

District of: British Columbia
Division No. 03 - Vancouver
Court No. B220121, B220120
Estate No. 11-2805685, 11-2805687



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

FORM 40

**IN THE MATTER OF THE JOINT PROPOSAL OF
VES-Artex Systems Canada, ULC and VES-Artex Systems USA, LLC**

**Report of Trustee on Proposal
(Section 59(1) and paragraph 58(d) of the Act)**

We, MNP Ltd (the "Trustee"), of the City of Vancouver, Province of British Columbia, Licensed Insolvency Trustee acting in the Joint Proposal of VES-Artex Systems Canada, ULC and VES-Artex Systems USA, LLC, (collectively, the "Debtors") hereby report to the Court as follows:

1. That on the 17th day of February, 2022, the Debtors lodged with the Trustee Notices of Intention to Make a Proposal ("NOI's"), copies of which are attached and marked as Exhibits "A.1" and "A.2", and that we filed copies of the Notices of Intention to Make a Proposal with the Official Receiver on the 17th day of February, 2022.
2. That on the 24th day of February, 2022, we gave notice to the Debtors and to every known creditor affected by the Proposal that NOI's were filed, whose names and addresses are shown in Exhibit "B.1" and "B.2".
3. That on the 28th day of February, 2022, the Debtors filed Cash-flow Projections, copies of which are attached and marked as Exhibit "C.1" and "C.2", and that we filed copies of the Cash-flow Projections with the Official Receiver on the 28th day of February, 2022.
4. That on the 18th day of March, 2022, the Debtors lodged with us a Joint Proposal, a copy of which is attached and marked as Exhibit "D", and that we filed a copy of the Joint Proposal with the Official Receiver on the 18th day of March, 2022.
5. That on the 18th day of March, 2022, the Debtors filed Revised Cash-flow Projections, copies of which are attached and marked as Exhibit "E.1" and

“E.2”, and that we filed copies of the Revised Cash-flow Projections with the Official Receiver on the 18th day of March, 2022.

6. That on the 28th day of March 2022, we gave notice to the Debtors, to the Superintendent of Bankruptcy and to every known creditor affected by the Joint Proposal, whose names and addresses are shown in Exhibit **“F”** to this report, of the calling of a meeting of creditors to be held on the 7th day of April, 2022 (the **“First Meeting”**) to consider the Joint Proposal.
7. That with the notice was included a copy of the Joint Proposal, sworn Statement of Affairs for each of the Debtors listing the creditors affected by the Joint Proposal, a copy of the Trustee’s Report to Creditors, a form of proof of claim and proxy in blank and a voting letter. Copies of the notice, the Statements of Affairs and Trustee’s Report to Creditors are attached and marked as Exhibits **“G”**, **“H.1”**, **“H.2”** and **“I”**, respectively.
8. That prior to the First Meeting we made a detailed and careful inquiry into the liabilities of the Debtors, the Debtors’ assets and their value, the Debtors’ conduct and the causes of the Debtors’ insolvency.
9. That the First Meeting was held on the 7th day of April, 2022, and was presided over by Julie Kennedy, CIRP, Licensed Insolvency Trustee. At the First Meeting, the creditors agreed to adjourn the meeting to the 13th day of April, 2022 (the **“Second Meeting”**) to allow for further investigation of the affairs and property of the Debtors and allow for further discussions around the terms of the Joint Proposal. A copy of the minutes of the first meeting of creditors is attached and marked as Exhibit **“J”**.
10. That on the 7th day of April, 2022, we gave notice to the Debtors, to the Superintendent of Bankruptcy and to every known creditor affected by the Joint Proposal, whose names and addresses are shown in Exhibits **“K.1”** and **“K.2”** to this report, of calling of a Second Meeting. A copy of the notice is attached as Exhibit **“K.3”**.
11. That the Second Meeting was held on the 13th day of April, 2022, and was presided over by Sheldon Title, CIRP, Licensed Insolvency Trustee. At the Second Meeting, an Amended Joint Proposal was presented to creditors, a copy of which is attached and marked as Exhibit **“L”**.

The terms of the Joint Proposal provided the following, inter alia:

- Unsecured Creditors will receive certificates with a face value equal to the amount of the creditor’s claim;
- For each fiscal year ending December 31st for five years beginning the year ending December 31, 2023, the Debtors would pay 50% of the net income of the Debtors calculated in a manner set out in the Joint

Proposal, pro rata to the Unsecured Creditors based on and to reduce the amount owing under the Certificates;

- Distributions to Unsecured Creditors would be made by the Debtors no later than March 31st each year beginning March 31, 2024; and
- Section 95-101 of the BIA will apply in respect of the Debtors and the Joint Proposal.

Since the Joint Proposal was based on the Debtors future profitability, there was uncertainty as to the extent of the recoveries under the Joint Proposal. Between the First Meeting and the Second Meeting, the Debtors and NewAg Holding Ltd. (“NewAg”), the largest creditor, entered into negotiations culminating in the Amended Joint Proposal.

The Amended Joint Proposal provides for the following amendments:

- the creditors with provable claims, other than NewAg, will be issued certificates for the full amount of their claim and are to be paid by September 30, 2022;
- NewAg will also receive Certificates and be paid USD \$6 million that is to be paid over three years, with the obligation of the Debtors to make the payments to NewAg being guaranteed by Turntide Technologies Inc. and VES Environmental Solutions, Inc.;
- As discussed in greater detail below, s.95-101 of the Bankruptcy and Insolvency Act (“BIA”) will not apply to the Amended Joint Proposal.

The terms of the Amended Joint Proposal represent an enhanced offering to the creditors, as it offers the Unsecured Creditors, other than NewAg, 100% recovery and offers NewAg a recovery that is more certain and defined than the Joint Proposal.

12. That the Amended Joint Proposal was accepted by the required majority of creditors. A copy of the minutes of the Second Meeting is attached and marked as Exhibit “**M**”.

13. That on the 21st day of April, 2022, we gave notice to the Debtors and to all creditors who have filed a claim and whose names and addresses are shown in Exhibit “**N**” to this report, of the application of the Trustee for Court approval of the Amended Joint Proposal. A copy of this notice was filed with the Official Receiver on the 20th day of April, 2022.

14. That we are of the opinion that:

(a) the assets of the Debtors and their fair net realizable value are as follows:

VES-Artex Systems Canada, ULC:

Property Name	Estimated Net Book Value \$	Realizable \$
Accounts Receivable	\$1,059,243	\$381,327
Office Furniture and Equipment	\$53,700	\$53,700
Inventory	\$200,600	\$200,600
Tools, Equipment and Vehicles	\$119,100	\$119,100
Customs Refund	\$279,180	\$279,180
Trademarks	\$1	\$1
Total Property Value	\$1,711,824	\$1,033,908

VES-Artex Systems USA, LLC:

Property Name	Estimated Net Book Value \$	Realizable \$
Shares – VES-Artex Systems Canada, ULC	\$1	\$0
Shares – VES-Artex Systems USA, LLC (Washington)	\$1	\$1
Total Property Value	\$2	\$1

- (b) the liabilities of the Debtors are as detailed on the attached claims registers marked as Exhibit “O.1” and “O.2” and summarized below:

VES-Artex Systems Canada, ULC:

	Statement of Affairs Amount \$	Amount of Claims Filed \$
Unsecured	19,071,519	15,748,894
Secured	1,033,908	42,255
Total	20,105,427	15,791,149

VES-Artex Systems USA, LLC:

	Statement of Affairs Amount \$	Amount of Claims Filed \$
Unsecured	20,105,426	15,721,210
Secured	1	0
Total	20,105,427	15,721,210

15. That we are also of the opinion that:

(a) the cause of the insolvency of the Debtors is as follows:

- Significant increase in freight costs in 2021 that were not anticipated and could not be recouped;
- An instalment payment under a vendor take back purchase and sale agreement with NewAg (the “NewAg VTB”) was due January 31, 2022. This instalment payment was made late which resulted in NewAg issuing a demand for payment on February 1, 2022 (the “Demand”). The Demand had the effect of accelerating the entire amount owing under the NewAg VTB which caused the Debtors to seek protection under the Bankruptcy and Insolvency Act.

(b) the conduct of the Debtors is not subject to censure.

The Joint Proposal originally stipulated that s.95 to s.101 of the BIA applied to the Joint Proposal and also provided that 100% of the net proceeds, if any, realized by the Trustee from any proceedings taken pursuant to sections 95 to 101 of the BIA shall be included in the Joint Proposal and distributed to Unsecured Creditors. To assess the reasonableness of the inclusion of this provision, the Trustee completed a limited review of the Debtors’ books and records for the purpose of identifying potential preferences and transfers at undervalue.

As part of this review, the Trustee identified certain transactions that appeared to be made to secure further supply, however, warranted the Trustee carrying out further investigation.

The Amended Joint Proposal provides that sections 95-101 of the BIA will not apply. As noted above, the terms of the Amended Joint Proposal are structured to provide the Unsecured Creditors, other than NewAg, recovery of 100% of their claims and to NewAg the payment of sum certain, namely USD \$6 million. Accordingly, the Trustee is of the view that it is reasonable in the circumstances for the Amended Joint Proposal to provide that s.95-101 do not apply.

(c) There are no facts mentioned in section 173 of the Act that may be proved against the Debtors.

16. Given the forgoing, the Trustee is of the opinion that the Amended Joint Proposal is an advantageous one for the creditors, for the following reasons:

(a) the terms of the Amended Joint Proposal are reasonable, and the proposal is being made in good faith;

(b) the Amended Joint Proposal is likely to result in a better, and a more certain outcome for the unsecured creditors than a bankruptcy; and

(c) the Amended Joint Proposal provides for the continued employment of Debtors' employees and the preservation of business relationships with the Debtors' existing suppliers and customers.

17. That we forwarded a copy of this report to the Official Receiver on the 29th day of April, 2022.

DATED at Vancouver, British Columbia this 29th day of April, 2022.

MNP Ltd.

Per:

A handwritten signature in blue ink, appearing to read "J. Kennedy", written over a horizontal line.

Licensed Insolvency Trustee

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805685


- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Take notice that:

1. I, VES-Artex Systems Canada, ULC, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of Suite 1600, MNP Tower, 1021 West Hastings Street, Vancouver, BC, V6E 0C3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 17th day of February 2022.

DocuSigned by:

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VES-Artex Systems Canada, ULC
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

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

- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Agrai-Dairy Mart Ltd. (USD)	3806 53 Ave Lacombe AB T4L 0A9		48,525.26
Baladna Food Industries W.L.L.	North Road Exit 44 Umm Al-Hawaya, PO Box 3382 Doha, 3382 Qatar		7,144.65
BFL Canada Insurance Services Inc.	1167 Kensington Crescent Calgary AB T2N 1X7		4,643.82
BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2		359,890.40
Chamber of Commerce	2007-32900 South Fraser Way Abbotsford BC V2S 5A1		371.70
CONNECT COMPUTER SOLUTIONS	#203 - 32310 South Fraser Way Abbotsford BC V2T1X1		7,346.63
CONTACT SECURITY	45140 Yale Road West Chilliwack BC V2R 4H1		260.40
Daviesway Pty Ltd.	PO Box 5031 15 Helen St. Heidelberg West DC , Victoria, 3081 Australia		456,541.01
DEJONGE FAMILY FARMS LTD.	2953 IN-14 Francesville, Indiana 47946 USA		11,550.00
DELMAR INTERNATIONAL (ARTEX)	10636 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5		312,086.06
DMD Picard Enterprises LTD	4386 County Road #1 Fournier ON K0B 1G0		654.16
EAST ROCK LIMITED	Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing , Chaoyang District 100102 China		431,034.11
Elegancia Electromechanical Services	PO Box No. 17540 Lusail Office Tower 1 Lusail, 9GQF+G3M Qatar		90,648.59
Eugene Asnong	413 River Ave Unit 314, Cochrane AB T4C 0P2		563.22

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 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
FEDERAL AG SUPPLY	13959 W 107th Street Lenexa , Kansas 66215 USA		15,144.15
FOGCO ACQUISITION CO, LLC	600 S. 56th St., suite #9 Chandler , Arizona 85226 USA		421.35
Gevasol Industries LTD	5 HaYetsira St Jerusalem 9342309 Israel		21,456.93
GFL Environmental Inc.	PO BOX 555193 Detroit, Michigan 48255-5193 USA		264.09
HANSEN INDUSTRIES, INC.	29978 Road 56 Visalia, California 93291 USA		3,381.34
IEL Technologie Agricole (USD)	552 Route Begin Nord, Usine B Sainte Claire QC G0R 2V0		192,671.70
Kelly Ingalls	153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0		410.68
Kim Vanderveen	74-3902 Latimer St. Abbotsford BC V2S 7L5		400.00
KURITEC	2500 Raymond Weigel St Cadillac , Michigan 49601 USA		891.67
Levsky Holding Inc.	Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6		28,111.45
Mario Rene Mondaca Duarte	2301 Marsella Del Bosque Cd. Obregon, SON 85130 Mexico		2,464.36
Martin De Diego	Ruta 8 km 106 San Antonio de Areco, Buenos Aires, 2760 Argentina		11,238.52
Menarim Importaco-ME	Rua Doutor Dagoberto Pusch, S/N Barracao 1 Jardim Social Arapongas Castro PR 84174130 Brazil		74,566.40
Milk Center Kft	V175 Irodahaz Vaci ut 175. III.emelet 1. Budapest, 1138 Hungary		43,226.83

