	\$2,515.80 CAD
March 22 2021	\$2,515.80 CAD
April 22 2021	\$2,515.80 CAD
May 22 2021	\$2,515.80 CAD
June 22 2021	\$2,515.80 CAD
July 22 2021	\$2,515.80 CAD
August 22 2021	\$2,515.80 CAD
September 22 2021	\$2,515.80 CAD
October 22 2021	\$2,515.80 CAD
November 22 2021	\$2,515.80 CAD
December 22 2021	\$2,515.80 CAD
January 22 2022	\$2,515.80 CAD
February 22 2022	\$2,515.80 CAD
March 22 2022	\$2,515.80 CAD
April 22 2022	\$2,515.80 CAD
May 22 2022	\$2,515.80 CAD
June 22 2022	\$2,515.80 CAD
July 22 2022	\$2,515.80 CAD
August 22 2022	\$2,515.80 CAD
September 22 2022	\$2,515.80 CAD
October 22 2022	\$2,515.80 CAD
November 22 2022	\$2,515.80 CAD
December 22 2022	\$2,515.80 CAD
January 22 2023	\$2,515.80 CAD
February 22 2023	\$2,515.80 CAD
March 22 2023	\$2,515.80 CAD
April 22 2023	\$2,515.80 CAD

Date	Payment Amount (Plus applicable taxes)
May 22 2023	\$2,515.80 CAD
June 22 2023	\$2,515.80 CAD
July 22 2023	\$2,515.80 CAD
August 22 2023	\$2,515.80 CAD
September 22 2023	\$2,515.80 CAD
October 22 2023	\$2,515.80 CAD
November 22 2023	\$2,515.80 CAD
December 22 2023	\$2,515.80 CAD
January 22 2024	\$2,515.80 CAD
February 22 2024	\$2,515.80 CAD
March 22 2024	\$2,515.80 CAD
April 22 2024	\$2,515.80 CAD
May 22 2024	\$2,515.80 CAD
June 22 2024	\$2,515.80 CAD
July 22 2024	\$2,515.80 CAD
August 22 2024	\$2,515.80 CAD
September 22 2024	\$2,515.80 CAD
October 22 2024	\$2,515.80 CAD
November 22 2024	\$2,515.80 CAD
December 22 2024	\$2,515.80 CAD
January 22 2025	\$2,515.80 CAD
February 22 2025	\$2,515.80 CAD
March 22 2025	\$2,515.80 CAD
April 22 2025	\$2,515.80 CAD
May 22 2025	\$2,515.80 CAD
June 22 2025	\$2,515.80 CAD

Schedule A

1 085/02173560
KET12T TILTING KETTLE ELECTRIC
208V-3PH CL12- LIFT OFF COVER DPKT- DOUBLE PANTRY FAUCET ST28 - EQUIPMENT STAND
WITH SLIDING DRAIN DRAWER& SPLASH SCREEN
1 1 - Clean Side Dishtable Item #2163/02180922D
1 1 - L-Shaped Soiled Dishtable Item #2163/02180922D & Delivery
1 1 - Work Top 137.25" W/Sink Item #2163/02180922
1 1 - Work Top 54.5" W/Sink Item #2163/02180922B
1 1 - Work Top 55.5" Item #2163/02180922C
1 1 - Work Top 77.5" Item #2163/02180922G
1 124/02173555
DH6000VHR VENTLESS HEAT RECOVERY DOOR TYPE DISHWASHER 208V-3PH
CORNER CONFIGURATION SPLASH SHIELD KIT DRAIN WATER TEMPERING KIT
1 153/CL50E VEGETABLE PREP 220LB/HR
1 1768/02157397
T1-6060RSRD-S GRAB & GO REFRIGERATED
DISPLAY 60"
1 318/TUC-24-HC(LH)
TRUE UNDERCOUNTER COOLER LEFT HINGE
LEFT HAND HINGE
1 318/TUC-27F-D-2-HC(2.5)
TRUE UNDERCOUNTER DRAWERED FREEZER
2.5" CASTORS
1 318/TUC-27-HC(2.5)
TRUE U/C COOLER 27" W/2.5" CASTORS
2.5" CASTORS
1 318/TUC-27-HC(2.5-LH)
UNDERCOUNTER COOLER, LH HINGE
2.5" CASTORS
LEFT HAND HINGE
1 318/TUC-48-HC(2.5)
TRUE REFRIGERATED COUNTER 48"
2.5" CASTORS
1 318/TWT-48-HC(2.5)
TRUE REFRIGERATED COUNTER, 2 DR
2.5" CASTORS
1 435/TP424-208/240V TOASTMASTER 4 SLOT TOASTER 208/240V
1 642/60.30.343
BASE CABINET US III FOR TYPE 62 - MOBILE
1 642/60.74.974
ULTRA VENT FOR COMBI DUO
1 642/B628106.12
RATIONAL ELECTRIC COMBI 62E 208V-3PH
1 747/02173565 PANINI TURBOCHEF OVEN
1 807/UYF0190A - NEO U/C ICE MACHINE
2 Airblade-Low Volt NKL (6) Dyson Part Number 307174-01
1 Kitchen Smallwares and Shelves as per Invoice No. 232615

This is Exhibit "J" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'V. W. H.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia

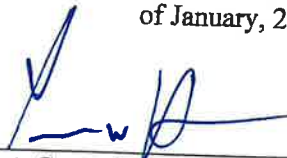
Salt Spring Coffee
Balance Sheet
End of Aug 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
1101 - Cash on hand	\$161.91
1102 - Petty Cash - Viking	\$807.36
1184 - PayPal-Wholesale	\$969.27
Total - 1101 - Cash on hand	\$969.27
1111 - Canadian Bank Accounts	
1109 - Shares - Ganges	\$5.00
1137 - TD Chequing	-\$439.50
1139 - RBC Chequing 1027747	-\$68,924.77
Total - 1111 - Canadian Bank Accounts	-\$69,359.27
1135 - US \$ Bank Accounts	
1132 - USD RBC chequing account 4006318	\$25,673.41
Total - 1135 - US \$ Bank Accounts	\$25,673.41
Total Bank	-\$42,716.59
Accounts Receivable	
1150 - Accounts receivable	\$1,073,109.87
1153 - Accts rec - US Exchange	\$27,317.36
Total Accounts Receivable	\$1,100,427.23
Other Current Asset	
10004 - GST/HST on Purchases	\$14,581.91
1140 - Inventory	
1141 - Inventory General - Viking	\$5,035.26
1143 - Inventory Green Beans	\$44,327.00
1144 - Inventory Merchandise	\$4,332.32
1146 - Inventory Cups & Lids	\$387.95
1147 - Inventory for Resale	\$16,182.01
1147A - Inventory - OH Allocation to FG from SG&A	\$5,225.95
1149 - Inventory Roasted Coffee	\$33,105.44
1199 - Inventory Bags & Labels	\$156,894.81
1203 - Inventory Boxes	\$25,874.95
1204 - Inventory Packaging Supplies	\$14,972.99
Total - 1140 - Inventory	\$306,338.68
1154 - Hedge contract	\$750,443.00
1400 - Prepaid expenses	\$218,702.03
1455 - Deposits	\$64,457.66
1460 - Deferred Charges	\$4,885.13
Inventory Returned Not Credited	\$0.21
Total Other Current Asset	\$1,359,408.62
Total Current Assets	\$2,417,119.26
Fixed Assets	
1506 - Roasting equipment - Viking	\$459,284.30
1507 - A/A - Roasting equip. - Viking	-\$413,100.83
1508 - Brewing Equipment - Viking	\$129,657.29
1509 - A/A - Brewing equip. - Viking	-\$121,678.22
1510 - Packing equipment - Viking	\$408,124.85
1511 - A/A - Packing equip. - Viking	-\$344,552.07
1512 - Grinding equipment - Viking	\$155,655.88
1513 - A/A - Grinding equip - Viking	-\$153,914.64
1514 - On Site Brewing Equip - Viking	\$84,036.04
1515 - A/A - Onsite brewing - Viking	-\$83,531.42
1516 - On Site Grinding Equip - Viking	\$43,632.51
1517 - A/A - Onsite Grinding - Viking	-\$43,326.81
1518 - On Site Bulk Coffee Bins - Viking	\$5,334.80
1519 - A/A - Onsite bins - Viking	-\$5,270.56

