

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

**IN THE MATTER OF THE PROPOSAL OF  
LOTUS VENTURES INC.**

**FURTHER AMENDED PROPOSAL**

**OF**

**LOTUS VENTURES INC.**

**DATED FOR REFERENCE ~~MAY 7~~ JUNE 10, 2024**

**MADE PURSUANT TO PART III DIVISION 1 OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, C. B-3, AS AMENDED**

**ARTICLE I  
DEFINITIONS**

1.1 DEFINITIONS

In this Proposal, unless otherwise stated or the context otherwise requires:

“**Affected Claims**” means all Claims other than Unaffected Claims.

“**Affected Creditors**” means any Creditor having an Affected Claim, but only with respect to, and to the extent of, such Affected Claim.

“**Affected Creditors Class**” means the class consisting of the Affected Creditors established under and for the purposes of this Proposal, including voting in respect thereof.

“**Agreement**” means the Amended and Restated Subscription Agreement between the Company and the Purchaser dated May 3 June 4, 2024, as such may be amended, supplemented, or modified from time to time in accordance with the terms of that agreement and the Approval and Reverse Vesting Order, a copy of which is attached to this Proposal at Schedule “A”.

“**Approval Order**” means the Order that, among other things, approves and directs the implementation of this Proposal and all actions and transactions set out herein, effective as of the Implementation Date in accordance with the terms of this Proposal.

“**Approval and Reverse Vesting Order**” has the meaning given to it in the Agreement.

“**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended.

“**Business Day**” means a date other than a Saturday, Sunday or statutory holiday in British Columbia.

“**Cash Consideration**” has the meaning given to it in the Agreement.

“**Claim**” means any right or claim of any Person against the Company which constitutes a “*claim provable in bankruptcy*” as that term is defined under the BIA, whether or not asserted in connection with any indebtedness, liability or obligation of any kind whatsoever owed to such Person, which indebtedness, liability or obligation was in existence at the Filing Date, as well as any interest that may accrue thereon, including any indebtedness, liability or obligation owed to such person as a result of any breach of duty (including any legal, statutory, equitable or fiduciary duty), any right of ownership of or title to, or to a trust or deemed trust against, any of the property or assets of the Company, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose of action, whether existing at present or commenced in the future, which claim is based in whole or in part on facts which existed prior to the Filing Date and, for clarity, includes all Claims of the Crown, including Crown Claims.

“**Claims Bar Date**” has the meaning given to it in Article 4.1 of this Proposal.

“**Closing Date**” has the meaning given to it in the Agreement.

“**Company**” means Lotus Ventures Inc.

“**Conditions Precedent**” means those conditions precedent to the implementation of this Proposal as defined and enumerated in Article 6.1 of this Proposal.

“**Court**” means the Supreme Court of British Columbia in Bankruptcy and Insolvency.

“**Creditor**” means a Person having a Claim.

“**Crown**” means His Majesty the King in right of Canada, or a province.

“**Crown Claim**” means a Claim of the Crown for amounts that are outstanding as at the Filing Date and are subject to a demand under:

- (a) subsection 224(1.2) of the *Income Tax Act*;
- (b) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to subsection 224(1.2) of the *Income Tax Act* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, or a premium under Part VII.1 of that Act, and of any related interest, penalties or other amounts; or
- (c) any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the *Income Tax Act*, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:
  - i. has been withheld or deducted by a Person from a payment to another Person and is in respect of a tax similar in nature to the income tax imposed on individuals under the *Income Tax Act*; or
  - ii. is of the same nature as a contribution under the *Canada Pension Plan* if the province is a "province providing a comprehensive pension plan" as defined in subsection 3(1) of the *Canada Pension Plan* and the provincial legislation establishes a "provincial pension plan" as defined in that subsection.

**"Director"** means anyone who was, or is deemed to have been, a director of the Company at any time prior to the Implementation Date.

**"Filing Date"** means January 17, 2024, the date on which the Company filed a Notice of Intention to make a Proposal with the Office of the Superintendent of Bankruptcy Canada.

**"Implementation Date"** means the date on which all Conditions Precedent have been satisfied.

**"Inspectors"** has the meaning given to it in Article 5.1 of this Proposal.

**"Meeting"** means the meeting of the Affected Creditors held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal and agreeing to the compromises and arrangements constituted thereby, includes any subsequent reconvened meeting should any meeting be adjourned.