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- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Ministry of Finance - PST - British Columbia	Station Provincial Government PO Box 9445 Victoria BC V8W 9V5	BC Health Tax	10,264.09
NEWAG HOLDINGS LTD	35222 South Parallel Road Abbotsford BC V3G 2K4		15,662,046.21
Norwell Dairy Systems Ltd.	PO Box 249, 37 Drayton Industrial Drive Drayton ON N0G1P0		2,196.46
Nosawa & Co., Ltd	4-1 Marunouchi 3 chome Chiyoda-ku Tokyo 100-0005 Japan		163,545.95
Patrick Lecavalier (Artex)	8153 Driftwood Ct Williamsville, New York 14221 USA		742.46
PHASON ELECTRONIC CONTROL SYSTEMS	2 Terracon Place Winnipeg MB R2J4G7		41,906.82
Precision Farm Supplies Ltd.	5555 Inter-Provincial Hwy Abbotsford BC V3G2P5		34,643.33
PRECISION FARM SUPPLIES LTD.	9021 Van Buren Rd Everson , Washington 98247 USA		2,865.79
PT Lunar Chemplast	Komp. Ruko D'Best Blok A 31, Jl. RS Fatmawati no. 15 Kelurahan Gandaria Selatan, Kecamatan Cilandak Jakarta Selatan 12420 Indonesia		440,256.04
Seehof Agrar GMBH	An der Schwentine 30 Darnick 24326 Germany		74,921.02
SOLID CAD	25B East Pearce Street Richmond Hill ON L4B 2M9		3,582.00
SOUTHERN IRRIGATION	44160 Yale Road West Chilliwack BC V2R 3Z9		4,084.50
Sue Hagenson	3547 McKinley Drive Abbotsford BC V2S 8M7		8,724.62
TDS-US LLC	TDS Telecom, 525 Junction Road Madison, Wisconsin 53717 USA		2,615.43

District of: British Columbia
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- FORM 33 -

Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Thai Tan Trading and Transport Co LTD	29BT3 Ban Dao Linh Dam, Hoang Liet, Hoang Mai Hanoi, 1000 Vietnam		15,283.14
TOPCOOL HOLDINGS LTD	Sunshine Plaza, 353 Lockhart Road Wan Chai, Hong Kong, HKG Hong Kong		263,753.93
Turntide Technologies Canada Inc. c/o Turntide Technologies	1295 Forgewood Avenue Sunnyvale, California 94089-2216 USA		33,390.84
VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.	1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA		13,135.70
VES Environmental Solutions Inc.	1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA		3,568,878.29
West Tambo SRL	Pueyrredon 315 Lincoln, Buenos Aires, 6070 Argentina		160,335.31
WESTERN COW COMFORT (ARTEX)	PO Box 2689 Merced , California 95344 USA		26,786.56
WorkSafeBC - Collections Department	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5		1,622.61
Total			22,661,490.58

DocuSigned by:

Edward Paradowski

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VES-Artex Systems Canada, ULC
 Insolvent Person

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


- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Take notice that:

1. I, VES-Artex Systems USA, LLC, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. MNP Ltd. of Suite 1600, MNP Tower, 1021 West Hastings Street, Vancouver, BC, V6E 0C3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Vancouver in the Province of British Columbia, this 17th day of February 2022.

DocuSigned by:


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 VES-Artex Systems USA, LLC
 Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

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

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NewAg Holdings Ltd.	35222 South Parallel Road Abbotsford BC V3G 2K4		15,594,842.45
Total			15,594,842.45

DocuSigned by:
Edward Paradowski
VES-Artex Systems USA, LLC
Insolvent Person

Creditor Mailing List

Exhibit "B.1"

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		PO Box 4111, Sumas Way RPO Abbotsford BC V2S 8R1 ed.paradowski@ves-artex.com
Secured	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Jim Peplinski Leasing Inc.		81 The East Mall - Suite 101 Toronto ON M8Z 5W3
	NEWAG HOLDINGS LTD		35222 South Parallel Road Abbotsford BC V3G 2K4 ACCOUNTING@NEWAG.CA
	Turntide Technologies Canada Inc. c/o Turntide Technologies		1295 Forgewood Avenue Sunnyvale, California 94089-2216 USA
	VES Enviornmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA
	VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA ed.paradowski@ves-artex.com
Unsecured	Agrai-Dairy Mart Ltd. (USD)		3806 53 Ave Lacombe AB T4L 0A9 agraidairymart@gmail.com
	Bakerview EcoDairy Ltd.		PO BOX 4110 Abbotsford BC V2S 8R1 ahuizing@nutrivagroup.com
	Baladna Food Industries W.L.L.		North Road Exit 44 Umm Al-Hawaya, PO Box 3382 Doha, 3382 Qatar info@baladna.com
	BFL Canada Insurance Services Inc.		1167 Kensington Crescent Calgary AB T2N 1X7 Fax: (403) 313-3365
	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Chamber of Commerce		2007-32900 South Fraser Way Abbotsford BC V2S 5A1 Fax: (604) 850-6880 lavonne@abbotsfordchamber.com
	City of Abbotsford Property Taxes	Mike Veenbaas	32315 South Fraser Highway Abbotsford BC V2T 1W7 Fax: (604) 853-8505 mveenbaas@abbotsford.ca
	CONNECT COMPUTER SOLUTIONS		#203 - 32310 South Fraser Way Abbotsford BC V2T1X1 accounting@connectsolutions.ca
	CONTACT SECURITY		45140 Yale Road West Chilliwack BC V2R 4H1 info@contactsecurity.com

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	CRA - Southern Interior B.C. Tax Services Office		PO Box 9070, Station Main 9737 King George Blvd Surrey BC V3T 5W6
	Daviesway Pty Ltd.		PO Box 5031 15 Helen St. Heidelberg West DC , Victoria, 3081 Australia
	DEJONGE FAMILY FARMS LTD.		2953 IN-14 Francesville, Indiana 47946 USA
	DELMAR INTERNATIONAL (ARTEX)		10636 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5 diazj@delmarusa.com
	DMD Picard Enterprises LTD		4386 County Road #1 Fournier ON K0B 1G0 info@dmdpicard.com
	EAST ROCK LIMITED		Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing , Chaoyang District 100102 China jiaxiaoyu@eastrock.cc
	Elegancia Electromechanical Services		PO Box No. 17540 Lusail Office Tower 1 Lusail, 9GQF+G3M Qatar info@eleganciagroup.com
	Eugene Asnong		413 River Ave Unit 314, Cochrane AB T4C 0P2
	FEDERAL AG SUPPLY		13959 W 107th Street Lenexa , Kansas 66215 USA
	FOGCO ACQUISITION CO, LLC		600 S. 56th St., suite #9 Chandler , Arizona 85226 USA info@fogco.com
	Gevasol Industries LTD		5 Ha Yetsira St Jerusalem 9342309 Israel
	GFL Environmental Inc.		PO BOX 555193 Detroit, Michigan 48255-5193 USA
	HANSEN INDUSTRIES, INC.		29978 Road 56 Visalia, California 93291 USA diana@hansenindustries.net
	IEL Technologie Agricole (USD)		552 Route Begin Nord, Usine B Sainte Claire QC G0R 2V0 info@iel.ag
	Kelly Ingalls		153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0
	Kim Vanderveen		74-3902 Latimer St. Abbotsford BC V2S 7L5 kimvv0303@gmail.com
	KURITEC		2500 Raymond Weigel St Cadillac , Michigan 49601 USA
	Levsky Holding Inc.		Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6 yoav@levskyholding.com
	Mario Rene Mondaca Duarte		2301 Marsella Del Bosque Cd. Obregon, SON 85130 Mexico
	Martin De Diego		Ruta 8 km 106 San Antonio de Areco, Buenos Aires, 2760 Argentina martin.dediego@ves-artex.com

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	Menarim Importaco-ME		Rua Doutor Dagoberto Pusch, S/N Barracao 1 Jardim Social Arapongas Castro PR 84174130 Brazil contato@menarimimports.com.br
	Milk Center Kft		V175 Irodahaz Vaci ut 175. III.emelet 1. Budapest, 1138 Hungary mc@milkcenter.hu
	Ministry of Finance - PST - British Columbia		Station Provincial Government PO Box 9445 Victoria BC V8W 9V5 rmbtaxpayerinquiries@gov.bc.ca
	Nathan Abrahams		2929 McColl Court Abbotsford BC V3G 1H3
	NEWAG HOLDINGS LTD		35222 South Parallel Road Abbotsford BC V3G 2K4 ACCOUNTING@NEWAG.CA
	Norwell Dairy Systems Ltd.		PO Box 249, 37 Drayton Industrial Drive Drayton ON N0G1P0 Fax: (519) 638-3983
	Nosawa & Co., Ltd		4-1 Marunouchi 3 chome Chiyoda-ku Tokyo 100-0005 Japan
	PALADIN TECHNOLOGIES		1350-355 Burrard Stree Vancouver BC V6C 2G8 istavitskaya@paladintechnologies.com
	Patrick Lecavalier (Artex)		8153 Driftwood Ct Williamsville, New York 14221 USA patrick.lecavalier@ves-artex.com
	PHASON ELECTRONIC CONTROL SYSTEMS		2 Terracon Place Winnipeg MB R2J4G7 support@phason.ca
	PRECISION FARM SUPPLIES LTD.		9021 Van Buren Rd Everson , Washington 98247 USA berry@precisionfs.ca
	Precision Farm Supplies Ltd.		5555 Inter-Provincial Hwy Abbotsford BC V3G2P5
	PT Lunar Chemplast		Komp. Ruko D'Best Blok A 31, Jl. RS Fatmawati no. 15 Kelurahan Gandaria Selatan, Kecamatan Cilandak Jakarta Selatan 12420 Indonesia admin@lunarchemplast.com
	Seehof Agrar GMBH		An der Schwentine 30 Darnick 24326 Germany info@seehof-agrar.com
	SOLID CAD		25B East Pearce Street Richmond Hill ON L4B 2M9 accounts.receivable@solidcad.ca
	SOUTHERN IRRIGATION		44160 Yale Road West Chilliwack BC V2R 3Z9
	Sue Hagenson		3547 McKinley Drive Abbotsford BC V2S 8M7 sue.hagenson@ves-artex.com
	TDS-US LLC		TDS Telecom, 525 Junction Road Madison, Wisconsin 53717 USA MelissaKlus@fiskeelectric.com

Creditor Mailing List

**In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia**

Creditor Type	Name	Attention	Address
Unsecured	Thai Tan Trading and Transport Co LTD		29BT3 Ban Dao Linh Dam, Hoang Liet, Hoang Mai Hanoi, 1000 Vietnam info@thaitan.com.vn
	TOPCOOL HOLDINGS LTD		Sunshine Plaza, 353 Lockhart Road Wan Chai, Hong Kong, HKG Hong Kong
	Turntide Technologies Canada Inc. c/o Turntide Technologies		1295 Forgewood Avenue Sunnyvale, California 94089-2216 USA
	VES Enviornmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA
	VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA ed.paradowski@ves-artex.com
	WCB Workers Compensation Board of Alberta	Collection Department	PO Box 2415 Edmonton AB T5J 2S5 Fax: (780) 498-7999 employer.account.services@wcb.ab.ca
	West Tambo SRL		Pueyrredon 315 Lincoln, Buenos Aires, 6070 Argentina info@west-tambo.com
	WESTERN COW COMFORT (ARTEX)		PO Box 2689 Merced , California 95344 USA kristinar@valpacsales.com
	WorkSafeBC - Collections Department		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5 Fax: (604) 244-6373

Creditor Mailing List

Exhibit "B.2"

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		1313 Lakeland Drive Chippewa Falls WI 54729 ed.paradowski@ves-artex.com
Secured	NewAg Holdings Ltd.		35222 South Parallel Road Abbotsford BC V3G 2K4 ACCOUNTING@NEWAG.CA
Unsecured	NewAg Holdings Ltd.		35222 South Parallel Road Abbotsford BC V3G 2K4 ACCOUNTING@NEWAG.CA

VES-Artex Systems Canada, ULC
Statement of Projected Cash Flow
For the Period of Feb 28 to May 22, 2022
Canadian Dollar