Financial Row	Amount
1520 - Tools & Equipment - Viking	\$172,356.38
1521 - A/A Tools & Equip Viking	-\$126,613.96
1522 - Equipment - customers locations	\$497,228.24
1523 - Roasting Room - Viking	\$372,514.56
1524 - A/A - Roasting Room - Viking	-\$339,378.52
1525 - Furn & Fixtures - Viking	\$210,989.71
1526 - A/A - Furn & Fixtures - Viking	-\$148,929.25
1527 - Office equipment - Viking	\$25,340.62
1528 - A/A - Office equip - Viking	-\$25,256.20
1529 - Buhler RoastMaster 120 - Viking	\$1,000,931.46
1530 - A/A - Buhler Roast - Viking	-\$182,080.89
1531 - Camera Equipment - Viking	\$18,114.75
1532 - A/A - Camera Equipment - Viking	-\$17,445.50
1535 - Computer hardware - Viking	\$141,994.91
1536 - A/A - Computer hardware - Viking	-\$139,059.98
1537 - Vehicles - Viking	\$196,161.03
1538 - A/A - Vehicles - Viking	-\$191,140.12
1539 - Franchise Fees - Viking	\$3,588.58
1540 - A/A - Franchise Fees - Viking	-\$1,011.39
1541 - Goodwill - Viking	\$16,469.06
1542 - A/A - Goodwill - Viking	-\$4,325.70
1548 - Packing VikingMasek - Viking	\$781,233.65
1549 - A/A - Packing VikingMasek - Viking	-\$143,881.70
1550 - Improvements - Ganges	\$1,028,762.71
1551 - A/A - Improvements - Ganges	-\$512,014.34
1572 - Traller	\$22,077.17
1573 - A/A - Traller	-\$21,278.03
1578 - A/A - Equipment at customer	-\$360,643.91
1624 - Equipment - Viking	\$103,309.33
1625 - A/A - Equipment Viking	-\$94,823.91
Total Fixed Assets	\$2,403,539.88
Other Assets	
1450 - Note receivable	\$344,229.26
Total Other Assets	\$344,229.26
Total ASSETS	\$5,164,888.40
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
2000 - Accounts Payable	\$457,173.13
2050 - Accounts Payable USD	\$2,102,188.17
2055 - Accrued Liabilities	\$405.17
Total Accounts Payable	\$2,559,766.47
Credit Card	
2063 - CIBC Visa 4500033600277717	\$34,423.79
2069 - RBC Visa 4516 0701 1703 5701 (ex 1409)	\$59,273.90
Total Credit Card	\$93,697.69
Other Current Liability	
2058 - Current portion of Long-term debt	\$103,159.85
2160 - Gift Certificates Payable	\$3,376.77
2170 - Wages payable	\$65,830.65
2180 - Vacation Payable	\$41,853.02
2200 - GST/HST Payable	\$1,186.10
2240 - PST Payable	\$183.34
Inventory Received Not Billed	\$3,817.35
Total Other Current Liability	\$219,407.08
Total Current Liabilities	\$2,872,871.24
Long Term Liabilities	
2301 - RBC Line of credit-07010-90902678-001	\$1,102,550.00
2302 - RBC Line of credit-07010-90902678 003	\$149,758.00
2572 - RBC term loan-07010-90902678-002	\$83,966.03
2575 - Renewal Partners Loan	\$39,262.46
2618 - Private loan	\$200,000.00
2900 - Shareholders loans	\$495,792.40

Financial Row	Amount
2920 - BDC loan	\$100,000.00
2921 - BDC Equipment Loan	\$978,540.00
Total Long Term Liabilities	\$3,149,868.89
Equity	
2950 - Share capital	\$1.00
2952 - Share capital - Class B	\$50,000.00
3000 - Opening Bal Equity	\$28,947.91
Retained Earnings	\$604,033.58
Net Income	-\$1,540,834.22
Total Equity	-\$857,851.73
Total Liabilities & Equity	\$5,164,888.40

This is Exhibit "K" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'L. W. P.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia

MAYNBRIDGE CAPITAL

SUMMARY OF TERMS FOR A SENIOR SECURED SUPER-PRIORITY DEBTOR-IN-POSSESSION CREDIT FACILITY (the "Term Sheet")

DATE: January 2, 2024

TO: Microb Resources Inc.
#105 - 3551 Viking Way
Richmond BC, Canada V6V 1W1

FROM: Maynbridge Capital Inc.
1111 West Hastings Street, Suite 388
Vancouver, BC, V6E 2J3

We are pleased to provide you with this Term Sheet, outlining the terms and conditions under which Maynbridge Capital Inc. would consider making a senior secured super-priority debtor-in-possession credit facility available to Microb Resources Inc., pursuant to its court-approved power to borrow in the Proceeding. Upon the Borrower's acceptance of this Term Sheet, the terms herein shall, subject to Court approval, be binding on the parties hereto.

Borrower: Microb Resources Inc. (the "**Borrower**").

Lender: Maynbridge Capital Inc. (the "**Lender**").

BIA / CCAA Case: Proceedings (the "**Proceeding**") to be commenced in the Supreme Court of British Columbia (the "**Court**") pursuant to the Bankruptcy and Insolvency Act ("**BIA**"). The initial order to be sought in the Proceeding is referred to as the "**Initial Order**".

Proposal Trustee: KPMG Inc. (the "**Proposal Trustee**").

Credit Facility: Subject to Court approval in the Proceeding, a non-revolving credit facility (the "**Credit Facility**") up to the Maximum Amount (as defined below) would be made available to the Borrower for interim financing on the terms set out herein (the "**DIP Financing**").

Maximum Amount: The Credit Facility will be made available up to a maximum amount of \$250,000 inclusive of any Commitment Fees (defined below) to be financed, subject to the Conditions Precedent herein (the "**Maximum Amount**").

Purpose: The Credit Facility is to be used to fund professional expenses and costs related to the restructuring of the Borrower and fund green bean purchases for use in the business of the Borrower.

Closing Date: The date on which the Conditions Precedent shall have been satisfied and the initial advance under the Credit Facility has been made by the Lender (the "**Closing Date**"). The commitment of the Lender to provide the Credit Facility shall expire and terminate if the Closing Date has not occurred on or before January 17, 2024 or such a later date as the Lender may approve in its sole and absolute discretion.

Maturity Date: The maturity of the Credit Facility (the "**Maturity Date**") shall be the earliest of:

- 6 months from the date of the Initial Order;
- the date the stay of proceedings expires in the Proceeding without extension; and
- 10 days following written notice being provided by the Lender to the Borrower of an Event of Default.

Interest: 14%, calculated daily and payable monthly in arrears on the first business day of each month.

Availability: On and after the date on which the Conditions Precedent shall have been satisfied, the Borrower may request advances under the Credit Facility by delivering to the Lender not less than three (3) business days prior to the requested advance, a drawdown certificate in form acceptable to the Lender detailing the amount of the requested advance and confirming without limitation the accuracy of all representations and warranties, that no Event of Default has occurred and is continuing, and that the requested advance conforms with the approved cash flow budget.

Commitment Fee:	The Borrower shall pay a one-time commitment fee in the amount of \$10,000 (the " Commitment Fee "). The Commitment Fee shall be non-refundable, fully earned, and payable no later than the Closing Date.
	Of the Commitment Fee, \$5,000 is to be paid in advance, upon acceptance of this term sheet (the " Good Faith Deposit ") and will be credited towards the Commitment Fee due and payable on the Closing Date. Of the remaining Commitment Fee, \$5,000 will be payable on the Closing Date from the proceeds of the Credit Facility.
Standby Fee:	The Borrower shall pay a standby charge of 2.50% per annum multiplied by the difference between the Maximum Amount and the amounts outstanding under the Credit Facility, calculated daily and payable monthly in arrears on the last business day of each month (the " Standby Fee ").
Drawdowns:	Drawdowns may be requested by the Borrower in minimum increments of \$50,000.
Repayment:	All amounts outstanding under the Credit Facility including, without limitation, principal, interest and fees, shall be paid to the Lender on the Maturity Date.
Prepayment Option:	The Credit Facility may be prepaid at any time following 2 months from the date of the Initial Order, subject to a prepayment penalty of: a) 3.0% of the Credit Facility amount if repaid after 2 months; b) 2.25% of the Credit Facility amount if repaid after 3 months; c) 1.5% of the Credit Facility amount if repaid after 4 months; d) 0.75% of the Credit Facility amount if repaid after 5 months; e) 0.0% of the Credit Facility amount if repaid at the Maturity Date.
Mandatory Prepayments:	All proceeds arising from (i) any disposition or other transaction involving the collateral subject to the Security including, without limitation, any refinancing thereof; and (ii) any insurance proceeds in respect of any of the collateral subject to the Security, shall be applied to the repayment of all amounts outstanding under the Credit Facility including, without limitation, principal, interest and fees within five business days of the receipt of such proceedings. Any such repayment shall permanently reduce the Maximum Amount available under the Credit Facility. For certainty, any mandatory prepayments made pursuant to this section shall not be subject to the prepayment penalties outlined above.
Security	Security for repayment of the Credit Facility shall be by way of contractual security and a fully perfected court-ordered super-priority charge against all of the assets, properties and undertakings of the Borrower in the Maximum Amount, plus all accrued and unpaid interest and unpaid fees, costs and expenses, subject only to a court-ordered Administration Charge of not more than \$130,000 (the " Security ").
Conditions Precedent:	The Lender's obligation to advance the Credit Facility to the Borrower hereunder is subject to the following conditions precedent: a) Issuance of the Initial Order (and any other required order in the Proceeding), satisfactory in form and substance to the Lender, approving and authorizing the DIP Financing and granting the Security with the priority contemplated herein, authorizing the establishment of the Credit Facility by the Lender, and such orders being in full force and effect, un-amended and not stayed; b) There will be no appeals, injunctions or other legal impediments relating to the completion of the DIP Financing or pending litigation seeking to restrain or prohibit the completion of the DIP Financing; and c) The Borrower shall have paid all fees then owing to the Lender including, without limitation, the Commitment Fee and the Good Faith Deposit (collectively, the " Conditions Precedent ").
Governing Law:	This Term Sheet is governed by and interpreted in accordance with the laws of the Province of British Columbia and the Borrower hereby irrevocably attorns to the jurisdiction of the courts of British Columbia.
Confidentiality:	This Term Sheet is being provided to you on the further condition that its existence and contents will be kept confidential and will not be disclosed without the Lender's prior written consent, except to (i) those of its officers, directors, employees and financial and legal advisors (" Representatives ") who have a need to know for the purpose of assessing, negotiating, documenting and carrying out the terms thereof; provided all such Representatives are informed of the confidentiality requirements of this Term Sheet; and (ii) in the necessary Court pleadings to obtain the Initial Order and other related Orders in the Proceedings.
Events of Default:	The following constitute an " Event of Default " pursuant to this Term Sheet: a) Change of Proposal Trustee. There is a change in the party appointed as the Proposal Trustee of the Borrower in the Proceeding without the prior written consent of the Lender; b) The issuance of a Court Order terminating the Proceeding, lifting the stay of proceedings, appointing

- a receiver, or granting any charge or encumbrance equal or superior in priority to the Security (other than the Administration Charge, as aforesaid); and
- c) Subject to a permitted variance in an amount acceptable to the Lender, any payment is made by the Borrower that is not contemplated by or within the approved cash flow budget without the Lender's prior written consent.