**"Notice to Prove Claim"** means the notice made pursuant to Section 149 of the BIA to be sent by the Proposal Trustee to all known Persons having a Claim that have not yet filed a Proof of Claim with the Proposal Trustee, advising such Creditors that if their Claims are not proven within 30 days after the sending of such notice (i.e. the Claims Bar Date), the Proposal Trustee will proceed to declare a dividend or final dividend without regard to that Creditor's Claim.

**"Officers"** means, collectively, all current and former officers of the Company.

**"Order"** means an order of the Court made in the Proposal Proceedings.

**“Person”** means any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate (including a limited liability company and an unlimited liability company), corporation, unincorporated association or organization, governmental authority, syndicate or other entity, whether or not having legal status.

**“Post-Filing Claim”** means a Claim arising from the supply of goods or services to the Company after the Filing Date or a claim for sales or excise taxes, source deductions or assessments and premiums arising in relation to such Claims. Post-Filing Claims do not include claims in respect of an obligation incurred prior to the Filing Date but which is payable after the Filing Date.

**“Post-Filing Creditor”** means a Creditor having a Post-Filing Claim.

**“Proof of Claim”** means the form of document prescribed by the BIA to be filed with the Proposal Trustee to prove the Claim of a Creditor.

**“Proposal”** means this Proposal among the Company and the Affected Creditors, as from time to time amended, modified or supplemented pursuant to an Order, or pursuant to an agreement among the Company and the Affected Creditors as provided for herein, or at any Meeting.

**“Proposal Proceeding”** means the proceeding commenced by the Company under the BIA under Supreme Court of British Columbia Action No. B240063 (Vancouver Registry).

**“Proposal Trustee”** means MNP Ltd., in its capacity as proposal trustee of the Company.

**“Proposal Trustee’s Costs”** means all proper fees, expenses, and legal costs of the Proposal Trustee arising in any way in relation to this Proposal.

**“Proven Claim”** means a Claim which, after delivery of a Proof of Claim to the Proposal Trustee, has been: (a) admitted by the Proposal Trustee in whole or in part; or (b) disallowed by the Proposal Trustee and such disallowance has subsequently been: (i) resolved by agreement among the claimant, the Company and the Proposal Trustee; or (ii) set aside in whole or in part by the Court. Proven Claims shall not include any amounts due to a Post-Filing Creditor in respect of a Post-Filing Claim and shall not include any interest for the period subsequent to the Filing Date.

**“Purchaser”** means 5008679 Ontario Limited.

**“Related Creditor”** means any Person who is a “*related person*” as defined under Section 4 of the BIA having a Proven Claim, to the extent of their Proven Claim.

**“Released Parties”** means those persons released by the Affected Creditors, as defined and enumerated at Article 2.7 of this Proposal.

“**Required Majority**” means a majority in number and two-thirds in value of the Affected Creditors present, personally or by proxy, at the Meeting and voting on this Proposal in accordance with the voting procedures established hereby and under the BIA.

“**ResidualCo**” has the meaning given to it in the Agreement.

“**Secured Claim**” means a Claim that is secured by a Security Interest.

“**Security Interest**” means a mortgage, hypothec, prior claim, pledge, charge, lien or other security interest on or against the assets and property of the Company or any part thereof as security for a debt due or accruing due from the Company, or any negotiable instrument held as collateral security and on which the Company is only indirectly or secondarily liable.

“**Unaffected Claim**” means a Claim of an Unaffected Creditor.

“**Unaffected Creditors**” means: (a) Post-Filing Creditors; (b) Secured Creditors; (c) the Crown (to the extent of any Crown Claims, only); and (d) employees of the Company in respect of accrued but unpaid vacation pay as of the Filing Date.

“**Voting Creditors**” means all Affected Creditors in attendance at the Meeting in person or by proxy and who are entitled to vote at the Meeting. For clarity, this excludes all Related Creditors and Unaffected Creditors (to the extent of their Unaffected Claims).

## **ARTICLE II PURPOSE AND EFFECT OF THE PROPOSAL**

### **2.1 PURPOSE OF THIS PROPOSAL**

The purpose of this Proposal is to provide for distributions to be made to the Affected Creditors following the Closing of the Agreement in accordance with its terms and the Approval and Reverse Vesting Order. In this Article, capitalized terms used and not otherwise defined in this Proposal shall have the meanings given to them in the Agreement.