Week Starting	Actual Feb 17-20, 2022	Projection												
		Week 1 21/Feb/22	Week 2 28/Feb/22	Week 3 07/Mar/22	Week 4 14/Mar/22	Week 5 21/Mar/22	Week 6 28/Mar/22	Week 7 04/Apr/22	Week 8 11/Apr/22	Week 9 18/Apr/22	Week 10 25/Apr/22	Week 11 02/May/22	Week 12 09/May/22	Week 13 16/May/22
Opening Cash	108,925	43,703	113,807	-	-	-	-	-	-	-	-	-	-	142,067
Cash Inflow														
Cash Inflows from Outstanding AR	9,891		93,587	140,381	187,175	140,381	93,587	93,587	46,794	46,794	-	-	-	-
Current Backlog Future Invoice AR			-	-	-	-	-	-	156,064	156,064	156,064	156,064	156,064	156,064
New Bookings AR							72,415	72,415	72,415	72,415	72,415	164,406	164,406	164,406
CNY Hedging	4,783	5,680	4,750	4,750	4,750	4,750	4,750	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Inflow of Cash			2,232											
Total Cash Inflow	14,675	7,912	98,337	145,131	191,925	145,131	170,753	171,003	280,273	280,273	233,479	325,469	325,469	325,469
Cash Outflows														
Current AP	567	20,873	-	-	-	-	-	-	-	-	-	-	-	-
Current Backlog AP			220,122	220,122	220,122	220,122	220,122	220,122	220,122	220,122	220,122	220,122	-	-
New Bookings AP			-	55,760	55,760	55,760	55,760	55,760	182,352	182,352	182,352	182,352	182,352	253,185
Sales Cycle Outflows	567	20,873	220,122	275,882	275,882	275,882	275,882	275,882	402,475	402,475	402,475	402,475	182,352	253,185
Operating Expenses														
Lease Payments (copiers, vehicles, etc.)			3,537				3,537				1,902	1,635		
Loan Interest			1,050				1,050				1,050			
Office Expense, Store Supplies & Sundry			500	500	500	500	500	500	500	500	500	500	500	500
Rent			6,878			6,878					6,878			
Wages and Benefits		45,741	6,500	78,000		72,800	6,500	78,000		72,800	6,500	78,000		72,800
Contractors				10,000				10,000				10,000		
Consultants			18,000		18,000					18,000				18,000
Employees & Credit Cards	15,111			9,000	16,500	9,000		9,000		25,500		9,000		25,500
Legal & Accounting Fees									17,500					
Bank Fees	191		200	550			200		550		200		550	
Total Operating Expenses	15,302	45,741	36,665	98,050	35,000	89,178	11,787	97,500	18,550	116,800	17,030	99,135	1,050	116,800
Total Cash Outflow	15,869	66,614	256,787	373,932	310,882	365,060	287,669	373,382	421,025	519,275	419,505	501,610	183,402	369,985
Funding / (Excess Cash)	(64,243)	128,807	44,643	228,801	118,958	219,929	116,916	202,379	140,752	239,002	186,026	176,140	-	-
Exchange	215	-												
Closing Cash Position	43,703	113,807	-	-	-	-	-	-	-	-	-	-	142,067	97,551
BMO Line of Credit (CA\$375K limit)	(291,403)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)	(337,704)

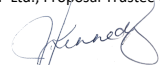
Dated at Chippewa Falls, Wisconsin this 28th day of February, 2022

Prepared by:
VES-Artex Systems Canada, ULC

Reviewed by:
MNP Ltd., Proposal Trustee of VES-Artex Systems Canada, ULC

DocuSigned by:

Edward Paradowski



Per: Julie Kennedy, CIRP, LIT


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VES-Artex Systems USA, LLC
Statement of Projected Cash Flow
For the Period of Feb 21 to May 22, 2022
Canadian Dollar


	Actual	Projection												
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13
Week Starting	17/Feb/22	21/Feb/22	28/Feb/22	07/Mar/22	14/Mar/22	21/Mar/22	28/Mar/22	04/Apr/22	11/Apr/22	18/Apr/22	25/Apr/22	02/May/22	09/May/22	16/May/22
Opening Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash Position	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dated at Chippewa Falls, Wisconsin, this 28th day of February, 2022

Prepared by:
 VES-Artex Systems USA, LLC

DecuSigned by:

 Edward Paradawski
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Reviewed by:
 MNP Ltd., Proposal Trustee of VES-Artex Systems USA, LLC


 Per: Julie Kennedy, CIRP, LIT

EXECUTION COPY

District of British Columbia
Division No: 03-Vancouver
Court No: 11-2805687
Estate No: 11-2805687

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VES-ARTEX SYSTEMS USA, LLC**

District of British Columbia
Division No: 03-Vancouver
Court No: 11-2805685
Estate No: 11-2805685

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VES-ARTEX SYSTEMS CANADA, ULC**

**JOINT PROPOSAL OF VES-ARTEX SYSTEMS USA, LLC AND VES-
ARTEX SYSTEMS CANADA, ULC**

VES-Artex Systems USA, LLC and VES-Artex Systems Canada, ULC hereby submit the following Proposal to their Unsecured Creditors pursuant to Part III of the BIA.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **“Administrative Fees and Expenses”** include the proper fees and expenses, including legal fees and disbursements, of the Trustee and the Debtor, the fees and disbursements of Gowling, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) **“Approval Order”** means an Order of the Court approving the Proposal;

- (c) “**BIA**” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Proposal Date;
- (d) “**Business Day**” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;
- (e) “**Canada Pension Plan**” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (f) “**Certificates**” have the meaning ascribed by **Article [5.1]**;
- (g) “**Claim**” means any right of any Person against the Debtor or a Director in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Proposal Date, whether or not reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, unknown, by guarantee, by surety or otherwise and whether or not such a right is executory in nature, including, without limitation, 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 in action, whether existing at present or commenced in the future based in whole or in part on facts which exist prior to or as of the Proposal Date;
- (h) “**Court**” means the British Columbia Supreme Court (in Bankruptcy and Insolvency);
- (i) “**Creditor**” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (j) “**Creditors’ Meeting**” means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (k) “**Creditors’ Meeting Date**” means the date and time as may be called by the Trustee for the meeting of creditors to consider this Proposal;
- (l) “**Debtor**” means VES-Artex Systems USA, LLC and VES-Artex Systems Canada, LULC;
- (m) “**Directors**” mean the Debtor’s current directors;
- (n) “**Employee Creditors**” mean employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph **[136(l)(d)]** of the BIA if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after

that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor's business during the same period;

- (o) "**Employment Insurance Act**" means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (p) "**Gowling**" means Gowling WLG (Canada) LLP;
- (q) "**Implementation Date**" means the date upon which the conditions set forth in **Article [7.4]** have been satisfied;
- (r) "**Income Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (s) "**Inspectors**" mean one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (t) "**NewAg**" means NewAg Holding Ltd.;
- (u) "**Official Receiver**" shall have the meaning ascribed thereto in the BIA;
- (v) "**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (w) "**Preferred Creditors**" mean Creditors with Proven Claims that are required by the BIA to be paid in priority to all other Claims under the Proposal made by the Debtor save and except for the Employee Creditors and Source Deduction Creditors;
- (x) "**Proof of Claim**" means the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors' Meeting;
- (y) "**Proposal**" means this joint proposal together with any amendments or additions thereto;
- (z) "**Proposal Date**" means 17 February 2022;
- (aa) "**Proven Claim**" of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (bb) "**Secured Creditor**" means any Person, holding a valid and perfected mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the Person from the Debtor and whose security is of a value sufficient to satisfy that Person's Proven Claim, but

shall not include NewAg whose security is valued at \$0 for the purposes of this Proposal;

- (cc) **“Source Deduction Creditors”** mean Her Majesty in Right of Canada or a Province for all amounts that were outstanding on the Proposal Date and are of a kind that could be subject to a demand under,
 - (i) subsection [224(1.2)] of the *Income Tax Act*;
 - (ii) 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*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (iii) 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;
 - (A) 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
 - (B) 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;
- (dd) **“Trustee”** means MNP Ltd. or its duly appointed successor or successors;
- (ee) **“Unsecured Creditors”** means the Preferred Creditors and any Creditor who is not a Secured Creditor and, for greater certainty, includes NewAg; and
- (ff) **“Voting Letter”** means the voting letter required by subsection [51(1)] of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Other Defined Terms

Any term not specifically defined in this Proposal that is defined in the BIA shall have the meaning assigned to that term by the BIA

1.3 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.4 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.6 Time

All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 17:00 local time in Vancouver, British Columbia.

1.7 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa*, and a word or words importing gender will include all genders.

1.8 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.9 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.10 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

CLASSIFICATION AND TREATMENT OF CREDITORS

2.1 Classes of Creditors

For the purposes of voting on the Proposal, only the Unsecured Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

2.2 Proposed Assessed Value

For the purposes of this Proposal, the security held by NewAg shall be valued at \$0 such that NewAg shall be included in the class of Unsecured Creditors for the purposes of voting on and receiving a distribution under this Proposal.

2.3 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtor in the ordinary course.

2.4 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the BIA and the Proposal.

2.5 Unsecured Creditors

The Proven Claims of the Unsecured Creditors, other than Preferred Creditors, will be satisfied or paid as provided by **Article [6.4]**.

2.6 Creditors with Equity Claims

Creditors with equity claims shall not be entitled to vote those equity claims and shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

2.7 Secured Creditors

Secured Creditors will not be affected by the Proposal and will be paid in the ordinary course by the Debtor in accordance with the current arrangement between the Secured Creditor and the Debtor or as the parties may otherwise agree.

ARTICLE 3

PROCEDURE FOR VALIDATION OF CLAIMS

3.1 Filing of Proof of Claim

Each Creditor must file a Proof of Claim as required by the BIA.

3.2 Allowance or Disallowance of Claims by the Trustee

Upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of the BIA. The procedure for valuing Claims of the Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

ARTICLE 4

MEETING OF CREDITORS

4.1 Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

4.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to the Creditors pursuant to the BIA.

4.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may

be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section [52] of the BIA.

4.5 Voting by Creditors

To the extent provided herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that of the Creditor's Claim. Any Proof of Claim in respect of a Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with subsection [108(3)] of the BIA.

Creditors with equity claims will not be entitled to vote those equity claims at the Creditors' Meeting.

4.6 Approval by Creditors

The Proposal will be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA if it is first accepted by the class of Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in-person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal (whether in-person or by proxy) at the Creditors' Meeting or by a Voting Letter.

4.7 Appointment of Inspectors

At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of the Claims; and
- (b) advising the Trustee, from time to time, with respect to any other matter that the Trustee may refer to them.

ARTICLE 5

CREDITOR CERTIFICATES

5.1 Certificates

On the Implementation Date, each Unsecured Creditor will receive from the Debtor, in full and final satisfaction of their Proven Claims, certificates (the "**Certificates**") with a face value equal to that of the Creditor's Claim as set forth in the Creditor's Proof of Claim or the Statement of

Affairs, whichever is greater, subject to that Creditor's Claim being determined in accordance with **Article [3]**. Once a Creditor's Claim becomes a Proven Claim, a new Certificate shall be issued to that Creditor with a face value equal to that of the Creditor's Proven Claim, if that Proven Claim is different from the amount set out on the Certificate originally issued to the Creditor.

To the extent that the Claim of an Unsecured Creditor as set forth in the Statement of Affairs has been otherwise paid by the Debtor, that Unsecured Creditor shall not be entitled to receive a Certificate.

ARTICLE 6

DISTRIBUTION

6.1 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

6.2 Payment of Source Deduction Creditors

Unless Her Majesty in Right of Canada agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid within six (6) months after the making of the Approval Order.

6.3 Payment of Preferred Creditors

The Debtor shall pay each Preferred Creditor in respect of its Proven Claim in the priority established by the BIA in the ordinary course.

6.4 Payment of Certificates

For purposes of this Article **[6.4]**, "Net Income" means the profit or loss that results from the calculation detailed on the attached Schedule A.

For each fiscal year ending December 31st for five (5) years beginning of the year ending 31 December 2023, the Debtor will pay fifty (50) per cent of the Net Income of the Debtor *pro rata* to the Unsecured Creditors based on and to reduce the amount owing under the Certificates. Distributions to the Unsecured Creditors will be made by the Debtor no later than March 31st of each year—being ninety (90) days after the Debtor's fiscal year-end—for five (5) years beginning 31 March 2024.

One Hundred (100) per cent of the net proceeds, if any, from any proceedings taken by the Trustee pursuant to section **[95 to 101]** of the BIA shall be distributed I to the Unsecured

Creditors to reduce the amount owing pursuant to the Certificates within sixty (60) days of such amounts being received.]

The Certificates will be fully paid and satisfied by the distribution of the amounts contemplated by this **Article [6.4]**.

No Unsecured Creditors shall be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.

6.5 Equity Claims

Notwithstanding any other provisions of the Proposal, Proven Claims in respect of equity claims shall be fully subordinated to the Proven Claims that are not equity claims and Creditors with equity claims shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

6.6 Levy

Payments to each Unsecured Creditor shall be net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA, which amount shall be paid by the Debtor to the Office of the Superintendent of Bankruptcy. The Office of the Superintendent of Bankruptcy will receive a Certificate in respect of the amount payable in respect of levy.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Unsecured Creditor, their heirs, executors, administrators, successors and assigns, for all purposes. Subject to the limitations in section **[50(14)]** of the BIA, the Claims against the Directors that arose before the Proposal Date and that relate to the obligations of the Debtor where the Directors are, by law, liable in their capacity as Directors for the payment of such obligations will be satisfied and released.

7.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

As at 12:01 on the Implementation Date, each Unsecured Creditor will be deemed:

- (a) to have executed and delivered to the Debtor all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;
- (b) to have waived any default by the Debtor in any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor that has occurred on or prior to the Implementation Date;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor as at the Implementation Date (other than those entered into by the Debtor on, or with the effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority, and the provisions of such agreement or other arrangement shall be amended accordingly; and
- (d) to have released the Debtor, the Trustee and all of their respective affiliates, employees, agents, directors (provided that, in respect of the Debtor, only the Directors are released), officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person 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 act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein, provided that nothing herein shall release the Debtor of its obligation to make the distributions to the Unsecured Creditors contemplated in this Proposal.

7.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) the acceptance of the Proposal by the Unsecured Creditors; and
- (b) the making of the Approval Order and the expiry of all appeal periods.

7.5 Full Implementation

This Proposal will be fully implemented by the Debtor on delivery of the Certificates as provided by **Article [5.1]**. Notwithstanding that the Proposal is fully implemented, the Trustee shall

remain trustee for the purposes of Article [8] until all limitation periods applicable to proceedings under sections [95 to 101] of the BIA have expired.