Legal and Other Costs: From the date of acceptance of this Term Sheet, the Borrower agrees to be responsible for and to pay all reasonable third party expenses incurred by the Lender in connection with the Credit Facility, including, but not limited to, legal fees and disbursements, due diligence, and the enforcement and preservation of the Lender's rights and remedies; provided however, that if the Closing Date does not occur the Lender agrees to first use the Good Faith Deposit to cover any incurred third party expenses before seeking additional monetary compensation from the Borrower.

Assignability: The Borrower may not assign any of its rights or obligations. The Lender may assign or transfer, in whole or in part, its rights or pledge its rights under the Term Sheet and the Credit Facility Agreement without the Borrower's consent.

Currency: All sums of money referred to this Term Sheet are expressed in lawful money of Canada, unless otherwise specified.

Counterpart Execution: This Term Sheet and all other documents related thereto or arising therefrom may be executed and delivered in any number of counterparts (including by facsimile transmission or other electronic means) and by different parties in separate counterparts, each of which when so executed and delivered will be deemed to be an original and all of which taken together will constitute one and the same instrument.

This Term Sheet is open for acceptance until 5:00 p.m. PST on January 2, 2024, after which time the summary of terms contained herein shall be automatically withdrawn and no longer available for acceptance.

MAYNBRIDGE CAPITAL INC.



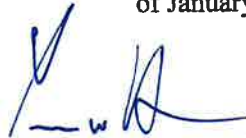
Dean Shillington, President

ACCEPTED this ____ day of _____, 2024.

MICROB RESOURCES INC.

By: _____
Name:
Title:
I have authority to bind the Borrower

This is Exhibit "L" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'L. W. A.', written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-3170658
Estate No. 11-3170658

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

Microb Resources Inc.

Insolvent Person

KPMG INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

January 02, 2025

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

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

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

Date: January 02, 2025, 17:09

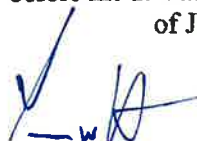
Official Receiver

E-File/Dépôt Electronique

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

Canada

This is Exhibit "M" referred to in the
Affidavit #1 of Norman McLeod affirmed
before me at Vancouver, BC, this 2nd day
of January, 2025

A handwritten signature in blue ink, appearing to be 'L. W. H.', is written over a horizontal line.

A Commissioner/Notary Public for the
Province of British Columbia

MICROB RESOURCES INC.

(the "Vendor")

- and -

CAFFE & ROASTER HOLDINGS INC., or its assignee

(the "Purchaser")

ASSET PURCHASE AGREEMENT

January 2, 2024

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions	1
1.2 Construction.....	6
1.3 Certain Rules of Interpretation	6
1.4 Computation of Time.....	7
1.5 Performance on Business Days	7
1.6 Currency and Payment.....	7
1.7 Effective Date.	7
1.8 Schedules	7
ARTICLE 2 PURCHASE AND SALE	7
2.1 Agreement to Purchase and Sell	7
2.2 Excluded Assets.....	8
2.3 Liabilities	8
2.4 Purchase Price and Purchase Price Allocation	9
2.5 Payment of Purchase Price	10
2.6 GST/HST Election.....	10
2.7 Accounts Receivable Election	10
2.8 Payment of Taxes	10
2.9 As is, Where is.....	10
ARTICLE 3 CLOSING ARRANGEMENTS.....	10
3.1 Closing.....	10
3.2 Vendor's Closing Deliveries.....	11
3.3 Purchaser's Closing Deliveries.....	11
ARTICLE 4 CONDITIONS OF CLOSING	11
4.1 Conditions for the Benefit of the Purchaser	11
4.2 Conditions for the Benefit of the Vendor.	12
4.3 Termination Events.....	12
4.4 Effect of Termination	13
4.5 Waiver of Conditions of Closing.....	13
ARTICLE 5 COVENANTS	13
5.1 Exclusive Dealings	13
5.2 Access	13
5.3 Transfer of Documentation.....	14
5.4 Personal Information	14
5.5 Risk of Loss	14
5.6 Employees	15
ARTICLE 6 GENERAL	15
6.1 Expenses	15
6.2 Best Efforts	15
6.3 No Third Party Beneficiary	15
6.4 Entire Agreement.....	15
6.5 Time of Essence.....	16
6.6 Amendment	16
6.7 Waiver of Rights.....	16
6.8 Jurisdiction.....	16

6.9 Governing Law 16
6.10 Notices 16
6.11 Assignment 17
6.12 Further Assurances 17
6.13 Severability 17
6.14 Successors 18
6.15 Counterparts 18

ASSET PURCHASE AGREEMENT dated January 2, 2024

BETWEEN:

MICROB RESOURCES INC.

- and -

CAFFE & ROASTER HOLDINGS INC., or its assignee

RECITALS:

- A. The Vendor carries on business as a coffee bean roaster, packager and supplier in British Columbia.
- B. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, the Purchased Assets and to assume the Assumed Liabilities, all in consideration for the Purchase Price and on the terms and conditions set out in this Agreement (the "**Transaction**").
- C. The Vendor intends on filing a notice of intention to make a proposal ("**NOI**") under s. 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (the "**BIA**") with the Office of Superintendent of Bankruptcy and appoint KPMG Inc. as "**Proposal Trustee**".
- C. Accordingly, the Parties wish to enter into this Agreement so as to conclude the Transaction, the consummation of which shall be subject to approval by the Court by way of an Order approving the Transaction and vesting the Purchased Assets in the Purchaser (the "**Approval and Vesting Order**").

THE PARTIES AGREE AS FOLLOWS:

**ARTICLE 1
INTERPRETATION**

1.1 Definitions. In this Agreement, including the Recitals to this Agreement, unless the context otherwise requires:

- (1) "**Accounts Receivable**" means all accounts receivable, trade accounts receivable, notes receivable, book debts and other debts due or accruing due to the Vendor, and the full benefit of any related security.
- (2) "**Administrative Wind-down Amount**" means cash in the amount of \$50,000 to be used to satisfy the costs incurred by the Proposal Trustee and its professional advisors to administer and to wind-down and/or dissolve and/or bankrupt the Vendor following the Closing of the Transaction.
- (3) "**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" means the possession, directly or indirectly, of the power to direct or

cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise, and the terms “controlled” and “controlling” have meanings correlative thereto.

- (4) “**Agreement**” means this asset purchase agreement, including all Schedules, Appendices and Exhibits to this asset purchase agreement, as amended, supplemented, restated and replaced from time to time in accordance with its provisions.
- (5) “**Applicable Law**” means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, statutory rules, published policies and guidelines, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity, in each case, as are applicable at the relevant time or times to such Person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such Person or its business, undertaking, property or securities.
- (6) “**Approvals**” means franchises, licences, qualifications, authorizations, consents, certificates, registrations, exemptions, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, Permits, and other permits and approvals.
- (7) “**Assumed Debt**” means the liabilities and obligations of the Vendor under the loan agreements listed in Schedule 2.3(1)(a).
- (8) “**Assumed Liabilities**” has the meaning attributed to that term in Section 2.3(1).
- (9) “**Books and Records**” means all books, records, files and papers of the Vendor relating to the Business, including title documentation, software documentation (including operator and user manuals, training materials, guides, listings, specifications and any revisions or additions to such documents), electronic data, financial and Tax working papers, financial and Tax books and records, business reports, business plans and projections, sales and advertising materials, sales and purchases records and correspondence, trade association files, research and development records, lists of present and former customers and suppliers, personnel and employment records of the Hired Employees, minute and share certificate books, all other documents and data (technical or otherwise) relating to the Business, the Purchased Assets or the Assumed Liabilities, and all copies and recordings of the foregoing.
- (10) “**Business**” means the business carried on currently and prior to the date of this Agreement by the Vendor consisting of supplying, roasting, and packaging coffee beans.
- (11) “**Business Day**” means any day, except Saturdays and Sundays, on which banks are generally open for non-automated business:
- (a) for purposes of Section 6.10, in the place specified in that Section; and
 - (b) for all other purposes in this Agreement, in Vancouver, British Columbia.
- (12) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3
- (13) “**Cash Payment**” has the meaning attributed to that term in Section 2.5(1)(a).