### **2.2 OVERVIEW OF THIS PROPOSAL**

Under the Agreement, the Purchaser shall become the sole shareholder of the Company, and shall, among other things, cause the Cash Consideration to be paid to the Proposal Trustee, on behalf of the Company, in consideration therefor.

Pursuant to the Agreement and the Approval and Reverse Vesting Order, among other things: (a) all Claims shall be transferred from the Company to, and shall vest in, ResidualCo; (b) the Proposal Trustee shall receive and administer the Cash Consideration on behalf of ResidualCo; (c) the Claims shall attach to the Cash Consideration in ResidualCo; and (d) the Proposal Trustee may assign or file a voluntary assignment into bankruptcy of ResidualCo.

Affected Creditors shall receive distributions in accordance with this Proposal in the bankruptcy of ResidualCo, and shall recover to a materially greater extent than they would as compared to the bankruptcy of the Company.

Upon Closing, the Company shall cease to be a party to these Proposal Proceedings and shall be deemed to be released therefrom pursuant to the Approval and Vesting Order. This will allow the Company to carry on business as a going concern, to the benefit of stakeholders.

### 2.3 PROPOSAL TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA, the Proposal Trustee shall act as the administrator for certain purposes connected with this Proposal, including administration of the Proof of Claims process and the Meeting, and shall also be empowered to administer the Cash Consideration on behalf of ResidualCo as bankruptcy trustee, all in accordance with this Proposal and the Approval and Reverse Vesting Order.

### 2.4 PERSONS AFFECTED BY THIS PROPOSAL

This Proposal provides for, among other things, the compromise, discharge and release of all Affected Claims against the Company and the Directors and Officers. Accordingly, on the Implementation Date, this Proposal will become effective and shall be binding on the Company, the Affected Creditors, the Directors and Officers, and all other Persons named or referred to in, or subject to, this Proposal.

### 2.5 UNAFFECTED CLAIMS

This Proposal does not affect Unaffected Claims. Persons with Unaffected Claims will not be entitled to vote on or receive any distributions under this Proposal in respect of such Claims. Nothing in this Proposal shall affect any of the Company's rights and defences, both legal and equitable, with respect to any Unaffected Claim, including all rights with respect to legal and equitable defences or entitlements to set-offs and recoupments against such Claims.

### 2.6 EQUITY CLAIMS

Persons having equity claims or equity interests (as those terms are defined in the BIA) shall not be entitled to receive a distribution under this Proposal or otherwise receive anything in respect of their shares or interest.

### 2.7 RELEASE OF COMPANY, DIRECTORS AND OFFICERS, AND PROPOSAL TRUSTEE BY THE AFFECTED CREDITORS

On the Implementation Date, and subject to the Company meeting its obligations to the Affected Creditors under this Proposal, each Affected Creditor hereby, and without the need for further action, releases:

- (a) the Company from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims;
- (b) Directors and Officers from all Claims that arose before the Filing Date and that relate to the obligations of the Company prior to the Filing Date, regardless of the date of crystallization of such Claims, where the Directors and Officers are, by law, liable in such capacity, provided however that nothing herein shall release any of the Directors or Officers from claims that may not be compromised under a proposal as set out in subsection 50(14) of the BIA; and
- (c) No Affected Creditor shall have any right, remedy or claim against the Proposal Trustee, the Purchaser, or the Company, and each of their respective past and present directors and officers, employees, financial advisors, legal counsel, representatives and agents, (each a “**Released Party**”, and collectively, the “**Released Parties**”) for anything arising in connection with this Proposal or these Proposal Proceedings. The Released Parties shall be fully and irrevocably released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, orders, including for injunctive relief or specific performance and compliance orders, expenses, executions, encumbrances and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Affected Creditor may be entitled to assert, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any omission, transaction, agreement, guarantee, surety, duty, responsibility, indebtedness, liability, obligation, dealing or other occurrence existing or taking place on or prior to the Implementation Date that are in any way relating to, arising out of or in connection with the Claims, as applicable, all to the full extent permitted by applicable law, provided that nothing herein shall release or discharge a Released Party for gross negligence, criminal, fraudulent or other wilful misconduct, if any such party is found liable or guilty, as the case may be, for such misconduct by the express terms of a judgment rendered on a final determination on the merits.

For clarity, nothing in this Proposal, including this Article, shall waive, discharge, release, cancel, bar or otherwise impact the claim filed in the Supreme Court of British Columbia on October 19, 2023, under action no. S-237106.