7.6 Effect of Proposal Generally

As at 12:01 on the date of the Approval Order becomes final and binding:

- (a) the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) the Proposal shall constitute:
 - (i) a full, final and absolute settlement of all rights of the holders of the Claims affected hereby; and
 - (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor and the Directors of or in respect of the Claims.

7.7 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of their property and assets at all times, both before and after the implementation of this Proposal.

ARTICLE 8

ADVOIDANCE OF TRANSACTION

8.1 Proceedings Pursuant to Sections [95 to 101] of the BIA

Sections [95 to 101] of the BIA will apply in respect of the Debtor and this Proposal. One hundred (100) per cent of the net proceeds, if any, realized by the Trustee from any proceedings taken pursuant to sections [95 to 101] of the BIA shall be included in the Proposal Proceeds and distributed to Unsecured Creditors as provided by Article [6.4].

8.2 11.2 Inspector Direction

Subject to Article [8.3]: (a) the Trustee may initiate proceeding under sections [95 to 101] of the BIA on its own initiative; and (b) the Inspectors may direct that the Trustee initiate proceedings under sections [95 to 101] of the BIA.

8.3 11.3 Funding of Proceedings

Notwithstanding Article [#.2], the Trustee is not obliged to take any proceedings under sections [95 to 101] of the BIA unless there are provisions in place that are satisfactory to the Trustee, in

its sole discretion, with respect to the payment of the professional fees and other expenses that will be incurred by the Trustee in connection with such proceedings.

ARTICLE 9

FOREIGN RECOGNITION

9.1 Recognition Proceedings

The Debtor or, up until the Proposal is fully implemented, the Trustee may, in their sole discretion, initiate proceedings, in the United States of America or elsewhere, to: (a) have the proceedings commenced by the Debtor pursuant to Part III of the BIA recognized; and (b) obtain any order or orders that may be necessary or advisable in connection with this Proposal.

9.2 Designation of Representative

For that purpose of **Article [9.1]**, the Approval Order shall designate each of the Trustee and the Debtor as the representative of the Debtor pursuant to section **[279]** of the BIA.

9.3 Funding of Recognition Proceedings

Notwithstanding **Article [9.1]**, neither the Trustee or the Debtor is not obliged to initiate proceedings or take any steps to have these proceedings commenced by the Debtor pursuant to Part III of the BIA recognized unless there are provisions in place that are satisfactory to the Debtor and/or Trustee, in its sole discretion, with respect to the payment of the professional fees and other expenses that will be incurred by the Trustee or the Debtor in connection with such proceedings.

ARTICLE 10

GENERAL

10.1 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proof of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

c/o Gowling WLG (Canada) LLP
Suite 1600, 100 King St. W.
Toronto ON M5X 1G5

Attention: E. Patrick Shea, LSM, CS

Telecopier: 416-862-7661

E-mail: patrick.shea@gowlingwlg.com

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and
- (c) if to the Trustee:

MNP Ltd.

1021 West Hastings Street

Suite 1600 - MNP Tower

Vancouver BC V6E 0C3

Attention: Julie Kennedy, CIRP, LIT

Telecopier: 604-904-8628

E-mail : julie-kennedy@mnp.ca

or to such other address, e-mail address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by e-mail or telecopier, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by e-mail or telecopier, or by delivery prior to 17:00 (local time) on a Business Day, when received or if received after 17:00 (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.2 Foreign Currency Obligations

For purposes of this Proposal, the Claims denominated in a currency other than Canadian funds will be converted to Canadian dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

10.3 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

10.4 Non-Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal, and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

10.5 Deeming Provisions

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

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EXECUTION PAGE

DATED this 18th day of March 2022.

VES-ARTEX SYSTEMS USA, LLC

DocuSigned by:
Per: Ed Paradowski
Name: Ed Paradowski
Title: Manager

I have authority to bind the corporation.

VES-ARTEX SYSTEMS CANADA, ULC

DocuSigned by:
Per: Ed Paradowski
Name: Ed Paradowski
Title: Director

I have authority to bind the corporation.

SCHEDULE A
Calculation of Net Income

500463471

Net Income Calculation

Financial Row	Amount
Ordinary Income/Expense	
Income	
Revenue	
Revenue-Hardware	\$ -
Shipping and Handling	\$ -
Sales Discounts	\$ -
Intercompany Revenue	\$ -
Total - Revenue	<u>\$ -</u>
Cost Of Sales	
Material	
Parts	\$ -
Finished	\$ -
Product Stickers	\$ -
Warranty	\$ -
Goodwill	\$ -
Inventory Variances	\$ -
Intercompany COGS	\$ -
COGS Shipping and Handling	\$ -
Total - Cost Of Sales	<u>\$ -</u>
Gross Profit	<u>\$ -</u>
Expense	
Operating Expenses	
Supplies	\$ -
Freight	\$ -
Business Insur Expense	\$ -
Car Insurance	\$ -
Bad Debt Expense	\$ -
Computer Administrative	\$ -
Office Supplies	\$ -
Mobile Phone	\$ -
Internet	\$ -
Fixed Phone	\$ -
Warehouse	\$ -
Office Rental	\$ -
Office Expenses	\$ -
Salaries	\$ -
Salaries - Bonus	\$ -
Wages	\$ -
Commissions Expense	\$ -
Employee Benefits	\$ -
401k Company Match	\$ -
Workers Comp Ins Exp	\$ -
Relocation	\$ -
Payroll Taxes	\$ -
Fuel	\$ -
Other Travel	\$ -
Travel Meals	\$ -
Vehicle Lease	\$ -
Consulting Expense	\$ -
Legal	\$ -
Dues and Subscriptions	\$ -
Technology Subscriptions	\$ -
Bank Charges	\$ -
Research and Development	\$ -
Software Development	\$ -
Testing	\$ -
Events	\$ -
Advertising	\$ -
Depreciation Expense	\$ -
Amortization Expense	\$ -

Additional operating tax expense	\$	-
Intangible asset impairment	\$	-
Additional miscellaneous expenses	\$	-
Subsidiary crosscharge for corporate work	\$	-
Expense	\$	-
Net Ordinary Income	\$	-
Other Income and Expenses		
Other Income		
Interest Income	\$	-
Total - Other Income	\$	-
Other Expense		
Income tax expense	\$	-
Exchange (gain)/loss	\$	-
Realized Gains/Losses	\$	-
Rounding Gain/Loss	\$	-
Interest Expense	\$	-
Total - Other Expense	\$	-
Net Other Income	\$	-
Net Income	\$	-

VES-Artex Systems Canada, ULC
Revised Statement of Projected Cash Flow
For the Period of Mar 14 to Jun 12, 2022
Canadian Dollar

	Actual	Projection												
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13
Week Starting	07/Mar/22	14/Mar/22	21/Mar/22	28/Mar/22	04/Apr/22	11/Apr/22	18/Apr/22	25/Apr/22	02/May/22	09/May/22	16/May/22	23/May/22	30/May/22	06/Jun/22
Opening Cash	73,069	312,380	309,479	99,508	194,408	-	-	-	-	-	-	-	-	-
Cash Inflow														
Cash Inflows from Outstanding AR	307,225	92,723	139,084	185,446	139,084	92,723	92,723	46,361	46,361	-	-	-	-	-
Current Backlog Future Invoice AR		-	-	-	-	-	-	-	142,784	142,784	142,784	142,784	142,784	142,784
New Bookings AR		-	-	-	-	62,703	62,703	62,703	165,711	165,711	165,711	165,711	165,711	165,711
CNY Hedging	6,209	4,750	4,750	4,750	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Other Inflow of Cash				279,400										
Total Cash Inflow	313,434	97,473	143,834	469,596	144,084	160,425	160,425	114,064	359,856	313,495	313,495	313,495	313,495	313,495
Cash Outflows														
Current AP	166	40,124	40,124	40,124	40,124	-	-	-	-	-	-	-	-	-
Current Backlog AP		-	249,254	249,254	249,254	249,254	249,254	249,254	249,254	249,254	249,254	249,254	-	-
New Bookings AP		-	-	48,281	48,281	48,281	127,597	127,597	175,878	175,878	175,878	255,194	255,194	255,194
Sales Cycle Outflows	166	40,124	289,377	337,658	337,658	297,535	376,851	376,851	425,132	425,132	425,132	504,448	255,194	255,194
Operating Expenses														
Lease Payments (copiers, vehicles, etc.)				3,537				1,902	1,635				1,902	1,635
Loan Interest				1,050				1,050						1,050
Office Expense, Store Supplies & Sundry	320	750	750	750	750	750	750	750	750	750	750	750	750	750
Rent			6,878					6,878				6,878		
Wages and Payroll Taxes	40,454	25,000	47,800	25,000	53,000	25,000	47,800	25,000	53,000	25,000	47,800	25,000	53,000	25,000
Health Benefits				6,500				6,500					6,500	
Contractors	10,095				10,000				10,000				10,000	
Consultants		18,000					18,000				18,000			
Employees & Credit Cards	4,575	16,500	9,000		9,000		25,500		9,000		25,500		9,000	
Legal & Accounting Fees						45,000					25,000			
Bank Fees	510			200		550		200		550			200	
Total Operating Expenses	55,954	60,250	64,428	37,037	72,750	71,300	92,050	42,280	74,385	26,300	117,050	32,628	81,352	28,435
Total Cash Outflow	56,120	100,374	353,805	374,695	410,408	368,835	468,901	419,131	499,517	451,432	542,182	537,076	336,546	283,629
Funding		-	-	-	71,916	208,409	308,475	305,067	139,661	137,937	228,687	223,581	23,051	-
LOC draw (payment)	(18,376)													
Exchange	373													
Closing Cash Position	312,380	309,479	99,508	194,408	-	-	-	-	-	-	-	-	-	29,866
BMO Line of Credit (CA\$375K limit)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)	(332,018)

Dated at Chippewa Falls, Wisconsin this 18th day of March, 2022

Prepared by:
VES-Artex Systems Canada, ULC

DocuSigned by:

Edward Paradowski

8FC9BCCDC0B40F
Per: Edward Paradowski

Reviewed by:
MNP Ltd., Proposal Trustee of VES-Artex Systems Canada, ULC

Julie Kennedy

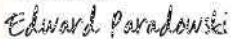
Per: Julie Kennedy, CIRP, LIT

VES-Artex Systems USA, LLC - DE
Revised Statement of Projected Cash Flow
For the Period of Mar 14 to Jun 12, 2022
Canadian Dollar


	Actual	Projection												
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13
Week Starting	07/Mar/22	14/Mar/22	21/Mar/22	28/Mar/22	04/Apr/22	11/Apr/22	18/Apr/22	25/Apr/22	02/May/22	09/May/22	16/May/22	23/May/22	30/May/22	06/Jun/22
Opening Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Inflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash Outflows	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Outflow	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash Position	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Dated at Chippewa Falls, Wisconsin, this 18th day of March, 2022

Prepared by:
 VES-Artex Systems USA, LLC

DocuSigned by:

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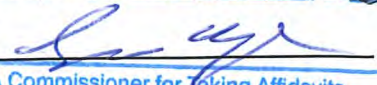
Reviewed by:
 MNP Ltd., Proposal Trustee of VES-Artex Systems USA, LLC


 Per: Julie Kennedy, CIRP, LIT

Creditor Mailing List

Affidavit of Heather Urbaki
 sworn before me at Vancouver
 this 29 day of March, 2022

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia


 A Commissioner for Taking Affidavits
 for the Province of British Columbia

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		ed.paradowski@ves-artex.com
Secured	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Jim Peplinski Leasing Inc.		info@jimpeplinski.ca
	Turntide Technologies Canada Inc. c/o Turntide Technologies		antonio.chinaglia@turntide.com
	VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		ed.paradowski@ves-artex.com
Unsecured	Bakerview EcoDairy Ltd.		ahuizing@nutrivagroup.com
	Borden Ladner Gervais LLP - Vancouver		Fax: (604) 687-1415
	Chamber of Commerce		Fax: (604) 850-6880 lavonne@abbotsfordchamber.com
	City of Abbotsford Property Taxes	Mike Veenbaas	Fax: (604) 853-8505 mveenbaas@abbotsford.ca
	CONNECT COMPUTER SOLUTIONS		cam@connectsolutions.ca
	CONTACT SECURITY		info@contactsecurity.com
	CRA - Southern Interior B.C. Tax Services Office		
	Daviesway Pty Ltd.		janice.camacho@daviesway.com.au
	DEJONGE FAMILY FARMS LTD.		accounting@newag.ca
	DELMAR INTERNATIONAL (ARTEX)		diazj@delmarusa.com
	EAST ROCK LIMITED		jiaxiaoyu@eastrock.cc
	Gevasol Industries LTD		Dvir.Sabah@gevasol.com
	GFL Environmental Inc.		katie@firstclassgroup.ca
	HANSEN INDUSTRIES, INC.		diana@hansenindustries.net
	Kelly Ingalls		kelly.ingalls@ves-artex.com
	KURITEC		isaac@kuritec.com
	Levsky Holding Inc.		yoav@levskyholding.com
	Ministry of Finance - PST - British Columbia		BC Health Tax rmbtaxpayerinquiries@gov.bc.ca
	NEWAG HOLDINGS LTD		ACCOUNTING@NEWAG.CA
	PALADIN TECHNOLOGIES		istavitskaya@paladintechnologies.com
	Patrick Lecavalier (Artex)		patrick.lecavalier@ves-artex.com
	PHASON ELECTRONIC CONTROL SYSTEMS		support@phason.ca
	PRECISION FARM SUPPLIES LTD.		berry@precisionfs.ca
Precision Farm Supplies Ltd.		berry@precisionfs.ca	
PT Lunar Chemplast		anisaodang@gmail.com	
SOUTHERN IRRIGATION		kasper.v@southernirrigation.com	
Thai Tan Trading and Transport Co LTD		info@thaitan.com	
TOPCOOL HOLDINGS LTD		tcfd@topcool.co	