- (14) “**CASL**” means *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act (Canada)* and the regulations made thereunder.
- (15) “**Closing**” means the completion of the Transaction on the CP Satisfaction Date, to be effective as of the Effective Date in accordance with this Agreement.
- (16) “**CP Satisfaction Date**” means the date on which all conditions set out in Article 4 (other than those conditions that cannot, by their nature, be satisfied until the Closing, but subject to the satisfaction or waiver of those conditions at the Closing) are satisfied or waived, or such other date as agreed to by the Parties in writing.
- (17) “**Contract**” means any agreement, contract, purchase order, indenture, lease, occupancy agreement, deed of trust, licence, option, undertaking, promise or any other commitment or obligation, whether oral or written, express or implied, other than a Permit.
- (18) “**Court**” means the Supreme Court of British Columbia.
- (19) “**CRA**” means the Canada Revenue Agency or any successor agency.
- (20) “**Effective Date**” means January 24, 2024, or such other date as agreed to by the Parties in writing, provided that the CP Satisfaction Date occurs prior to the Outside Date.
- (21) “**Effective Time**” 12:01 a.m. on the Effective Date.
- (22) “**ETA**” means the *Excise Tax Act (Canada)* and the regulations made thereunder.
- (23) “**Employees**” means all individuals who are currently, or were as of December 9, 2024 employed by the Vendor in the Business.
- (24) “**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, prior claim, adverse claim, exception, reservation, restrictive covenant, agreement, easement (whether or not registered against title), lease, licence, right of occupation, option, right of use, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.
- (25) “**Excluded Assets**” has the meaning attributed to that term in Section 2.2.
- (26) “**Excluded Liabilities**” has the meaning attributed to that term in Section 2.3(2).
- (27) “**GST/HST**” means all Taxes payable under Part IX of the ETA (including where applicable both the federal and provincial portion of those Taxes) or under any provincial legislation imposing a similar value added or multi-staged tax.
- (28) “**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial, local, regional, municipal, or other political jurisdiction, and any agency, authority, instrumentality, court, tribunal, board, commission, bureau, arbitrator, arbitration tribunal or other tribunal, or any quasi-governmental or other entity, body, organization

or agency, insofar as it exercises a legislative, judicial, regulatory, administrative, expropriation or taxing power or function of or pertaining to government.

- (29) **“Hired Employees”** means those Employees who accept the Purchaser’s offer of employment provided for in Section 5.6(1) and continue their employment with the Purchaser after Closing.
- (30) **“Intellectual Property”** means, individually and collectively, howsoever created and wherever located: (a) all domestic and foreign patents and applications thereof and all reissues, divisions, continuations, renewals, extensions and continuations-in-part thereof; (b) all inventions (whether patentable or not), invention disclosures, improvements, trade secrets, proprietary information, know-how, technology, technical data, schematics and customer lists, and all documentation relating to any of the foregoing; (c) all copyrights in all works (including software) and database right, copyright registrations and applications thereof, and all works of authorship and moral rights, and all other rights corresponding thereto throughout the world; (d) all trade names, domain names, corporate names, trade dress, distinguishing guises, logos, slogans, brand names, trademarks (whether registered or common law and whether used with wares or services and including the goodwill attaching to such trademarks) and registrations and applications for registration thereof; (e) all software (in source code and object code form) and databases, and any proprietary rights in such software and databases; (f) all integrated circuit design, mask work, or topography registrations or applications thereof; (g) all industrial designs and applications for and registration of industrial designs, design patents and industrial design registrations; (h) other intellectual or industrial property whatsoever; (i) all income, royalties, damages and payments now and hereafter due and/or payable with respect to any of the foregoing, including damages and payments for past or future infringements thereof; and (j) all rights to sue for past, present and future infringements of any of the foregoing.
- (31) **“Inventories”** means inventories, including all finished goods, works-in-progress, raw materials, spare parts, replacement parts, and all other materials and supplies to be used or consumed by the Vendor in the provision of services.
- (32) **“IP Assets”** means all Intellectual Property that is owned by the Vendor or in which the Vendor has rights.
- (33) **“Landlord”** means 3011 Viking Way Richmond Holdings Inc.
- (34) **“Lease”** means the lease between the Vendor and the Landlord in respect of the Premises, as extended or modified from time to time.
- (35) **“Maynbridge”** means Maynbridge Capital Inc.
- (36) **“Other Agreements”** has the meaning attributed to that term in Section 6.4.
- (37) **“Outside Date”** means January 31, 2024, or such later date as the Parties may agree to in writing.
- (38) **“NOI”** has the meaning attributed to that term in the Recitals.
- (39) **“NOI Charges”** means the charges granted by the Court in the NOI Proceedings.
- (40) **“NOI Charge Amounts”** means cash in an amount sufficient to satisfy the amounts owing in respect of the obligation secured by the NOI Charges.

- (41) **“NOI Proceedings”** means the Court proceedings commenced by the Vendor in connection with the NOI filing.
- (42) **“Parties”** means collectively, the Purchaser and the Vendor, and **“Party”** means any of them.
- (43) **“Permits”** means franchises, licences, qualifications, approvals, authorizations, consents, certificates, certificates of authorization, decrees, orders-in-council, registrations, exemptions, consents, variances, waivers, filings, grants, notifications, privileges, rights, orders, judgments, rulings, directives, permits and other approvals, obtained from, issued by or required by a Governmental Authority.
- (44) **“Permitted Encumbrances”** means the Encumbrances listed in Schedule 1.1(44).
- (45) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a joint venture, a trust, an association, a syndicate, an unincorporated organization, a Governmental Authority, an executor or administrator or other legal or personal representative, or any other juridical entity.
- (46) **“Personal Information”** means information about an identifiable natural person, but does not include the name, title, business address or telephone number of an employee of the Vendor, that is to be disclosed to the Purchaser at Closing or that was disclosed to the Purchaser to permit the Purchaser to carry out its due diligence in connection with the Transaction.
- (47) **“Personal Property”** means all machinery, equipment, furniture and other personal property owned by the Vendor (including those in possession of third parties).
- (48) **“Premises”** means #105 - 3551 Viking Way, Richmond, BC V6V 1W1.
- (49) **“Proceeding”** means any suit, action, dispute, investigation, claim, arbitration, order, summons, citation, directive, charge, demand or prosecution, whether legal or administrative, any other proceeding, or any appeal or application for review, in each case, at law or in equity or before or by any Governmental Authority.
- (50) **“Proposal Trustee”** has the meaning attributed to that term in the Recitals.
- (51) **“Purchase Price”** has the meaning attributed to that term in Section 2.4.
- (52) **“Purchased Assets”** has the meaning attributed to that term in Section 2.1.
- (53) **“Purchased Contracts”** has the meaning attributed to that term in Section 2.1(e);
- (54) **“Purchaser”** means Caffe & Roaster Holdings Inc., a company incorporated under the laws of British Columbia, or its assignee.
- (55) **“Priority Payments”** means those payments prescribed under subsections 14.06(7), 81.3, 81.4, 81.5, and 81.6 of the BIA.
- (56) **“RBC”** means the Royal Bank of Canada.
- (57) **“Representatives”** means, with respect to any Party, its Affiliates and, if applicable, its and their respective directors, officers, employees, agents and other representatives and advisors.

- (58) “**Tax Act**” or any reference to a specific provision thereof means the *Income Tax Act* (Canada) and legislation of any legislature of any province or territory of Canada (including the *Taxation Act* (Québec)) and any regulations made thereunder in force of like or similar effect.
- (59) “**Taxes**” means taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed in respect thereof (including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, gains, capital stock, production, gift, wealth, environment, net worth, utility, sales, goods and services, harmonized sales, use, consumption, valued-added, excise, stamp, withholding, premium, business, franchising, property, employer health, payroll, employment, health, social services, education and social security taxes, surtaxes, customs duties and import and export taxes, development, occupancy, social services, licence, franchise and registration fees and employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions), and “**Tax**” has a corresponding meaning.
- (60) “**Transmission**” has the meaning attributed to that term in Section 6.10(1).
- (61) “**Vendor**” means Microb Resources Inc., doing business as Salt Spring Coffee.

1.2 Construction. This Agreement has been negotiated by each Party with the benefit of legal representation, and any rule of construction to the effect that any ambiguities are to be resolved against the drafting party does not apply to the construction or interpretation of this Agreement.

1.3 Certain Rules of Interpretation. In this Agreement:

- (a) the division into Articles and Sections and the insertion of headings and the Table of Contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement;
- (b) the expressions “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement and not to any particular portion of this Agreement; and
- (c) unless specified otherwise or the context otherwise requires:
 - (i) references to any Article, Section or Schedule are references to the Article or Section of, or Schedule to, this Agreement;
 - (ii) “including” or “includes” means “including (or includes) but is not limited to” and is not to be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it;
 - (iii) references to Contracts are deemed to include all present amendments, supplements, restatements and replacements to those Contracts;
 - (iv) references to any legislation, statutory instrument or regulation or a section thereof are references to the legislation, statutory instrument, regulation or section as amended, re-enacted, consolidated or replaced from time to time; and

- (v) words in the singular include the plural and vice-versa and words in one gender include all genders.

1.4 Computation of Time. In this Agreement, unless specified otherwise or the context otherwise requires:

- (a) a reference to a period of days is deemed to begin on the first day after the event that started the period and to end at 5:00 p.m. on the last day of the period, but if the last day of the period does not fall on a Business Day, the period ends at 5:00 p.m. on the next succeeding Business Day;
- (b) all references to specific dates mean 11:59 p.m. on the dates;
- (c) all references to specific times are references to Pacific Standard time; and
- (d) with respect to the calculation of any period of time, references to "from" mean "from and excluding" and references to "to" or "until" mean "to and including".

1.5 Performance on Business Days. If any action is required to be taken pursuant to this Agreement on or by a specified date that is not a Business Day, the action is valid if taken on or by the next succeeding Business Day.