## **ARTICLE III**

### **TREATMENT OF CREDITORS**

#### **3.1 CLASSES OF CREDITORS**

For the purposes of considering and voting on this Proposal, there shall be one class of Creditors, being the Affected Creditors Class.

### 3.2 AFFECTED CREDITORS

As soon as practicable after the Closing Date, the Proposal Trustee, on behalf of the Company, shall be authorized to assign or file a voluntary assignment into bankruptcy in respect of ResidualCo. Thereafter, pursuant to the administration of the bankruptcy of ResidualCo, and in accordance with the Approval and Reverse Vesting Order, distributions of the Cash Consideration will be made to Creditors having Proven Claims, as follows:

- First, to Unaffected Creditors that are not Post-Filing Creditors; and
- Second, the Affected Creditors will be paid an amount in cash equal to such Affected Creditor's *pro rata* share of the remainder of the Cash Consideration after the payment to the Unaffected Creditors (that are not Post-Filing Creditors) as set forth above.

### 3.3 UNAFFECTED CLAIMS

Unaffected Claims are not included under or are in any way affected by this Proposal. As above, Unaffected Claims that are not Post-Filing Claims will be paid: (a) in priority to the Claims of Affected Creditors in the bankruptcy of ResidualCo; (b) in accordance with existing agreements between the Unaffected Creditors and the Company; or (c) in accordance with alternative arrangements between those parties to be negotiated concurrently with the filing and implementation of this Proposal.

Unaffected Claims that are Post-Filing Claims will be unaffected by this Proposal, and will be paid by the Company in accordance with the Approval and Reverse Vesting Order.

### 3.4 CROWN CLAIMS AND PRIORITY CLAIMS

Crown Claims that are Proven Claims shall be paid in their entirety, without interest, within six months after the granting of the Approval Order.

Claims of Terminated Employees (as defined in the Agreement) shall be dealt with in accordance with the terms of the Agreement and the Approval and Reverse Vesting Order. Employees who are not Terminated Employees will be paid all wages, salaries, commission or compensation for services rendered from and after the Filing Date up to the date of the Approval Order, as soon as reasonably practicable after the grant thereof.

### 3.5 PROPOSAL TRUSTEE'S COSTS

The Proposal Trustee's Costs shall be paid by the Company in the ordinary course of business, and in accordance with the terms of the Agreement and the agreements between the Company and the Proposal Trustee. For clarity, the Proposal Trustee's Costs shall be subject to review and taxation by the Court.



3.6 NO OTHER ENTITLEMENTS

Following the implementation of this Proposal in accordance with its terms, no Creditor shall be entitled to any payment on or with respect to their Claims other than as provided herein.

**ARTICLE IV  
PROOF OF CLAIMS**

4.1 PROVING CLAIMS

The procedure for dealing with the allowance, disallowance and resolution of Proof of Claims will be as set out in Section 135 of the BIA.

To be eligible to receive a distribution in accordance with this Proposal, Creditors must have filed a Proof of Claim such that it is actually received by the Proposal Trustee in accordance with the BIA and by no later than the date that is 30 days from the date on which the Proposal Trustee delivers the Notice to Prove Claim (the “**Claims Bar Date**”).

**Affected Creditors that fail to file their Proof of Claim with the Proposal Trustee before the Claims Bar Date will NOT be eligible for participation in the proposed distribution under this Proposal and their Claims will be forever extinguished and barred as against the Company.**

**ARTICLE V  
MEETING OF THE CREDITORS**

5.1 GENERAL

At the Meeting the Voting Creditors may appoint one or more, but no more than five inspectors (the “**Inspectors**”). The Inspectors shall have only the following entitlements and powers:

- (a) the power to extend the date by which anything is to happen under this Proposal, including the Implementation Date;
- (b) the power to waive any default in the performance of any provision of this Proposal;
- (c) the power to approve interim and final statements of receipts and disbursements of the Proposal Trustee, including the power to approve proposed dividends and reasonable fees and disbursements of the Proposal Trustee;
- (d) the power to advise the Proposal Trustee in respect of any such matters as may be referred to the Inspectors by the Proposal Trustee; and

- (e) the power to advise the Proposal Trustee concerning any dispute that may arise as to the validity of a Proof of Claim filed by a Creditor.

The Proposal Trustee and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by this Proposal or generally in carrying out of the terms of this Proposal by wrongful act, default or neglect, by any of them.