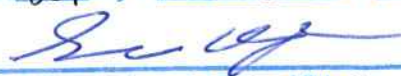
Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	Turntide Technologies Canada Inc c/o Turntide Technologies		antonio.chinaglia@turntide.com
	VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		ed.paradowski@ves-artex.com
	WCB Workers Compensation Board of Alberta	Collection Department	Fax: (780) 498-7999 employer.account.services@wcb.ab.ca
	WESTERN COW COMFORT (ARTEX) WorkSafeBC - Collections Department		kristinar@valpacsales.com Fax: (604) 244-6373

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Affidavit of Heather Ursaki
sworn before me at Vancouver
this 29 day of March, 2022

A Commissioner for Taking Affidavits
for the Province of British Columbia

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		ed.paradowski@ves-artex.com
Secured	NEWAG HOLDINGS LTD		ACCOUNTING@NEWAG.CA
Unsecured	Bakerview EcoDairy Ltd.		ahuizing@nutrivagroup.com
	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Borden Ladner Gervais LLP - Vancouver		Fax: (604) 687-1415
	Chamber of Commerce		lavonne@abbotsfordchamber.com
	City of Abbotsford Property Taxes	Mike Veenbaas	Fax: (604) 853-8505 mveenbaas@abbotsford.ca
	CONNECT COMPUTER SOLUTIONS		accounting@connectsolutions.ca
	CONTACT SECURITY		info@contactsecurity.com
	CRA - Southern Interior B.C. Tax Services Office		
	Daviesway Pty Ltd.		janice.camacho@daviesway.com.au
	DEJONGE FAMILY FARMS LTD.		accounting@newag.ca
	DELMAR INTERNATIONAL (ARTEX)		diazj@delmarusa.com
	EAST ROCK LIMITED		jiaxiaoyu@eastrock.cc
	Gevasol Industries LTD		Dvir.Sabah@gevasol.com
	GFL Environmental Inc.		katie@firstclassgroup.ca
	HANSEN INDUSTRIES, INC.		diana@hansenindustries.net
	Jim Peplinski's Leasing		info@jimpeplinski.ca
	Kelly Ingalls		kelly.ingalls@ves-artex.com
	KURITEC		isaac@kuritec.com
	Levsky Holding Inc.		yoav@levskyholding.com
	Ministry of Finance - PST - British Columbia		BC Health Tax rmbtaxpayerinquiries@gov.bc.ca
	NEWAG HOLDINGS LTD		ACCOUNTING@NEWAG.CA
	PALADIN TECHNOLOGIES		istavitskaya@paladintechnologies.com
	Patrick Lecavalier (Artex)		patrick.lecavalier@ves-artex.com
	PHASON ELECTRONIC CONTROL SYSTEMS		stephen.ishmael@phason.ca
	PRECISION FARM SUPPLIES LTD.		berry@precisionfs.ca
	Precision Farm Supplies Ltd.		berry@precisionfs.ca
	PT Lunar Chemplast		anisaodang@gmail.com
	SOUTHERN IRRIGATION		kasper.v@southernirrigation.com
	Thai Tan Trading and Transport Co LTD		info@thaitan.com
	TOPCOOL HOLDINGS LTD		tcf@topcool.co
	Turntide Technologies Canada Inc.		antonio.chinaglia@turntide.com
	VES Environmental Solutions Europe Limited		susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		susan.dub@ves-artex.com
	WCB Workers Compensation Board of Alberta	Collection Department	Fax: (780) 498-7999 employer.account.services@wcb.ab.ca

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Creditor Type	Name	Attention	Address
Unsecured	WESTERN COW COMFORT (ARTEX) WorkSafeBC - Collections Department		kristinar@valpacsales.com Fax: (604) 244-6373

District of: British Columbia
Division No. 03 - Vancouver
Court No. B220121, B220120
Estate No. 11-2805685
11-2805687

FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)
In the Matter of the Joint Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia
and
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Take notice that VES-Artex Systems Canada, ULC of the City of Abbotsford in the Province of British Columbia and VES-Artex Systems USA, LLC incorporated under the laws of the State of Delaware, USA (collectively, the "Debtors") have lodged with us a joint proposal under the *Bankruptcy and Insolvency Act*.

A copy of the joint proposal, condensed statements of the Debtors' assets, and liabilities, and a list of the creditors affected by the joint proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 7th day of April 2022 at 11:00 AM

The meeting will be convened via video/telephone conference
Video Conferencing:

https://teams.microsoft.com/join/19%3ameeting_ODk3YTdkZTEtNTRkYS00MGRjLTk3MGQtNzQzYmJmOGExNjk1%40thead.v2/0?context=%7b%22id%22%3a%22cb3b0d1e-24fb-4847-ba48-2f5e7c2b9b23%22%2c%22oid%22%3a%225a9050e3-e2f0-448f-a51a-529c8bc18b84%22%7d

Telephone Conference (audio only):
1 (877) 252-9279 (Conference ID: 568 925 341#)

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

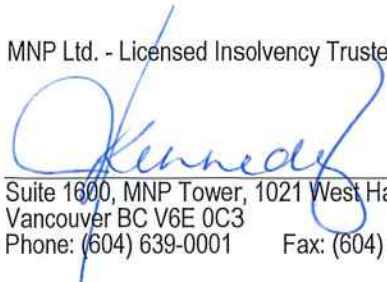
Proofs of claim must be lodged with the Trustee prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Please see the attached correspondence in relation to meeting details, requirements prior to the meeting, and conduct at the meeting.

Dated at the City of Vancouver in the Province of British Columbia, this 28th day of March 2022.

MNP Ltd. - Licensed Insolvency Trustee



Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver BC V6E 0C3
Phone: (604) 639-0001 Fax: (604) 904-8628

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

Exhibit "H.1"

Original

Amended

Form 78

Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 17th day of February 2022. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	16,088,631.27
Balance of secured claims as per list "B"	2,982,888.20
Total unsecured creditors	19,071,519.47
2. Secured creditors as per list "B"	1,033,908.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	20,105,427.47
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	2,500.00
3. Accounts receivable and other receivables, as per list "E"	
Good	381,327.00
Doubtful	42,370.00
Bad	635,546.00
Estimated to produce	381,327.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	43,700.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	10,000.00
11. RRSPs, RRIAs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	116,600.00
15. Other property, as per list "H"	479,781.00
If debtor is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	1,033,908.00
Deficiency	19,071,519.47

I, Edward Paradowski, of the City of Chippewa Falls in the State of Wisconsin, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 18th day of March 2022 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
 before me at the City of TRURO in ONTARIO, on this 18th day of March 2022.

E. PATRICK SHEA
 LSO # 39655K

DocuSigned by:
Edward Paradowski
 Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia

List "A"

Unsecured Creditors

VES-Artex Systems Canada, ULC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Bakerview EcoDairy Ltd.	PO BOX 4110 Abbotsford BC V2S 8R1	210.00	0.00	210.00
2	Borden Ladner Gervais LLP - Vancouver	1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2	19,003.04	0.00	19,003.04
3	Chamber of Commerce	2007-32900 South Fraser Way Abbotsford BC V2S 5A1	371.70	0.00	371.70
4	City of Abbotsford Property Taxes Attn: Mike Veenbaas	32315 South Fraser Highway Abbotsford BC V2T 1W7	130.00	0.00	130.00
5	CONNECT COMPUTER SOLUTIONS	#203 - 32310 South Fraser Way Abbotsford BC V2T1X1	3,772.01	0.00	3,772.01
6	CONTACT SECURITY	45140 Yale Road West Chilliwack BC V2R 4H1	260.40	0.00	260.40
7	CRA - Southern Interior B.C. Tax Services Office	PO Box 9070, Station Main 9737 King George Blvd Surrey BC V3T 5W6	1.00	0.00	1.00
8	Daviesway Pty Ltd.	PO Box 5031 15 Helen St. Heidelberg West DC , Victoria, 3081 Australia	123.69	0.00	123.69
9	DEJONGE FAMILY FARMS LTD.	2953 IN-14 Francesville, Indiana 47946 USA	5,775.00	0.00	5,775.00
10	DELMAR INTERNATIONAL (ARTEX)	10836 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5	1,803.85	0.00	1,803.85
11	EAST ROCK LIMITED	Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing , Chaoyang District 100102 China	264,809.07	0.00	264,809.07
12	Gevasol Industries LTD	5 HaYetsira St Jerusalem 9342309 Israel	21,456.93	0.00	21,456.93
13	GFL Environmental Inc.	PO BOX 555193 Detroit, Michigan 48255-5193 USA	264.09	0.00	264.09
14	HANSEN INDUSTRIES, INC.	29978 Road 56 Visalia, California 93291 USA	3,381.34	0.00	3,381.34
15	Kelly Ingalls	153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0	197.73	0.00	197.73
16	KURITEC	2500 Raymond Weigel St Cadillac , Michigan 49601 USA	891.67	0.00	891.67
17	Levsky Holding Inc.	Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6	14,688.71	0.00	14,688.71
18	Ministry of Finance - PST - British Columbia BC Health Tax	Station Provincial Government PO Box 9445 Victoria BC V8W 9V5	10,264.09	0.00	10,264.09
19	NEWAG HOLDINGS LTD	35222 South Parallel Road Abbotsford BC V3G 2K4	15,662,046.21	0.00	15,662,046.21
20	PALADIN TECHNOLOGIES	1350-355 Burrard Stree Vancouver BC V6C 2G8	201.60	0.00	201.60

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia
 List "B"
 Secured Creditors

VES-Artex Systems Canada, ULC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com	PO Box 57100 Etobicoke ON M8Y 3Y2	359,890.40	Debts Due - Business - Accounts Receivable Motor Vehicles - Automobile - 2014 - Ford - F350 Crew Cab - 1FT8W3BT2EEB44329 Furniture - Furniture and Fixtures Motor Vehicles - Automobile - 2014 - Ford - Expedition 4 Door Sedan - 1FMJU2A52EEF08328 Other - Inventory Other - Trademarks Business Assets - Machinery - Computer Equipment Other - Customs Refund	16-Mar-2022 16-Mar-2022 16-Mar-2022 16-Mar-2022 16-Mar-2022 16-Mar-2022 16-Mar-2022	359,890.40 0.00 0.00 0.00 0.00 0.00 0.00 0.00		
2	Jim Peplinski Leasing Inc.	81 The East Mall - Suite 101 Toronto ON M8Z 5W3	46,000.00	Motor Vehicles - Automobile - 2020 - Ford - F150 - 1FTEW1EB5LFB57576	16-Mar-2022	46,000.00		

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia
 List "B"
 Secured Creditors

VES-Artex Systems Canada, ULC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
4	VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.	1313 Lakeland Drive Chippewa Falls, Wisconsin 54729 USA	13,135.70	Other - Customs Refund	16-Mar-2022	0.00		
				Business Assets - Machinery - Computer Equipment	16-Mar-2022	0.00		
				Business Assets - Trade Fixtures - Warehouse Tools & Equipment	16-Mar-2022	0.00		
				Debts Due - Business - Accounts Receivable	16-Mar-2022	0.00		
				Furniture - Furniture and Fixtures	16-Mar-2022	0.00		
				Motor Vehicles - Automobile - 2014 - Ford - Expedition 4 Door Sedan - 1FMJU2A52EEF08328	16-Mar-2022	0.00		
				Motor Vehicles - Automobile - 2014 - Ford - F350 Crew Cab - 1FT8W3BT2EEB44329	16-Mar-2022	0.00		
				Other - Inventory	16-Mar-2022	0.00		
				Other - Trademarks	16-Mar-2022	0.00		13,135.70

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia
 List "B"
 Secured Creditors

VES-Artex Systems Canada, ULC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
5	VES Environmental Solutions Inc.	1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA	3,564,379.26	Other - Customs Refund	16-Mar-2022	279,180.00		2,936,361.66
				Other - Inventory	16-Mar-2022	200,600.00		
				Motor Vehicles - Automobile - 2014 - Ford - F350 Crew Cab - 1FT8W3BT2EEB44329	16-Mar-2022	46,600.00		
				Business Assets - Machinery - Computer Equipment	16-Mar-2022	43,700.00		
				Motor Vehicles - Automobile - 2014 - Ford - Expedition 4 Door Sedan - 1FMJU2A52EEF08328	16-Mar-2022	24,000.00		
				Debts Due - Business - Accounts Receivable	16-Mar-2022	21,436.60		
				Furniture - Furniture and Fixtures	16-Mar-2022	10,000.00		
				Business Assets - Trade Fixtures - Warehouse Tools & Equipment	16-Mar-2022	2,500.00		
				Other - Trademarks	16-Mar-2022	1.00		
			Total:			1,033,908.00	0.00	2,982,888.20

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia
List "C"
Preferred Creditors for Wages, Rent, etc.