1.6 Currency and Payment. In this Agreement, unless specified otherwise:

- (a) references to dollar amounts or "\$" are to Canadian dollars; and
- (b) any payment is to be made by an official bank draft drawn on a Canadian chartered bank, wire transfer or any other method (other than cash payment) that provides immediately available funds.

1.7 Effective Date. For greater certainty, the Parties agree that the transactions set out herein shall be effective as at the Effective Time, notwithstanding that the CP Satisfaction Date may occur at a time after the Effective Date.

1.8 Schedules. The following Schedules are attached to and form part of this Agreement:

Schedule 1.1(44)	Permitted Encumbrances
Schedule 2.1(e)	Purchased Contracts
Schedule 2.3(1)(a)	Assumed Debt

ARTICLE 2 PURCHASE AND SALE

2.1 Agreement to Purchase and Sell. Subject to the terms and conditions of this Agreement, as of the Effective Time, the Vendor shall sell, transfer, convey and assign to the Purchaser and the Purchaser shall purchase and acquire from the Vendor, free and clear of all Encumbrances, except for the Permitted Encumbrances, substantially all of the Vendor's right, title and interest in and to all of the Vendor's property and assets (other than the Excluded Assets), whether real or personal, tangible or intangible, of every kind and description and wheresoever situate (collectively, the "**Purchased Assets**"), including the following:

- (a) the Personal Property;

- (b) the Inventories;
- (c) the Accounts Receivable;
- (d) the IP Assets;
- (e) all Contracts set out in Schedule 2.1(e) (the “**Purchased Contracts**”);
- (f) all Permits and all pending applications for, and renewals of, Permits, in each case to the extent transferable to the Purchaser;
- (g) all Books and Records (except, in the case of those required by Applicable Law to be retained by the Vendor, copies thereof);
- (h) all goodwill, together with the exclusive right of the Purchaser to represent itself as carrying on the Business;
- (i) all cash on hand or in banks or other depositories, term or time deposits and similar cash items including all accrued interest thereon and any capital gains relating thereto;
- (j) all Tax instalments paid by the Vendor and all rights to receive any refund of, and/or credit in respect of, Taxes paid by the Vendor;
- (k) all rights to deposits and prepaid expenses;
- (l) subject to Section 5.5, all insurance benefits, including rights and proceeds, arising from or relating to the insurance policies maintained by the Vendor prior to the Effective Date, unless expended in accordance with this Agreement; and
- (m) the list of email addresses for which the Vendor has obtained the express written consent to the receipt of “commercial electronic messages” (as defined in CASL).

2.2 Excluded Assets. The following assets (collectively, the “**Excluded Assets**”) are not part of the Transaction, are excluded from Purchased Assets and remain the property of the Vendor:

- (a) all personnel and employment records that the Vendor is required by Applicable Law to retain;
- (b) all constating documents, minute books, shareholder records and corporate seals of the Vendor; and
- (c) any Purchased Asset which, by its terms or under Applicable Law, is not capable of being sold, transferred, conveyed or assigned by operation of the Approval and Vesting Order.

2.3 Liabilities.

- (1) Subject to the terms and conditions of this Agreement, the Purchaser shall assume, pay, satisfy, discharge, perform and fulfil, from and after the Effective Time, only the following obligations and liabilities of the Vendor:
 - (a) all liabilities and obligations of the Vendor under the Purchased Contracts, including the Assumed Debt; and

- (b) all liabilities and obligations that are assumed under Section 5.6(2) (collectively, the “**Assumed Liabilities**”).
- (2) Other than the Assumed Liabilities, the Purchaser shall not assume or have any obligation to discharge, perform or fulfill any obligation or liability of the Vendor of any kind whatsoever (collectively, the “**Excluded Liabilities**”) and all Excluded Liabilities remain the obligation and responsibility of the Vendor, including the obligations and liabilities of the Vendor:
- (a) for Taxes payable or remittable by the Vendor;
 - (b) owing to a lender or creditor of the Vendor, including any bank overdrafts or bank indebtedness and any indebtedness or liabilities other than the Assumed Liabilities owing under any promissory note, or Contract for the borrowing of money;
 - (c) arising out of or relating to products or services of the Vendor to the extent manufactured, sold, shipped or rendered prior to the Effective Time;
 - (d) arising out of any Proceeding against the Vendor in the conduct of the Business or otherwise no matter when arising by reason of any facts or circumstances that occurred or existed prior to the Effective Time, in each case whether or not an action or any other proceeding is commenced prior to the Effective Time;
 - (e) for refunds arising under any services performed by the Vendor in respect of which the Purchaser has assumed performance obligations pursuant to Section 2.3(1)(a); and
 - (f) relating to an Excluded Asset.

2.4 **Purchase Price and Purchase Price Allocation.**

- (1) Subject to the terms and conditions of this Agreement, the aggregate purchase price (the “**Purchase Price**”) to be paid by the Purchaser to the Vendor for the Purchased Assets is \$3,900,000.00, plus the Cash Payment.
- (2) If any Purchased Asset is not capable of being sold, transferred, conveyed or assigned to the Purchaser on the Effective Date, then such Purchased Asset shall be retained by the Vendor and shall be deemed to be an Excluded Asset.
- (3) The Purchaser and the Vendor shall cooperate after Closing to allocate the Purchase Price and shall report the purchase and sale of the Purchased Assets for all Tax purposes in a manner consistent with that allocation. If any Governmental Authority does not agree with that allocation, the Purchaser and the Vendor shall use their best efforts (which is not to be construed as requiring the Purchaser or the Vendor to commence or participate in any litigation or administrative process challenging the determination of any Governmental Authority) to agree on a different allocation acceptable to that Governmental Authority, and the Purchaser and the Vendor shall amend the original allocation and the relevant tax returns accordingly.

2.5 Payment of Purchase Price. At the Closing, the Purchaser shall pay and satisfy the Purchase Price as follows:

- (1) by payment to or to the order of the Proposal Trustee, an amount equal to the sum of: (i) the Priority Payments; (ii) the NOI Charge Amount; and (iii) the Administrative Wind-down Amount (collectively, the “Cash Payment”), provided, the Proposal Trustee shall hold the Cash Payment in trust for the benefit of Persons entitled to be paid from the Cash Payment; and
- (2) by payment to or to the order of the Vendor:
 - (a) as to \$2,545,000.00, being the aggregate principal amount of secured debt owing to Maynbridge, by paying such amount to Maynbridge on behalf the Vendor; and
 - (b) as to \$1,355,000.00, by assuming and performing the Assumed Liabilities, including the Assumed Debt.

2.6 GST/HST Election. The Purchaser and the Vendor shall jointly elect under subsection 167(1) of the ETA and under any similar provision of any applicable provincial legislation imposing a similar value added or multi-staged tax, that no tax be payable with respect to the purchase and sale of the Purchased Assets pursuant to this Agreement. The Purchaser and the Vendor shall make those elections in prescribed form containing prescribed information and shall file those elections in compliance with the requirements of applicable legislation.

2.7 Accounts Receivable Election. If requested by the Purchaser, the Purchaser and the Vendor shall elect jointly in the prescribed form under Section 22 of the Tax Act and under any similar provision of any other applicable provincial legislation as to the sale of the Accounts Receivable forming part of the Purchased Assets and described in Section 22 of the Tax Act and shall in that election allocate an amount equal to the portion of the Purchase Price allocated to those assets pursuant to Section 2.4(3) as the consideration paid by the Purchaser for those assets. The Parties shall file such election forms, along with any documentation necessary or desirable to give effect to such election, with CRA and any other appropriate taxation authority within the prescribed time limits.

2.8 Payment of Taxes. The Vendor shall pay and remit all Taxes relating to the Business which arise, or are related to a period of time, prior to the Effective Time.

2.9 As is, Where is. The Purchaser acknowledges that the Vendor is selling the Purchased Assets on an “as is, where is” basis as they shall exist as at the Effective Date. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets. No representation, warranty or condition is expressed or can be implied as to title, Encumbrances, description, fitness for purpose, merchantability, transferability, assignability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendor to sell, transfer, assign or convey same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (British Columbia) or similar legislation do not apply hereto and have been waived by the Purchaser.

ARTICLE 3 CLOSING ARRANGEMENTS

3.1 Closing. Subject to the satisfaction or waiver by the applicable Party of the conditions set out in Article 4, the Parties shall hold the Closing at the Effective Time.

3.2 Vendor's Closing Deliveries. At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser all certificates, agreements, documents and instruments as required under Section 4.1(1)(e).

3.3 Purchaser's Closing Deliveries. At Closing the Purchaser shall deliver or cause to be delivered to the Vendor all payments, certificates, agreements, documents and instruments as required under Section 4.2(1)(c).