## 5.2 MEETING

The Meeting shall be conducted in accordance with Part III, Division I of the BIA.

## 5.3 VOTING

Each Voting Creditor will be entitled to vote the full amount of its Proven Claim at the Meeting. Each Voting Creditor shall have one vote for the purposes of determining a majority in number, and each Voting Creditor shall be entitled to one vote for every \$1.00 of its Proven Claim for the purposes of determining a majority in value.

Related Creditors and Unaffected Creditors (to the extent of their Unaffected Claims), shall not be entitled to vote at the Meeting.

Affected Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim package and will be binding upon all Affected Creditors.

## 5.4 ADJOURNMENT OF MEETING

The Meeting may be adjourned in accordance with Section 52 of the BIA.

# ARTICLE VI CONDITIONS PRECEDENT

## 6.1 CONDITIONS PRECEDENT TO THE IMPLEMENTATION OF THIS PROPOSAL

The implementation of this Proposal by the Company on the Implementation Date is subject to the satisfaction of the following conditions precedent (collectively, the “**Conditions Precedent**”):

- (a) this Proposal shall have been approved by the Required Majority of the Affected Creditors in accordance with the provisions of the BIA;
- (b) the Approval Order sanctioning this Proposal and the Approval and Reverse Vesting Order shall have been made, and the effect of these orders shall not have

been stayed, revised, modified, reversed or amended, and these orders shall, among other things:

- i. declare that (1) this Proposal has been approved by the Required Majority of the Affected Creditors in conformity with the BIA; and (2) this Proposal, the Agreement, and the transactions contemplated thereby are fair and reasonable, and in the best interest of the Company, the Affected Creditors, and other stakeholders;
  - ii. order that this Proposal is sanctioned and approved pursuant to the BIA; and
  - iii. authorize and direct the Company and the Proposal Trustee to execute and deliver the agreements, documents, and instruments contemplated by this Proposal in order to effect all actions contemplated by this Proposal and the Agreement;
- (c) the Agreement shall have completed in accordance with the Closing Sequence and the Closing shall have occurred (as such terms are defined therein, and all in accordance with the provisions of the Agreement);
- (d) ResidualCo shall have been assigned, or a voluntary assignment into bankruptcy shall have been filed in respect thereof; and
- (e) all other actions, documents and agreements necessary to implement this Proposal as required herein shall have been effected and executed.

The non-fulfillment or non-satisfaction of any of the Conditions Precedent set forth in Article 8.1(a) through (c), above, shall constitute a default under this Proposal for the purposes of Section 62.1 of the BIA and otherwise under this Proposal.

## **ARTICLE VII AMENDMENTS AND MODIFICATIONS**

### **7.1 AMENDMENT OF PROPOSAL BEFORE OR AT MEETING**

The Company reserves the right, with the consent of the Proposal Trustee, to amend, modify, supplement, or restate this Proposal at any time prior to the Meeting, or at the Meeting, in which case the amended, modified, supplemented or restated proposal will be put before the Affected Creditors for approval at the Meeting.

### **7.2 MODIFICATION OF PROPOSAL AFTER MEETING**

After the Meeting, this Proposal may be modified from time to time:

- (a) by the Company, if the amendment is considered by the Proposal Trustee and the Inspectors (if any) to be non-substantive in nature, and, with the approval of the Proposal Trustee and the majority of the Inspectors (if any); and
- (b) by the Court on application by the Company or the Proposal Trustee, and upon notice to those determined by the applicant to be directly affected by the proposed modification.

### 7.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Proposal Trustee or by a Creditor if such provision affects only that Creditor.

## **ARTICLE VIII APPLICATION FOR APPROVAL ORDER**

### 8.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting, if the Proposal has been approved by the Affected Creditors by the Required Majority, the Proposal Trustee shall apply to the Court for the Approval Order. Subject only to the Approval Order being granted and the satisfaction of the Conditions Precedent enumerated in Article 6.1, this Proposal will be implemented by the Company and will be binding upon all Affected Creditors and all other Persons affected by this Proposal in accordance with its terms.

### 8.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in Section 69.1(1) of the BIA will be continued in full force and effect, save as is expressly provided herein.

## **ARTICLE IX NOTICE, UNDELIVERABLE DISTRIBUTIONS AND THE LEVY**

### 9.1 NOTICES AND PAYMENTS TO AFFECTED CREDITORS

Any notices, correspondence and distributions to Affected Creditors under or in relation to this Proposal shall be delivered to the address provided by each Affected Creditor unless the Company and the Proposal Trustee are notified by an Affected Creditor in writing of an alternative address for delivery.