VES-Artex Systems Canada, ULC

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia
List "D"
Contingent or Other Liabilities

VES-Artex Systems Canada, ULC

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			Total:	0.00	0.00	

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia
 List "E"
 Debts Due to the Debtor
 VES-Artex Systems Canada, ULC

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable	BC	Accounts Receivable	381,327.00 42,370.00 635,546.00		16-Mar-2022	381,327.00	N/A
Total:				381,327.00 42,370.00 635,546.00			381,327.00	

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

VES-Artex Systems Canada, ULC

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805685

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

List "G"

Real Property or Immovables Owned by Debtor

VES-Artex Systems Canada, ULC

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			Total:	0.00	0.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805685

FORM 78 -- Concluded

In the Matter of the Proposal of
 VES-Artex Systems Canada, ULC
 of the City of Abbotsford, in the Province of British Columbia
 List "H"
 Property

VES-Artex Systems Canada, ULC
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.		Warehouse Tools & Equipment	8,937.88	2,500.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Computer Equipment	142,826.91	43,700.00
(g) Furniture		Furniture and Fixtures	0.00	10,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2014 - Ford - F350 Crew Cab - 1FT8W3BT2EEB44329	0.00	46,600.00
		Automobile - 2014 - Ford - Expedition 4 Door Sedan - 1FMJU2A52EEF08328	0.00	24,000.00
		Automobile - 2020 - Ford - F150 - 1FTEW1EB5LFB57576	0.00	46,000.00
(l) Taxes			0.00	0.00
(m) Other		Trademarks	0.00	1.00
		Inventory	0.00	200,600.00
		Customs Refund	0.00	279,180.00
		Total:		652,581.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805687

Exhibit "H.2"

Original

Amended

Form 78

Statement of Affairs (Business Proposal) made by an entity
(Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

To the debtor:

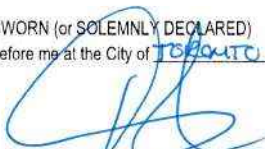
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 17th day of February 2022. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.


LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	4,443,381.26
Balance of secured claims as per list "B"	15,662,045.21
Total unsecured creditors	20,105,426.47
2. Secured creditors as per list "B"	1.00
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	20,105,427.47
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	0.00
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	2.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	0.00
If debtor is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	2.00
Deficiency	20,105,425.47

I, Edward Paradowski, of the City of Chippewa Falls in the State of Wisconsin, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 18th day of March 2022 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)
before me at the City of TORONTO in ONTARIO, on this 18th day of March 2022.


E PATRICK SHEA
LSO#39655K

DocuSigned by:

Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems USA, LLC
 Incorporated Under the Laws of the State of Delaware
 In the United States of America

List "A"
 Unsecured Creditors

VES-Artex Systems USA, LLC

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Bakerview EcoDairy Ltd.	PO BOX 4110 Abbotsford BC V2S 8R1	210.00	0.00	210.00
2	Bank of Montreal	Office of the Head, North American Customer Contact Centre, PO Box 3400 RPO Streetsville Mississauga ON L5M 0S0	359,890.40	0.00	359,890.40
3	Borden Ladner Gervais	1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2	19,003.04	0.00	19,003.04
4	British Columbia Ministry of Finance (BC Health Tax)	PO Box 9435 Stn Prov Govt Victoria BC V8W 9V3	10,264.09	0.00	10,264.09
5	Chamber of Commerce	2007-32900 South Fraser Way Abbotsford BC V2S 5A1	371.70	0.00	371.70
6	City of Abbotsford	32315 South Fraser Way Abbotsford BC V2T 1W7	130.00	0.00	130.00
7	CONNECT COMPUTER SOLUTIONS	#203 - 32310 South Fraser Way Abbotsford BC V2T1X1	3,772.01	0.00	3,772.01
8	CONTACT SECURITY	45140 Yale Road West Chilliwack BC V2R 4H1	260.40	0.00	260.40
9	CRA - Southern Interior B.C. Tax Services Office	PO Box 9070, Station Main 9737 King George Blvd Surrey BC V3T 5W6	1.00	0.00	1.00
10	Daviesway Pty Ltd.	PO Box 5031 15 Helen St. Heidelberg West DC, Victoria, 3081 Australia	123.69	0.00	123.69
11	DEJONGE FAMILY FARMS LTD.	2953 IN-14 Francesville, Indiana 47946 USA	5,775.00	0.00	5,775.00
12	DELMAR INTERNATIONAL (ARTEX)	10636 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5	1,803.85	0.00	1,803.85
13	EAST ROCK LIMITED	Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing, Chaoyang District 100102 China	264,809.07	0.00	264,809.07
14	Gevasol Industries LTD	5 HaYelsira St Jerusalem 9342309 Israel	21,456.93	0.00	21,456.93
15	GFL Environmental Inc.	PO BOX 555193 Detroit, Michigan 48255-5193 USA	264.09	0.00	264.09
16	HANSEN INDUSTRIES, INC.	29978 Road 56 Visalia, California 93291 USA	3,381.34	0.00	3,381.34
17	Jim Peplinski's Leasing	81 The East Mall - Suite 101 Toronto ON M8Z 5W3	46,000.00	0.00	46,000.00
18	Kelly Ingalls	153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0	197.73	0.00	197.73
19	KURITEC	2500 Raymond Weigel St Cadillac, Michigan 49601 USA	891.67	0.00	891.67

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems USA, LLC
 Incorporated Under the Laws of the State of Delaware
 In the United States of America
 List "B"
 Secured Creditors

VES-Artex Systems USA, LLC

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	NEWAG HOLDINGS LTD	35222 South Parallel Road Abbotsford BC V3G 2K4	15,662,046.21	Securities - Shares - VES-Artex Systems Canada, ULC (CA - British Columbia) - VES-Artex Systems Canada, ULC (CA - British Columbia)	18-Mar-2022	1.00		15,662,045.21
Total:			15,662,046.21			1.00	0.00	15,662,045.21

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America
List "C"
Preferred Creditors for Wages, Rent, etc.

VES-Artex Systems USA, LLC

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America
List "D"
Contingent or Other Liabilities

VES-Artex Systems USA, LLC

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
 VES-Artex Systems USA, LLC
 Incorporated Under the Laws of the State of Delaware
 In the United States of America

List "E"

Debts Due to the Debtor

VES-Artex Systems USA, LLC

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
				Total:			0.00	
							0.00	
							0.00	

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America
List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel
Mortgages, etc., Available as Assets

VES-Artex Systems USA, LLC

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2805687

FORM 78 -- Continued

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

List "G"

Real Property or Immovables Owned by Debtor

VES-Artex Systems USA, LLC

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

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Edward Paradowski

District of: British Columbia
 Division No. 03 - Vancouver
 Court No.
 Estate No. 11-2805687

FORM 78 -- Concluded

In the Matter of the Proposal of
 VES-Artex Systems USA, LLC
 Incorporated Under the Laws of the State of Delaware
 In the United States of America
 List "H"
 Property

VES-Artex Systems USA, LLC
 FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities		Shares - VES-Artex Systems Canada, ULC (CA - British Columbia)	0.00	1.00
		Shares - VES-Artex Systems USA, LLC (Washington)	0.00	1.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
			Total:	2.00

18-Mar-2022

Date

DocuSigned by:

Edward Paradowski

Edward Paradowski

COURT NO. B220121
B220120
ESTATE NO. 11-2805685
11-2805687

VANCOUVER REGISTRY

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

**IN THE MATTER OF THE JOINT PROPOSAL OF
VES-ARTEX SYSTEMS CANADA, ULC AND VES-ARTEX SYSTEMS USA, LLC**

TRUSTEE'S REPORT TO CREDITORS

BACKGROUND

Enclosed are the following documents:

- Notice of the Joint Proposal to Creditors;
- Joint Proposal under Part III, Division I, of the Bankruptcy and Insolvency Act (the "**BIA**"), dated March 18, 2022 (the "**Proposal**") lodged with MNP Ltd. (the "**Trustee**") by VES-Artex Systems Canada, ULC and VES-Artex Systems USA, LLC (collectively, the "**Companies**" or the "**Debtors**") and filed with the Official Receiver on March 18, 2022;
- a statement of affairs, dated March 18, 2022 ("**SOA**") for each of the Debtors, detailing the assets and liabilities of each of VES Canada (as defined herein) and VES USA (DE) (as defined herein);
- a proof of claim form;
- a voting letter if you wish to vote in advance of the meeting; and
- a general proxy.

The following is an outline of the background and financial position of the Companies, including relevant information that should be of assistance to the creditors in considering their position with respect to the Proposal.

**In the Matter of the Joint Proposal of
VES-Artex Systems Canada, ULC and VES-Artex Systems USA, LLC**

Trustee's Report to Creditors

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VES-Artex Systems Canada, ULC (BC1290299) was incorporated in British Columbia on February 22, 2021.

On April 2, 2021, Artex Barn Solutions Ltd. (BC0813440) and Artex Group Holdings Ltd. (BC0506059) amalgamated as one company under the name Artex Group Holdings Ltd. (BC1297991). Also on April 2, 2021, VES-Artex Systems Canada, ULC (BC1290299) and Artex Group Holdings Ltd. (BC1297991) amalgamated as one company under the name VES-Artex Systems Canada, ULC (BC1297994) ("**VES Canada**").

VES Canada was incorporated for the purpose of acquiring the shares of Artex Group Holdings Ltd. and its wholly owned subsidiary, Artex Barn Solutions, Ltd. and its wholly owned subsidiary Artex USA, Inc. (collectively, "**Artex Group**") from NewAg Holdings Ltd. ("**NewAg**") and John de Jonge. Artex Group was in the business of providing cattle handling and ventilation equipment in agricultural facilities and VES Canada intended to carry on the same or similar business. The sale was a vendor take back arrangement (the "**NewAg VTB**"). Under the terms of the NewAg VTB, instalment payments were due under a number of promissory notes on January 31st each year for five years, with the first payment due on January 31, 2022 (the "**January 31st Instalment**").

On a corporate search dated February 15, 2022, Scott Biederman, Susan Dub and Edward Paradowki are listed as Directors of VES Canada (collectively, the "**Management**"). We understand that VES Canada currently employs approximately 19 full-time employees.

VES-Artex Systems USA, LLC was incorporated on February 19, 2021 under the laws of the state of Delaware in the United States of America ("**VES USA (DE)**"). VES USA (DE) is a holding company and is owned 100% by VES Environmental Solutions, Inc. ("**VES Environmental**")

The Trustee understands that Scott Biederman, Susan Dub and Edward Paradowski are listed as Managers of VES USA (DE) and VES USA (DE) has no employees.

VES USA (DE) holds 100% of the shares of VES Canada and guaranteed the amount owing to NewAg in relation to the NewAg VTB (the "**NewAg Guarantee**").

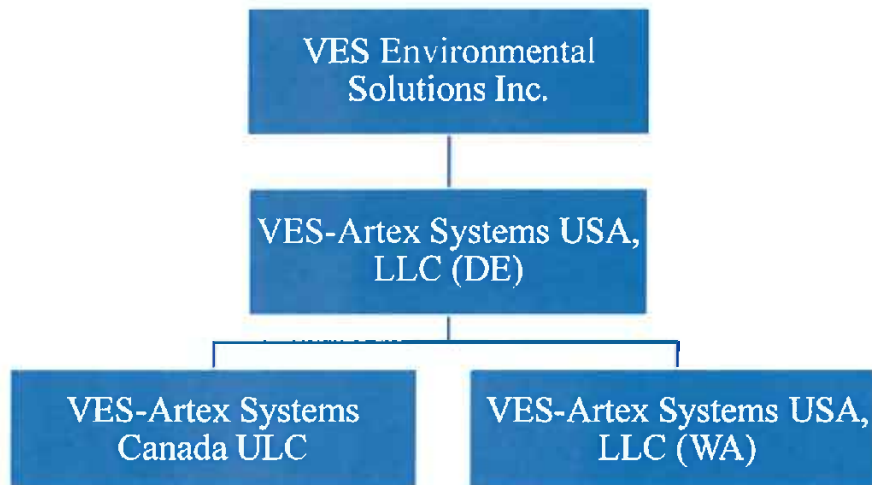
Another entity, also named VES-Artex Systems USA, LLC (formerly named Artex USA, Inc.) was incorporated under the laws of the state of Washington in the United States of America ("**VES USA (WA)**") on October 1, 2014. VES USA (WA) is a subsidiary of VES USA (DE).

On a profile search dated February 15, 2022, Edward Paradowski is listed as Governor of VES USA (WA). We understand that VES USA (WA) currently has no employees. Any employees employed by VES USA (WA) were transferred to VES Environmental on January 1, 2022.

VES USA (WA) operates as a flow through for sales to U.S. customers and is supported by employees employed by VES Canada and VES Environmental.

**In the Matter of the Joint Proposal of
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An organizational chart below shows the relationship between the above referenced entities:



The January 31st Instalment was made late which resulted in NewAg issuing a demand for payment on February 1, 2022 (the “**Demand**”). The Demand had the effect of accelerating the entire amount owing under the NewAg VTB plus additional legal fees and accruing interest.

Accordingly, VES Canada and VES USA (DE) sought creditor protection to permit a restructuring of VES Canada’s financial affairs. On February 17, 2022, VES Canada and VES USA (DE) each filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* (“**Notice of Intention**”) and MNP Ltd. consented to act as the Trustee in the proposal proceedings.