ARTICLE 4 CONDITIONS OF CLOSING

4.1 Conditions for the Benefit of the Purchaser.

- (1) The Purchaser shall be obliged to complete the Transaction only if each of the following conditions precedent has been satisfied in full at or before the time of Closing on the CP Satisfaction Date:
- (a) the Vendor has complied with or performed all of the obligations, covenants and agreements under this Agreement to be complied with or performed by the Vendor on or before the CP Satisfaction Date, to the satisfaction of the Purchaser, acting reasonably;
 - (b) all Permits and Approvals have been obtained, in each case in form and substance satisfactory to the Purchaser, acting reasonably, and are in full force and effect, including, for clarity, the consent of the secured lenders in respect of the assignment and assumption of the Assumed Debt, and any consent of the Landlord required for the assignment of the Lease;
 - (c) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transaction or otherwise claiming that this Agreement or the completion of the Transaction is improper or would give rise to a Proceeding, under any Applicable Law;
 - (d) the Court shall have granted the Approval and Vesting Order providing for:
 - (i) approval of this Agreement and the performance of the same by the Vendor;
 - (ii) the vesting of the Purchased Assets in the Purchaser, free and clear of any Encumbrances except for the Permitted Encumbrances; and
 - (iii) such other provisions as reasonably requested by the Purchaser or that would customarily be contained in an approval and vesting order granted by the Court;
 - (e) the Vendor has caused to be delivered to the Purchaser the following:
 - (i) all deeds, conveyances, bills of sale, assurances, transfers, assignments and any other documentation or action which in the opinion of the Purchaser are necessary or reasonably required to transfer the Purchased Assets to the Purchaser with good and marketable title, free and clear of all Encumbrances except for the Permitted Encumbrances, in each case duly executed by the Vendor, and in form and substance satisfactory to the Purchaser, acting reasonably, and which, for clarity shall include an assignment of the Lease duly executed by the Vendor and Landlord; and

- (ii) the tax elections in Section 2.6 and Section 2.7, duly executed by the Vendor.
- (f) Each of the Employees to which the Purchaser has made an offer of employment pursuant to Section 5.6(1) shall have accepted such offer of employment.
- (2) Each of the conditions set out in Section 4.1(1) is for the exclusive benefit of the Purchaser and the Purchaser may waive compliance with any such condition in whole or in part by notice in writing to the Vendor, except that no such waiver operates as a waiver of any other condition.

4.2 Conditions for the Benefit of the Vendor.

- (1) The Vendor shall be obliged to complete the Transaction only if each of the following conditions precedent has been satisfied in full at or before the time of Closing on the CP Satisfaction Date:
 - (a) the Court shall have granted the Approval and Vesting Order, which shall not have been stayed, there shall be no outstanding appeal therefrom, and all applicable appeal periods shall have passed;
 - (b) there is no injunction or restraining order issued preventing, and no pending or threatened Proceeding, against any Party, for the purpose of enjoining or preventing, the completion of the Transaction or otherwise claiming that this Agreement or the completion of the Transaction is improper or would give rise to a Proceeding, under any Applicable; and
 - (c) the Purchaser has caused to be delivered to the Vendor the following:
 - (i) payment of the amounts required to be paid to the Vendor pursuant to Section 2.5;
 - (ii) the tax elections in Section 2.6 and Section 2.7, duly executed by the Purchaser.
- (2) Each of the conditions set out in Section 4.2(1) is for the exclusive benefit of the Vendor and the Vendor may waive compliance with any such condition in whole or in part by notice in writing to the Purchaser, except that no such waiver operates as a waiver of any other condition.

4.3 Termination Events. By notice given prior to or at Closing, subject to Section 4.4, this Agreement may be terminated as follows:

- (a) by the Purchaser pursuant to Section 5.5(1)(a);
- (b) by mutual consent of the Purchaser and the Vendor;
- (c) by the Purchaser or the Vendor and, upon dismissal of the motion for the Approval and Vesting Order (or if any such order is stayed, vacated or varied without the consent of the Purchaser or the Vendor);
- (d) by the Purchaser or the Vendor, if a court of competent jurisdiction, including the Court or other Governmental Authority has issued an order or taken any other action to restrain, enjoin or otherwise prohibit the consummation of Closing and such order or action has become a final order; and
- (e) by the Purchaser unless it is in material breach of this Agreement or by the Vendor unless the Vendor is in material breach of this Agreement, if the Closing has not occurred on or before the Outside Date.

4.4 Effect of Termination. Each Party's right of termination under Section 4.3 is in addition to any other rights it may have under this Agreement or otherwise, whether at law, in equity or otherwise, and the exercise of that right of termination is not an election of remedies. If this Agreement is terminated pursuant to Section 4.3, all obligations of the Parties under this Agreement will terminate except that the obligations contained in this Section 4.3 and in 4.4 (except for Section 6.2) will survive.

4.5 Waiver of Conditions of Closing. If any of the conditions set forth in Section 4.1 has not been satisfied, the Purchaser may elect in writing to waive the condition and proceed with the completion of the Transaction and, if any of the conditions in Section 4.2 has not been satisfied, the Vendor may elect in writing to waive the condition and proceed with the completion of the Transaction. Any such waiver and election by the Purchaser or the Vendor, as the case may be, will only serve as a waiver of the specific closing condition and the other Party will have no liability with respect to the specific waived condition, provided that neither Party may waive the requirement for the Court to have granted the Approval and Vesting Order.

ARTICLE 5 COVENANTS

5.1 Exclusive Dealings. The Vendor shall not take any action, at any time, directly or indirectly, to encourage, initiate or engage in discussions or negotiations with, or provide any information to, or enter into any agreement or arrangement or understanding with, any Person, other than the Purchaser and its designated and authorized Representatives, concerning any sale, transfer or assignment of any portion of the Business or the Purchased Assets. The Vendor shall notify the Purchaser promptly if any such discussions or negotiations are sought or if any proposal for a sale, transfer or assignment of any portion of the Business or the Purchased Assets is received. The Vendor shall use its best efforts to provide the Court with all necessary documents, forms, consents and other information as the Court may require in order to obtain the Approval and Vesting Order as expeditiously as possible. The Purchaser shall cooperate with the Vendor in its efforts to obtain the Approval and Vesting Order and shall make commercially reasonable efforts to provide or cause to be provided to the Vendor at the Vendor's request and cost all certificates, affidavits or other documents and instruments reasonably required by the Vendor to obtain the Approval and Vesting Order. The Vendor shall use commercially reasonable efforts to obtain the Approval and Vesting Order.

5.2 Access. Upon request by the Purchaser, the Vendor shall promptly make available to the Purchaser and its Representatives copies of all documents and information concerning the Purchased Assets, Assumed Liabilities and Business as the Purchaser may reasonably request and which are in the Vendor's possession or control.

5.3 Transfer of Documentation. On the Effective Date, the Vendor shall deliver, and shall cause to be delivered, to the Purchaser the Books and Records and all documents (except, in the case of those required by Applicable Law to be retained by the Vendor, copies thereof) and other data, technical or otherwise, which are owned by the Vendor and in the possession or control of the Vendor at the Effective Date, relating to the Business or the Purchased Assets. The Purchaser shall preserve all those documents delivered to it in accordance as is required by Applicable Law. The Purchaser shall permit the Vendor and its authorized Representatives reasonable access to those documents while they are in the Purchaser's possession or control solely to the extent that access is required by the Vendor to perform its obligations under this Agreement or under Applicable Law, but the Purchaser shall not be responsible or liable to the Vendor for, or as a result of, any loss or destruction of or damage to any such documents and other data. The Vendor shall be responsible for all reasonable out-of-pocket costs and expenses incurred, directly or indirectly, by the Purchaser in connection with any access contemplated by this Section 5.3.

5.4 Personal Information.

- (1) The Vendor and the Purchaser shall:
- (a) at all times, use and disclose the Personal Information under its control solely for the purposes for which the Personal Information was collected or permitted to be used or disclosed, unless to the extent required by Applicable Law, the Vendor or the Purchaser, as the case may be, has obtained the consent of or has given notice to the individual to whom the Personal Information relates of the additional purposes for which the Personal Information is to be used or disclosed, or such additional purposes are permitted or authorized by Applicable Law;
 - (b) protect the Personal Information using security safeguards that meet or exceed industry standards, taking into account the sensitivity of the Personal Information; and
 - (c) give effect to any withdrawal of consent by the individual to whom the Personal Information relates where the Personal Information was collected with consent.
- (2) The Purchaser shall, to the extent required by Applicable Law, notify the individuals to whom the Personal Information relates that the Transaction has been completed and of the disclosure of their Personal Information to the Purchaser.
- (3) In the event that the Transaction is not completed, the Purchaser shall, within a reasonable period of time, return the Personal Information to the Vendor or, in its discretion, destroy it and provide a certificate of a senior officer of the Purchaser to that effect to the Vendor.

5.5 Risk of Loss.

- (1) If, before the Closing, any material portion of the Purchased Assets or material portion of the Business is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, and the loss, damage, destruction, appropriation, expropriation or seizure cannot, in the reasonable opinion of the Purchaser, be restored within 60 days from the date of loss, damage, destruction, appropriation, expropriation or seizure, then the Purchaser may either:
- (a) terminate this Agreement; or
 - (b) elect to complete the Transaction, in which case any insurance proceeds or other compensation paid or payable with respect to such loss, damage, destruction, appropriation,

expropriation or seizure of Purchased Assets will be assigned or paid by the Vendor to the Purchaser.

- (2) If, before the Closing, any of the Purchased Assets or part of the Business is lost, damaged or destroyed or is appropriated, expropriated or seized by any Governmental Authority, and the loss, damage, destruction, appropriation, expropriation or seizure can, in the reasonable opinion of the Purchaser, be restored within 60 days from the date of loss, damage, destruction, appropriation, expropriation or seizure, then upon satisfaction or waiver of the conditions set out in Article 4, the Parties will complete the Transaction; provided that any proceeds of insurance payable as a result of the occurrence are to be directed by the Vendor to be paid to the Purchaser.