### 9.2 UNDELIVERABLE DISTRIBUTIONS

If any distribution, delivery or correspondence to an Affected Creditor under this Proposal is returned to the sender as undeliverable, no further distributions, deliveries or correspondence shall be made to that Affected Creditor unless and until the sender is notified by such Affected Creditor, in writing, of their current address, at which time any missed deliveries, distributions

(without interest) and correspondence shall be delivered to such Affected Creditor. Undeliverable distributions shall be retained by the sender until they are claimed or until six months after the date of such distribution, after which they shall revert to the Company, free of any restrictions or claims thereon.

### 9.3 WITHHOLDING TAXES AND SUPERINTENDENT’S LEVY

All distributions to the Affected Creditors under this Proposal shall be made net of the levy imposed by the Superintendent of Bankruptcy under the BIA.

Notwithstanding any other provision of this Proposal, each Affected Creditor that receives a distribution pursuant to this Proposal shall have the sole and exclusive responsibility for the satisfaction and payment of any taxes or tax obligations imposed by any governmental entity (including income, withholding and other tax obligations on account of such distribution).

## **ARTICLE X GENERAL**

### 10.1 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

### 10.2 SECTION REFERENCE

Unless otherwise specified, references in the Proposal to “Articles”, “Sections” and “Schedules” are to sections, articles, and schedules to the Proposal.

### 10.3 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

### 10.4 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

### 10.5 CURRENCY

All references to amounts of money mean lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

## 10.6 INTEREST

Interest shall not accrue or be paid on any Affected Claims after the Filing Date, and no Affected Claims shall be entitled to interest accruing on or after the Filing Date.

## 10.7 FURTHER ACTIONS

The Company will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

## 10.8 CONFLICTS BETWEEN THIS PROPOSAL AND OTHER AGREEMENTS

From and after the Implementation Date, any conflict between: (a) this Proposal; and (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, purchase order, mortgage, security agreement, indenture, trust indenture, loan or other agreement, commitment letter, lease or other arrangement or undertaking, written or oral (including any and all amendments or supplements thereto) existing with, between or among one or more of the Affected Creditors and the Company as at the Implementation Date, will be deemed to be governed by the provisions of this Proposal and the Approval Order, which shall take precedence and priority. For greater certainty, all Affected Creditors shall be deemed to consent to all transactions contemplated in this Proposal.

For clarity, however, any conflict between the terms of this Proposal and the Agreement will be deemed to be governed by the provisions of the Agreement and the Approval and Reverse Vesting Order, which shall take precedence and priority to the extent of any conflict.

## 10.9 NOTICES

All notices, Proofs of Claim, and other correspondence relating to this Proposal and to be delivered to the Proposal Trustee shall be in writing and shall be delivered either personally, by e-mail, or by regular mail, registered or certified mail, return receipt requested, to the Proposal Trustee at the following address:

c/o MNP Ltd.  
*Licensed Insolvency Trustee in the Proposal*  
*Proceedings of Lotus Ventures Inc.*  
Suite 1630 609 Granville Street  
Vancouver, B.C. V7Y 1E7

Attention: Seamus Boyle

Telephone: (778) 372-5384

Facsimile: (604) 685-8594

E-mail: [InsolvencyInfoTBG@mnp.ca](mailto:InsolvencyInfoTBG@mnp.ca) / [Seamus.Boyle@mnp.ca](mailto:Seamus.Boyle@mnp.ca)

10.10 BIA SECTIONS 95 TO 99, AND SECTION 101

It is a term of a term of this Proposal that Sections 95 to 99, and Section 101, inclusive, of the BIA shall not apply with respect to this Proposal and the Company.

10.11 SEVERABILITY

If subsequent to the Implementation Date, any term or provision of this Proposal is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Proposal Trustee, shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Proposal shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

10.12 GOVERNING LAW

This Proposal will be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

10.13 SUCCESSORS AND ASSIGNS

The Proposal is binding upon the Company, the Affected Creditors and their respective heirs, executors, administrators, successors and assigns.

DATED at the City of Vancouver, Province of British Columbia this ~~7th day of~~ **May** 10th day of June, 2024.

**LOTUS VENTURES INC.**

Per: \_\_\_\_\_  
Authorized Signatory

**SCHEDULE “A”**

Agreement