The Companies filed a joint proposal to its creditors on March 18, 2022 (the “**Proposal**”).

The Trustee is maintaining the following website with publicly available information on the Companies’ proposal proceedings:

<https://mnpdebt.ca/en/corporate/corporate-engagements/ves-artex-systems>

In preparing this Trustee’s Report to Creditors (the “**Report**”) and making the comments herein, the Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Companies’ books and records, discussions with employees and management and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or

partially comply with Generally Accepted Assurance Standards or other standards established by the Chartered Professional Accountants of Canada.

Capitalized terms used in the Report are the same as those referenced in the Proposal. Unless otherwise stated herein, all references to currency are to Canadian currency.

SUMMARY OF PROPOSAL

A summary and major terms of the Proposal are as follows:

- Respecting Secured Creditors, the Companies shall continue to pay the Secured Creditors in accordance with present arrangements, as amended from time to time, or as may be arranged in the future between the Companies and each Secured Creditor respectively.
- For the purposes of the Proposal, the security held by NewAg (being the pledge of VES Canada shares held by VES USA (DE)) shall be valued at \$0 such that NewAg shall be included in the class of Unsecured Creditors for the purposes of voting on and receiving a distribution under the Proposal;
- Creditors with equity claims shall not be entitled to vote those equity claims and shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.
- Unsecured Creditors will receive certificates (the "Certificates") with a face value equal to the amount of the creditor's claim.
- For each fiscal year ending December 31st for five years beginning the year ending December 31, 2023, the Companies will pay 50% of the net income of the Companies, calculated in a manner as set out in the Proposal, pro rata to the Unsecured Creditors based on and to reduce the amount owing under the Certificates.
- Distributions to Unsecured Creditors will be made by the Companies no later than March 31st each year beginning March 31, 2024.
- Payment to each Unsecured Creditor shall be made net of any applicable levy payable to the Office of the Superintendent of Bankruptcy as required by the BIA.
- Canada Revenue Agency ("CRA") will be paid in full within 6 months of Court Approval of the Proposal, for unremitted payroll source deductions. As the Companies utilizes the services of a payroll provider it is not anticipated that there is any debt owing for unremitted payroll withholdings.
- The Trustee's fees and expenses, and legal costs of the Trustee and the Companies arising out of the Proposal shall be paid in the ordinary course; and

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Trustee's Report to Creditors

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- As set out in greater detail below, sections 95-101 of the BIA will apply in respect of the Debtor and the Proposal.

The above description of the Proposal is a summary only, and readers are cautioned that if there is inconsistency between this Report and the Proposal, the terms of the Proposal shall govern.

OPERATIONS

The Companies have continued operations subsequent to filing the Notice of Intention. The primary operations are through VES Canada while VES USA (DE), the parent company to VES Canada, is a holding company.

VES Canada also continued to carry on business with its suppliers on terms which are acceptable to VES Canada and its suppliers. Primarily, VES Canada is paying for goods and services on a cash basis. VES USA (WA) and VES Canada have certain common suppliers. VES Canada's relationship with certain of its suppliers has been impacted by VES USA (WA)'s relationship with those suppliers.

VES Canada currently employs approximately 19 full-time employees. The Companies' payroll is processed on a bi-weekly basis and employees are being paid in accordance with the payroll schedule. The Companies utilize the services of Workday to administer its payroll, and as such payroll withholdings are remitted to CRA directly by Workday.

Since the NewAg VTB closed in April 2021, VES Canada has reported net losses of USD \$333,000 in Q2, USD \$543,000 in Q3 and USD \$962,000 in Q4. VES Canada saw a sharp decline in gross margin in 2021. The Trustee understands that this is primarily due to significant increases in freight costs in 2021 that were not anticipated and therefore had not been factored into the quotes and invoices provided to customers. Management advises that other contributing factors to operating losses were that employees of VES Canada were providing services to VES USA (WA), but there was no cross charge between the entities for those services and purchasing of all product and freight went through VES Canada even for VES USA (WA). As detailed below, the Companies have since addressed certain of the factors that have contributed to these operating losses.

Management is optimistic that the Companies can operate profitably now that the Companies have addressed the freight costs by passing those costs on to customers in their quotes and invoices and VES USA (WA) is completing its own purchasing.

ASSETS

Accounts Receivable and Customs Refund

VES Canada's accounts receivable is made up of customer orders at various stages of fulfillment and totaled approximately \$1,059,243 as at March 9, 2022. However, approximately 60% of the

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Trustee's Report to Creditors

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accounts receivable relates to customer deposits. In a forced liquidation scenario and after accounting for any warranty/defect claims, the Companies estimate that less than 40% of the outstanding accounts receivable would be collectible. The SOA is representative of a forced liquidation scenario and reported accounts receivable totaling \$381,327, being the portion considered collectible.

Additionally, VES Canada anticipates return from United States Treasury of approximately \$279,000 in connection with a U.S. tariff refund.

Inventory

VES Canada has approximately \$295,000 of inventory comprised primarily of fans, controllers for fans and spare parts. The value of inventory has been estimated at 80% of cost less realization costs of \$35,400 (commissions, storage, transportation, etc.) The SOA is representative of a forced liquidation scenario and reported inventory totaling \$200,600.

We have not sought a liquidation appraisal for the VES Canada inventory at this time.

Equipment, Store Fixtures and Furniture, and Vehicles

VES Canada owns various computer and office equipment, as well as warehouse tools and equipment and three vehicles.

VES Canada's internally prepared financial statements report a net book value of the computer and office equipment and the warehouse tools and equipment at \$56,200. In a liquidation scenario, it has been the Trustee's experience that computer and office equipment hold little value. However, due to supply chain issues that every business sector is experiencing in the market, these types of assets have seen increased demand and price points. The SOA, therefore, reported computer and office equipment and the warehouse tools and equipment totaling \$56,200.

The Trustee has not sought an appraisal of the computer and office equipment or the warehouse tools and equipment.

The various vehicles were reported on the SOA at their "black book value" of approximately \$116,600.

Shares

The only assets owned by VES USA (DE) are shares in VES Canada and VES USA (WA), both of which appear to have limited value in a forced liquidation scenario. VES Canada's primary value is in continued business operations as assets hold no value for unsecured creditors.

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VES USA (WA) currently has no employees and sales are generated through the employees of VES Environmental and VES Canada. A forced liquidation scenario for VES Canada, would see limited staff available to operate VES USA (WA). Also, a review of the VES USA (WA) balance sheet ending February 2022 reflects liabilities exceed assets and a negative equity position. The liabilities include intercompany debt of approximately \$1.3 million owing to VES Canada.

The Trustee has not requisitioned or carried out a business valuation with respect to these entities.

Goodwill and Trademarks

Goodwill represents the incremental value a prospective purchaser would pay to purchase the business as a "going concern", over and above the value attributable to tangible assets the purchaser would be acquiring.

Management advises that there are no active patents.

The Trademarks owned by VES Canada are for Artex Barn Solutions logo, a company that was part of the amalgamation to form VES Canada, and as the Artex Barn Solutions name is no longer being used the Trademarks would have little value.

Given the present economy, the existence of the COVID-19 pandemic and historical financial results, we do not anticipate any material value being attributable to Goodwill or Trademarks in a bankruptcy or liquidation scenario.

As detailed below, VES Canada's assets are subject to secured creditor claims.

LIABILITIES

Secured Creditors

The Trustee has obtained from Lawson Lundell LLP ("**Lawson Lundell**"), its counsel, an independent legal opinion on the validity or enforceability of the various security agreements granted by VES Canada to VES Environmental, Turntide Technologies Inc. ("**Turntide**") and VES Environmental Solutions Europe Ltd. ("**VES Europe**"). The legal opinion states that subject to the customary qualifications and assumptions contained therein, that the security agreements constitute legal, valid and binding obligations of VES Canada and are enforceable against VES Canada.

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Trustee's Report to Creditors

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VES Environmental Solutions Inc., Turntide Technologies Inc. And VES Environmental Solutions Europe Ltd.

Based on the SOA, VES Environmental is owed approximately \$3.564 million from VES Canada (the "VES Environmental Loans"), Turntide is owed approximately \$33,000 (the "Turntide Loans") and VES Europe is owed approximately \$13,000 (the "VES Europe Loans") arising from loans advanced to the Companies from time to time. Prior to filing the Notice of Intention, VES Canada identified that it required further funding to support ongoing operations, to protect the assets and goodwill, and to present the Proposal to the Companies' creditors. VES Environmental advised VES Canada that it was prepared to advance further funds, including the February 15th VES Environmental Advance (as defined below), on a secured basis provided that as consideration of making those further advances VES Canada granted VES Environmental, Turntide and VES Europe security in respect of the VES Environmental Loans, Turntide Loans and VES Europe Loans.

Security agreements and promissory notes were executed on February 15, 2022 by VES Canada in favour of VES Environmental, Turntide and VES Europe and security was registered for the respective loans at the Personal Property Registry in British Columbia on February 16, 2022.

In rendering its opinion on the validity and enforceability of the related party security, Lawson Lundell did not opine as to whether the security agreements constitute a preference or are otherwise reviewable transactions under the BIA or provincial legislation.

Since the filing of the Notice of Intention, approximately \$300,000 has been advanced to VES Canada by VES Environmental on February 22, 2022 and the 13-week cash flow filed with the Proposal reflects an additional approximated \$1.65 million of advances being required during that period.

BMO

As reported, the secured creditors include BMO who was owing approximately \$360,000 at the date of the Notice of Intention and provides working capital to VES Canada by way of a revolving credit loan, which is provided pursuant to the terms of a loan agreement.

At this time, we have not sought an opinion on BMO security

Jim Peplinski Leasing Inc. ("JP Leasing")

JP Leasing has registered a security interest in the 2020 Ford F150. VES Canada continues to make the monthly agreed upon payments.

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Preferred Creditors

Employees

Employees are preferred creditors pursuant to Section 136 of the BIA, and as such, their preferred claims must be paid in full before any payments are made to the general unsecured creditors. Each employee's preferred claim may not exceed \$2,000, relating to wages and vacation pay during the six-month period immediately preceding the initial date of filing. Amounts owing in excess of the threshold or relate to a period more than six months prior to the Notice of Intention, are general unsecured claims. Any claims relating to severance or termination pay are general unsecured claims.

We are not aware of any preferred amounts owing to present or former employees. However, the Proposal provides that the claims, if any, of the employee creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtors' business.

In a bankruptcy scenario, preferred claims of employees (wages/vacation pay) become a secured charge over current assets, and takes priority over other secured creditors, with the exception of the claim of CRA pertaining to unremitted payroll withholdings. Claims for outstanding termination pay rank as general unsecured claims in a bankruptcy or proposal scenario.

Landlords

Landlords are afforded priority for rent obligations in arrears for the three months immediately preceding the filing of the Notice of Intention. There was \$5,775 owing to the landlord, Dejonge Family Farms Ltd., for the month of February 2022 at the date of the Notice of Intention.

Unsecured Creditors

The VES Canada SOA indicates unsecured creditors of approximately \$16 million excluding the deficiency claims of secured creditors, and approximately \$19 million including the deficiency claims.

You will note that on the Notice of Intention documents previously circulated that creditors' claims total approximately \$22.7 million. The approximately \$3.7 million variance is primarily due to customer deposits initially, and inadvertently, being included on the creditor list, as well as certain Pre-NOI Payments (as defined below). As the Companies are continuing operations and continuing to provide products to customers, customers who have placed deposits with VES Canada are not creditors for the purposes of the Proposal.

The VES USA (DE) SOA indicated unsecured creditors of approximately \$4.4 million excluding the deficiency claims of secured creditors, and approximately \$20 million including the deficiency claims.

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You will note that on the Notice of Intention documents previously circulated that creditors' claims total approximately \$15.6 million, which reflected the amount due in respect of the NewAg Guarantee. The approximately \$4.4 million increase in creditors' claims is due to adding all the creditors from VES Canada to the VES USA (DE) SOA as VES Canada is an Unlimited Liability Corporation ("ULC"). In British Columbia, ULC status requires that the shareholders be liable for all debts and liabilities of the corporation on any liquidation shortfall. VES USA (DE) is a shareholder and ultimately responsible for the liabilities of VES Canada.

Accordingly, it is estimated that there are unsecured creditors of approximately \$16 million which may claim in the Proposal. Ultimately the amount owing to creditors will be based upon the proven claims filed in the Proposal proceedings.

CONDUCT OF THE DEBTOR

Preferences and Transactions at Under Value

As noted above, sections 95-101 of the BIA will apply in respect of the Debtors and the Proposal. The Proposal also provides that 100% of the net proceeds, if any, realized by the Trustee from any proceedings taken pursuant to sections 95 to 101 of the BIA shall be included in the Proposal Proceeds and distributed to Unsecured Creditors. Notwithstanding the foregoing, the Proposal provides that the Trustee is not obliged to take any proceedings under sections 95-101 of the BIA unless there are provisions in place that are satisfactory to the Trustee, in its sole discretion, with respect to the payment of the professional fees and other expenses that will be incurred by the Trustee in connection with such proceedings.