5.6 Employees.

- (1) Prior to the CP Satisfaction Date, but conditional on the completion of the Closing, the Purchaser shall use commercially reasonable efforts to offer employment to all of the Employees effective as at the Effective Time, on terms and conditions which are substantially comparable to those on which such Employees were employed by the Vendor immediately prior to the Effective Date. For greater certainty, unless the Purchaser elects to make an offer of employment to any Employee that is on temporary layoff, leave of absence, disability or other non-active status and that offer of employment is accepted by that Employee, the Vendor shall remain responsible for and the Purchaser is not assuming any liability or obligation with respect to that Employee.
- (2) The Purchaser shall assume and be responsible for all liabilities and obligations with respect to the Hired Employees.

ARTICLE 6 GENERAL

6.1 Expenses. Each Party shall pay all expenses (including Taxes imposed on those expenses) it incurs in connection with the authorization, negotiation, preparation, execution and performance of this Agreement and Transactions, including all fees and expenses of legal counsel, bankers, investment bankers, brokers, accountants or other representatives or consultants.

6.2 Best Efforts. In this Agreement, unless specified otherwise, an obligation of any Party to use its best efforts to obtain any Approval does not require the Party to make any payment to any Person for the purpose of procuring the Approval, except for payments for amounts due and payable to that Person, payments for incidental expenses incurred by that Person and payments required by any Applicable Law.

6.3 No Third Party Beneficiary. This Agreement is solely for the benefit of the Parties and no third party accrues any benefit, claim or right of any kind pursuant to, under, by or through this Agreement.

6.4 Entire Agreement. This Agreement together with the other agreements to be entered into as contemplated by this Agreement (the "**Other Agreements**") constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and the Other Agreements and supersede all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement or the Other Agreements, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or the Other Agreements or which induced any Party to enter into this Agreement or the Other Agreements. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement or any Other Agreement, or any amendment or supplement hereto or

thereto, by any Party to this Agreement or any Other Agreement or its Representatives, to any other Party or its Representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement or that Other Agreement, and none of the parties to this Agreement or any Other Agreement has been induced to enter into this Agreement or any Other Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

6.5 Time of Essence. Time is of the essence of this Agreement.

6.6 Amendment. This Agreement may be supplemented, amended, restated or replaced only by written agreement signed by each Party.

6.7 Waiver of Rights. Any waiver of, or consent to depart from, the requirements of any provision of this Agreement is effective only if it is in writing and signed by the Party giving it, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of any Party to exercise, and no delay in exercising, any right under this Agreement operates as a waiver of that right. No single or partial exercise of any such right precludes any other or further exercise of that right or the exercise of any other right.

6.8 Jurisdiction. The Parties irrevocably and unconditionally attorn to the exclusive jurisdiction of the Courts in respect of all disputes arising out of, or in connection with, this Agreement, or in respect of any legal relationship associated with it or derived from it.

6.9 Governing Law. This agreement is governed by, and interpreted and enforced in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable in British Columbia, excluding the choice of law rules of that province.

6.10 Notices.

- (1) Any notice, demand or other communication (in this Section 6.10, a “**notice**”) required or permitted to be given or made under this Agreement must be in writing and is sufficiently given or made if:
- (a) delivered in person and left with a receptionist or other responsible employee of the relevant Party at the applicable address set forth below;
 - (b) sent by prepaid courier service or (except in the case of actual or apprehended disruption of postal service) mail; or
 - (c) sent by email, or by facsimile transmission, with confirmation of transmission by the transmitting equipment (each, a “**Transmission**”);

in the case of a notice to the Vendor, addressed to it at:

211 Horel Rd
Salt Spring Island, BC
V8K 2A4

Attention: Norman (Mickey) McLeod
Email: mickey@saltspringcoffee.com

with a copy (not constituting notice) to:

Osler, Hoskin & Harcourt LLP
3000 - 1055 Dunsmuir St.
Vancouver, BC V7X 1K8

Attention: Mary Buttery, KC
Email: mbuttery@osler.com

and in the case of a notice to the Purchaser, addressed to it at:

388 – 1111 West Hastings St.
Vancouver, BC V6E 2J3

Attention: Dean Shillington
Email: dean@kbcapital.ca

- (2) Any notice sent in accordance with this Section 6.10 is deemed to have been received:
- (a) if delivered prior to or during normal business hours on a Business Day in the place where the notice is received, on the date of delivery;
 - (b) if sent by mail, on the fifth Business Day after mailing in the place where the notice is received, or, in the case of disruption of postal service, on the fifth Business Day after cessation of that disruption;
 - (c) if sent by email during normal business hours on a Business Day in the place where the Transmission is received, on the same day that it was received by Transmission; or
 - (d) if sent in any other manner, on the date of actual receipt;

except that any notice delivered in person or sent by Transmission not on a Business Day or after normal business hours on a Business Day, in each case in the place where the notice is received, is deemed to have been received on the next succeeding Business Day in the place where the notice is received.

- (3) Any Party may change its address for notice by giving notice to the other Parties.

6.11 Assignment. No Party may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement to any Person. Notwithstanding the foregoing, Caffe & Roaster Holdings Inc. may, prior to Closing, assign this Agreement in its discretion and without consent to a subsidiary incorporated for the purpose of completing the Transaction.

6.12 Further Assurances. Each Party shall promptly do, execute, deliver or cause to be done, executed or delivered all further acts, documents and matters in connection with this Agreement that any other Party may reasonably require, for the purposes of giving effect to this Agreement.

6.13 Severability. If, in any jurisdiction, any provision of this Agreement or its application to any Party or circumstance is restricted, prohibited or unenforceable, that provision will, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in

any other jurisdiction and, if applicable, without affecting its application to the other Parties or circumstances. The Parties shall engage in good faith negotiations to replace any provision which is so restricted, prohibited or unenforceable with an unrestricted and enforceable provision, the economic effect of which comes as close as possible to that of the restricted, prohibited or unenforceable provision which it replaces.

6.14 Successors. This Agreement is binding on, and enures to the benefit of, the Parties and their respective successors and assigns.

6.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one agreement. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a tagged image format file (TIFF) or portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

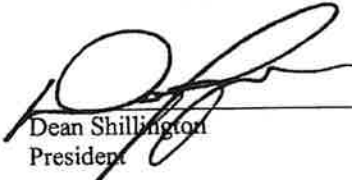
[Signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement on the date first above written.

MICROB RESOURCES INC.

By: _____
Norman (Mickey) McLeod
President

CAFFE & ROASTER HOLDINGS INC.

By:  _____
Dean Shillington
President

Signature page to Asset Purchase Agreement – Microb Resources Inc.

Schedule 1.1(44)**Permitted Encumbrances**

Base Registration	Registration Date	Debtor Name	Secured Party
143401E	January 18, 2008	Microb Resources Inc.	Business Development Bank of Canada
020610M	January 23, 2020	Microb Resources Inc.	Bodkin, A Division of Bennington Financial Corp.

Schedule 2.1(e)**Purchased Contracts**

1. The Lease.
2. Offer to Sublease dated April 9, 2024, between the Vendor and Awin Enterprise Inc.
3. Contracts in respect of the Assumed Debt.
4. Contracts with the customers listed in the Key Customers list attached to this Schedule as Attachment 1.
5. Contracts with the following suppliers and service providers:
 - a. TricorBraun Flex;
 - b. Atlas Coffee Importers, Inc.;
 - c. InterAmerican Coffee Inc.;
 - d. Intercontinental Coffee Trading;
 - e. Sucafina NA Inc.;
 - f. New Age Marketing and Brand Management Inc.; and
 - g. Oracle.
6. Sovereign General Insurance Company Policy Nos. S4002005876 & SOV79632272.
7. To the extent not listed above, all Contracts pertaining to the list of Accounts Receivable attached as Attachment 2 to this Schedule.

Attachment 1

Key Customers

See attached.

Key Customers	CATEGORY	FY2020	FY2021	FY2022	FY2023	FY2024	Customer Since
		Net Sales \$	Net Sales \$	Net Sales \$	Net Sales \$	Net Sales \$	
Costco Canada	Grocery	4,450,976	4,899,265	6,319,595	6,882,674	5,714,143	2008
Pattison Food Group (Save-On)	Grocery	815,404	683,696	485,293	483,370	400,212	2014
Loblaws	Grocery	602,484	691,787	754,312	811,552	808,609	2010
London Drugs	Grocery	438,120	524,066	596,110	713,056	715,837	2014
PSC Natural Foods	Grocery	547,492	511,389	557,908	672,574	805,516	2016
Curve Distribution (was Elite)	Grocery	522,616	386,420	133,567	214,406	45,747	2016
Metro Richelieu	Grocery		109,296	282,429	469,403	311,718	2021
Dovre Import & Export	Grocery	401,747	428,159	211,451	244,979	228,500	2016
Horizon Distributors	Grocery	360,308	345,794	351,550	270,715	228,424	2005
Thirst First Coffee & Vending	Food Service	210,272	123,246	197,801	296,704	351,533	2009
Quality Foods	Grocery	168,568	253,080	261,584	266,446	19,096	2014
Amazon.ca	Retail	52,518	54,433	67,981	155,661	259,766	2016
Shopify Orders	Retail	122,407	233,682	222,940	189,087	189,553	2019
UNFI	Grocery	68,319	127,130	180,728	204,373	221,034	2018
John Norget & Co	Grocery	157,139	177,416	51,641	61,222	62,338	2016
Gordon Food Service	Food Service		27,845	109,608	160,455	222,845	2015
Canteen of Canada	Food Service			7,173	142,672	223,964	2022
	Subtotal	8,918,370	9,576,704	10,791,671	12,239,349	10,808,835	
	Remainder	1,073,329	679,757	855,590	1,225,160	1,404,485	
	TOTAL OF ALL CUSTOMERS	9,991,699	10,256,461	11,647,261	13,464,509	12,213,320	

from Sales by Customer SSC Gross Sort Dollars

Attachment 2
Accounts Receivable

See attached.

Salt Spring Coffee
A/R Aging Summary
As of December 17, 2024

Customer	Current	11/17/2024 - 12/16/2024 (30)	10/18/2024 - 11/16/2024 (60)	9/18/2024 - 10/17/2024 (90)	Before 9/18/2024 (>90)	Total
	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
- No Customer/Job -	\$11,627.76	\$0.00	-\$7,001.32	-\$6,395.65	\$13,396.97	\$11,627.76
Amazon.ca	\$195.13	\$0.00	\$0.00	\$0.00	\$0.00	\$195.13
Aramark Refreshment Services	\$3,026.74	\$1,256.97	\$0.00	\$0.00	\$0.00	\$4,283.71
BC Pavillon Corporation	\$366.83	\$0.00	\$0.00	\$0.00	\$0.00	\$366.83
BC Place	\$630.21	\$0.00	\$0.00	\$0.00	\$0.00	\$630.21
Best Western Plus Chemainus	\$1,261.97	\$558.10	\$0.00	\$0.00	\$0.00	\$1,820.07
Canteen of Canada	\$22,796.40	\$18,018.30	\$24,803.70	\$0.00	\$0.00	\$65,618.40
Chan Nowosad Boates Accounting	\$0.00	\$455.10	\$0.00	\$0.00	\$0.00	\$455.10
Cinematheque	\$0.00	\$454.65	\$0.00	\$0.00	\$0.00	\$454.65
Costco.ca	\$3,823.57	\$0.00	\$0.00	\$0.00	\$0.00	\$3,823.57
Curve Distribution (was Elite)	\$0.00	\$0.00	\$0.00	\$0.00	\$8,613.27	\$8,613.27
Days Inn On the Harbour	\$666.90	\$0.00	\$0.00	\$0.00	\$0.00	\$666.90
Days Inn Victoria Uptown	\$349.20	\$0.00	\$0.00	\$0.00	\$0.00	\$349.20
Discovery Organics	\$315.86	\$0.00	\$0.00	\$0.00	\$0.00	\$315.86
Dovre Import & Export	\$15,546.40	\$0.00	\$0.00	\$0.00	\$0.00	\$15,546.40
Embarc Resorts						
Embarc Ucluelet	\$658.65	\$0.00	\$0.00	\$0.00	\$0.00	\$658.65
Total - Embarc Resorts	\$658.65	\$0.00	\$0.00	\$0.00	\$0.00	\$658.65
Gordon Food Service	\$11,334.52	\$7,487.32	\$0.00	\$0.00	\$0.00	\$18,821.84
Highwayman Pub Abbotsford	\$375.81	\$255.79	\$0.00	\$0.00	\$0.00	\$631.60
Highwayman Pub Surrey	\$375.81	\$0.00	\$0.00	\$0.00	\$0.00	\$375.81
Horizon Distributors	\$12,465.60	\$0.00	\$0.00	\$0.00	\$0.00	\$12,465.60
IGA Coquitlam Deli	\$0.00	\$368.75	\$0.00	\$0.00	\$0.00	\$368.75
KeHE						
KeHE - DC 14 Phoenix	\$1,285.62	\$763.69	\$0.00	\$0.00	\$0.00	\$2,049.31
KeHE - DC 27 North East	\$0.00	\$2,237.75	\$0.00	\$0.00	\$0.00	\$2,237.75
KeHE - DC 31 Miami	\$1,114.53	\$3,814.80	\$0.00	\$0.00	\$0.00	\$4,929.33
KeHE - DC 33 Stockton	\$1,291.27	\$382.26	\$0.00	\$0.00	\$0.00	\$1,673.53
KeHE - DC 41 Chino	\$0.00	\$4,086.40	\$866.74	\$0.00	\$0.00	\$4,953.14
KeHE - DC 55 Douglasville	\$449.96	\$0.00	\$0.00	\$0.00	\$0.00	\$449.96
Total - KeHE	\$4,141.38	\$11,284.90	\$866.74	\$0.00	\$0.00	\$16,293.02
Leduc Safeway 8857	\$0.00	\$0.00	-\$5.00	\$0.00	\$0.00	-\$5.00
Loblaws	\$34,427.20	\$0.00	\$0.00	\$0.00	\$0.00	\$34,427.20
London Drugs	\$28,229.75	\$0.00	\$0.00	\$0.00	\$0.00	\$28,229.75
Meadowbrook	\$977.82	\$0.00	\$0.00	\$0.00	\$0.00	\$977.82
Metro Richelieu	\$18,778.83	\$19,556.52	-\$350.00	\$0.00	\$0.00	\$37,985.35
Mill Creek Coffee	\$6,969.14	\$2,136.17	\$0.00	\$0.00	\$0.00	\$9,105.31
Mill Creek Coffee - Nanaimo	\$244.68	\$4,710.84	\$0.00	\$0.00	\$0.00	\$4,955.52
Northwestern Systems Corp.	\$1,639.55	\$0.00	\$0.00	\$0.00	\$0.00	\$1,639.55
Pattison Food Group (Save-On-Food)	\$18,848.02	\$1,562.82	\$0.00	\$0.00	\$0.00	\$50,410.84
Potluck Catering	\$156.18	\$0.00	\$0.00	\$0.00	\$0.00	\$156.18
PSC Natural Foods	\$10,661.60	\$0.00	\$0.00	\$0.00	\$0.00	\$10,661.60
Salt Spring Coffee - Ganges	-\$6,768.31	\$0.00	\$0.00	\$0.00	\$0.00	-\$6,768.31
Satau	\$0.00	\$0.00	-\$1,280.25	-\$1,563.88	\$0.00	-\$2,844.23
Shopify Orders	\$0.00	-\$501.78	\$0.00	\$0.00	\$0.00	-\$501.78
Slope Side Supply	\$2,472.70	\$0.00	\$0.00	\$0.00	\$0.00	\$2,472.70
Snow Cap	\$3,054.08	\$1,183.14	\$0.00	\$0.00	\$0.00	\$4,237.22
Super Valu Gibsons	\$0.00	\$0.00	\$0.00	\$0.00	-\$30.05	-\$30.05
Thirst First Coffee & Vending	\$42,426.62	\$12,326.52	\$0.00	\$0.00	\$0.00	\$54,753.14
True Key						
Bighorn Meadows Resort	\$1,463.91	\$0.00	\$0.00	\$0.00	\$0.00	\$1,463.91
Total - True Key	\$1,463.91	\$0.00	\$0.00	\$0.00	\$0.00	\$1,463.91
UNFI East	\$3,049.28	\$0.00	\$0.00	\$0.00	\$0.00	\$3,049.28

Customer	Current	11/17/2024 - 12/16/2024 (30)	10/18/2024 - 11/16/2024 (60)	9/18/2024 - 10/17/2024 (90)	Before 9/18/2024 (>90)	Total
	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
UNFI West	\$10,429.42	\$0.00	\$0.00	\$0.00	\$0.00	\$10,429.42
Uprising Breads Bakery	\$3,778.05	\$782.31	\$0.00	\$0.00	\$0.00	\$4,560.36
UVic - Degrees Catering	\$646.38	\$0.00	\$0.00	\$0.00	\$0.00	\$646.38
Vancouver Aquarium (FS)	\$2,546.53	\$0.00	\$0.00	\$0.00	\$0.00	\$2,546.53
VIU						
VIU Nanaimo	\$3,198.21	-\$24.97	\$0.00	\$0.00	\$0.00	\$3,173.24
Total - VIU	\$3,198.21	-\$24.97	\$0.00	\$0.00	\$0.00	\$3,173.24
Walmart.ca	\$135.78	\$0.00	\$0.00	\$0.00	\$0.00	\$135.78
Wentworth						
Homer Street Cafe & Bar	\$345.75	\$0.00	\$0.00	\$0.00	\$0.00	\$345.75
Maxine's Cafe & Bar	\$345.75	\$510.75	\$0.00	\$0.00	\$0.00	\$856.50
Tableau Bar Bistro	\$345.75	\$0.00	\$0.00	\$0.00	\$0.00	\$345.75
Total - Wentworth	\$1,037.25	\$510.75	\$0.00	\$0.00	\$0.00	\$1,548.00
Western Forest						
Western Forest - Nanaimo Adm	\$181.40	\$0.00	\$0.00	\$0.00	\$0.00	\$181.40
Total - Western Forest	\$181.40	\$0.00	\$0.00	\$0.00	\$0.00	\$181.40
Whisha Pacific Northwest	\$460.55	-\$583.71	-\$621.68	\$0.00	\$0.00	-\$744.84
Windsor Plywood	\$0.00	\$666.90	\$0.00	\$0.00	\$0.00	\$666.90
Total	\$309,003.36	\$82,465.39	\$16,412.19	-\$7,959.63	\$21,980.19	\$421,901.50

Schedule 2.3(1)(a)**Assumed Debt**

1. Business Development Bank of Canada. Loan Agreement between the Vendor and BDC, dated January 21, 2030.
2. The Econolease Financial Services Inc. Lease Agreement between the Vendor and Bodkin, a division of Bennington Financial Corp., dated January 10, 2020.
3. Loan from Norman (Mickey) McLeod dated, January 2, 2024, in an amount not to exceed \$125,000.