The Trustee has undertaken a preliminary review of the Companies' books, which included a review of various banking documentation in the three months prior to, and after, the filing of the Notice of Intention, which included the review of payments in excess of \$20,000.00. From the Trustee's review of the books and records, multiple transactions transferring funds between VES Canada and VES USA (WA) were identified, including payments of USD \$540,000 and USD \$235,000 transferred to VES USA (WA) on February 16, 2022 and February 23, 2022, respectively. Management advises that VES Environmental wires funds to VES Canada based on the funding needs of both VES Canada and VES USA (WA). VES Canada then transfers the necessary funds to VES USA (WA). VES Canada's records reflect funding received from VES Environmental of approximately USD \$1.2 million on February 15, 2022 (the "**February 15th VES Environmental Advance**") and approximately USD \$300,000 on February 22, 2022 and a portion of those funds were transferred to VES USA (WA) being the USD \$540,000 and USD \$235,000. The Trustee understands that historically all the vendor purchasing was done through VES Canada for VES USA (WA), which resulted in numerous intercompany transactions. The Companies' management advises that when they moved to NetSuite software in November 2021 that they now have VES USA (WA) completing its own vendor purchases. However, as there was cash flowing between these two companies historically, management continued the intercompany transactions as part of their cash flow planning. The Trustee also reviewed intercompany

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transactions between VES Canada and VES USA (WA) from April 2, 2021 to March 9, 2022 and notes that VES USA (WA) is in a payable position to VES Canada in the amount of approximately \$1.5 million.

On March 28, 2022, the Trustee also identified the Companies made payments totalling approximately \$803,000 to various vendors, which payments were made on or around February 16, 2022 and February 17, 2022 and approximately \$26,000 paid to employees for various expenses (collectively, the "Pre-NOI Payments"). The Companies considered certain overseas vendors critical suppliers and are of the view that these payments were essential for continued operations. The Companies also considered payment of the employee expenses essential for continued operations. On the surface, these transactions appear to be made to secure further supply, however, the Trustee will need to carry out further investigation into the Pre-NOI Payments. This investigation will assist in identifying whether the payments were made in good faith and in the ordinary course of business or may constitute preference payments under s.95 of the BIA.

REMUNERATION OF THE TRUSTEE

The costs of administration pertaining to the Trustee's fees and disbursements and legal costs incurred in relation to the Proposal are a preferred claim and, pursuant to the terms of the Proposal, will be paid in the ordinary course and will be subject to taxation by Court and approval of the Inspectors, if appointed, or the creditors should no Inspectors be appointed.

ESTIMATED REALIZATION – BANKRUPTCY

The Trustee has prepared a Statement of Estimated Realization (the "Statement") which is attached as Schedule "A" to this Report and summarizes estimated net realization in a bankruptcy scenario. If the Proposal is not accepted by the creditors, the Companies will be deemed to have made an assignment in bankruptcy on that date.

In a bankruptcy scenario, Unsecured Creditors would receive nothing.

RECOMMENDATION

If the Proposal is not accepted by the creditors, the Companies will be deemed to have made an assignment in bankruptcy on that date. In a bankruptcy, the secured claims of wage earners, BMO, VES Environmental and JP Leasing will have claims against all of the Companies' assets ranking prior to the claims of Unsecured Creditors.

We estimate that in a bankruptcy scenario, secured creditors would not be paid in full, and General Creditors will not receive a dividend. The Companies, however, are desirous of making a proposal to its creditors that would offer the Unsecured Creditors a greater return than a bankruptcy, and accordingly, have structured the Proposal to offer Unsecured Creditors a return from future cash flow. The Proposal offers to pay the Unsecured Creditors 50% of the Companies' net income over a five (5) year period.

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Subject to carrying out further investigation into the Pre-NOI Payments, the Trustee recommends the acceptance of the Proposal as it potentially offers the creditors a greater return than a bankruptcy and preserves supplier and employee relationships. Since the Proposal is based on the Companies' future profitability, the Trustee is unable to comment on the extent of recoveries under the Proposal.

The Trustee has requested a financial model in order to review the Companies' projected future profitability and cash flow.

The Trustee will update the creditors prior to, or at the meeting of creditors as to (i) the results of its review of the Companies' financial model should it receive it, and (ii) the results of its investigation into the Pre-NOI Payments. The Trustee notes that its recommendation on the Proposal may change because of this further investigation.

TECHNICAL REQUIREMENTS FOR A SUCCESSFUL PROPOSAL

This Proposal will become effective only if it is accepted by a resolution of the Unsecured Creditors and approved by the Court. To obtain Creditor approval, a simple majority in the number of Unsecured Creditors voting, with this majority representing at least 2/3 of the dollar value of the Unsecured Creditors voting, must vote in favour of the Proposal. If the Unsecured Creditors do not accept the Proposal, then the Companies will be deemed to have made an assignment in bankruptcy and a meeting of creditors in the matter of the bankruptcy will immediately take place.

If the Unsecured Creditors vote to accept the Proposal, Court approval of the Proposal must then be sought. If the Court does not approve the Proposal, the Companies would be deemed to have made an assignment in bankruptcy and the Trustee of the bankruptcy estate will then call a meeting of creditors in the matter of the bankruptcy.

When completing the Proof of Claim form submitted herewith, Creditors should include all outstanding amounts as at February 17, 2022, the date of the filing of the Notice of Intention. It is expressly noted and should be clearly understood that MNP Ltd., in its capacity as Trustee, assumes no personal liability for any claims that Creditors may have against the Companies, filed, proven, deemed or otherwise, either before or after the filing of the Proposal.

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Creditors may attend, in person or by proxy, the meeting to consider the Proposal, which will be held on **Thursday, April 7, 2022, at 11:00 a.m. (Vancouver, British Columbia Time)** by **video/telephone conference (via Teams Meetings)**. To attend/join the meeting you may connect by the following:

Teams: Video Conferencing

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ODk3YTdkZTEtNTRkYS00MGRjLTk3MGQtNzQzYmJmOGExNjk1%40thread.v2/0?context=%7b%22tid%22%3a%22cb3b0d1e-24fb-4847-ba48-2f5e7c2b9b23%22%2c%22oid%22%3a%225a9050e3-e2f0-448f-a51a-529c8bc18b84%22%7d

Telephone (audio only)

[\(877\) 252-9279](tel:(877)252-9279), [568925341#](tel:568925341) Canada (Toll-free)
Phone Conference ID: 568 925 341#

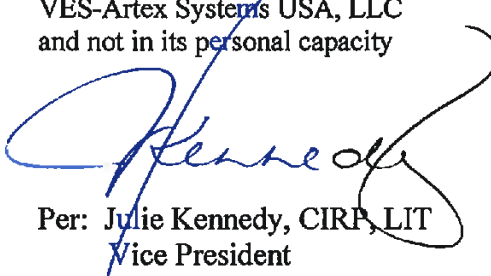
In order to participate and vote at the meeting, Creditors must file their claims in prior to the start of the meeting. Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters by either email to Julie.kennedy@mnp.ca or fax to 604-904-8628, to the Trustee so as to be received prior to 11:00 am (Vancouver Time) on April 7, 2022.

Should you have any questions or comments on the Proposal or this report, please do not hesitate to contact the undersigned.

DATED AT the City of Vancouver, British Columbia this 28th day of March, 2022.

MNP Ltd.

In its capacity as Licensed Insolvency Trustee
In the Proposal Proceedings of VES-Artex Systems Canada, ULC and
VES-Artex Systems USA, LLC
and not in its personal capacity


Per: Julie Kennedy, CIRP, LIT
Vice President

In the Matter of the Joint Proposal of VES-Artex Systems Canada, ULC and VES-Artex Systems USA, LLC

Schedule "A"

Statement of Estimated Realization in Bankruptcy Scenario (rounded)

ESTIMATED RECEIPTS

Cash In Bank	\$	-
Accounts Receivable (Note 1)		381,327
Inventory - Net Recovery (Note 2)		200,600
Equipment , Furniture and Fixtures, Vehicles (Note 3)		56,200
Vehicles (Note 4)		116,600
Customs Refund		279,180
Trademarks		1
Shares - VES-Artex Systems Canada, ULC (Note 5)		1
Shares - VES-Artex Systems USA, LLC (WA) (Note 5)		1
Total Estimated Receipts	\$	1,033,910

AVAILABLE FOR DISTRIBUTION

AVAILABLE FOR DISTRIBUTION	\$	1,033,910
Secured Creditors		
Canada Revenue Agency	\$	-
Jim Peplinski Lease - 2020 Ford F150		46,000
Secured Claims of Employees		38,000
Bank of Montreal		360,000
VES Environmental Solutions Inc.		589,910
VES Environmental Solutions Europe Inc.		-
Turntide Technologies Canada Inc.		-
Preferred Creditors		-
General Creditors - Balance of larger claims		-
	\$	1,033,910

Claims of General Creditors claiming pro rata share	\$	-
Estimated % Dividend		0%

TOTAL UNSECURED CREDITORS **\$16,088,631**

Notes:

1. Accounts receivable ("AR") collection is estimated at 40% of outstanding AR of \$1,059,243 as at March 9, 2022. Approximately 60% of AR relates to customer deposits for product and would not be collectible in a liquidation scenario. A further 10% would likely be uncollectible due to warranty/defect claims.

2. The Company has approximately \$295,000 of inventory comprised primarily of fans, controllers for fans and spare parts. Value of inventory has been estimated at 80% less realization costs of \$35,400 (commissions, storage, transportation, etc.)

3. Net book value ("NBV") of Equipment, Furniture and Fixtures is \$56,200. In a liquidation scenario, it has been the Trustee's experience that computer and office equipment hold little value. However, due to supply chain issues that every business sector is experiencing in the market, these types of assets have seen increased demand and price points. Therefore, Equipment, Furniture and Fixtures is reflected at its NBV.

4. Vehicles reported at their "black book value".

5. Shares have limited value in a forced liquidation scenario. VES Canada's primary value is in continued business operations. VES USA (WA) currently has no employees and sale are generated through employees of VES Canada and VES Environmental Solutions Inc.

6. This schedule do not account for Trustee's fees and expenses that would be incurred.

Estate No. 11-2805685, 11-2805687
Court No: B220121, B220120
Vancouver Registry

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

**IN THE MATTER OF THE JOINT PROPOSAL OF
VES-ARTEX SYSTEMS CANADA, ULC
AND
VES-ARTEX SYSTEMS USA, LLC**

MINUTES OF THE FIRST MEETING OF CREDITORS

MINUTES OF THE FIRST MEETING OF CREDITORS HELD VIA TELECONFERENCE ON THURSDAY, THE 7TH DAY OF APRIL, 2022 AT ELEVEN O'CLOCK IN THE MORNING, AT THE OFFICE OF THE TRUSTEE, LOCATED AT 2200 – 1021 WEST HASTINGS STREET, VANCOUVER, BRITISH COLUMBIA.

PRESENT:

See attached attendance list.

CALL TO ORDER

Julie Kennedy called the meeting to order and announced that she was acting as Chairperson of the meeting under authority of Section 51.3 of the *Bankruptcy and Insolvency Act* ("BIA").

The Chairperson declared the meeting properly called and, a quorum being present, duly constituted.

The Chairperson advised that the purpose of the first meeting is to consider the affairs of the Debtor and to vote on the Debtor's Proposal. However, the Trustee would be seeking an adjournment until April 13, 2022 at 11:00am PST to allow for further investigation of the affairs and property of the Debtor and allow for further discussions around the terms of the proposal. A motion was made and carried to adjourn the meeting.

ADJOURNMENT

There being no further business on the agenda, the meeting was adjourned to April 13th, 2022 at 11:00am PST.



Julie Kennedy, Chairperson

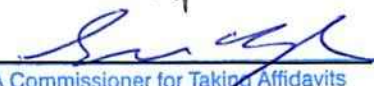
Attachments:

. Attendance List

Creditor Mailing List

Affidavit of Heather Ursakisworn before me at Vancouverthis 12 day of April, 2022

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia


A Commissioner for Taking Affidavits
for the Province of British Columbia

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		1313 Lakeland Drive Chippewa Falls WI 54729 ed.paradowski@ves-artex.com
Secured	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Jim Peplinski Leasing Inc.		81 The East Mall - Suite 101 Toronto ON M8Z 5W3 info@jimpeplinski.ca
	Turntide Technologies Canada Inc. c/o Turntide Technologies		1295 Forgewood Avenue Sunnyvale, California 94089-2216 USA antonio.chinaglia@turntide.com
	VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls, Wisconsin 54729 USA susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls, Wisconsin 54729 USA ed.paradowski@ves-artex.com
Unsecured	Bakerview EcoDairy Ltd.		PO BOX 4110 Abbotsford BC V2S 8R1 ahuizing@nutrivagroup.com
	Borden Ladner Gervais LLP - Vancouver		1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2 Fax: (604) 687-1415
	Chamber of Commerce		2007-32900 South Fraser Way Abbotsford BC V2S 5A1 Fax: (604) 850-6880 lavonne@abbotsfordchamber.com
	City of Abbotsford Property Taxes	Mike Veenbaas	32315 South Fraser Highway Abbotsford BC V2T 1W7 Fax: (604) 853-8505 mveenbaas@abbotsford.ca
	CONNECT COMPUTER SOLUTIONS		#203 - 32310 South Fraser Way Abbotsford BC V2T1X1 cam@connectsolutions.ca
	CONTACT SECURITY		45140 Yale Road West Chilliwack BC V2R 4H1 info@contactsecurity.com
	CRA - Southern Interior B.C. Tax Services Office		PO Box 9070, Station Main 9737 King George Blvd Surrey BC V3T 5W6
	Daviesway Pty Ltd.		PO Box 5031 15 Helen St. Heidelberg West DC, Victoria, 3081 Australia janice.camacho@daviesway.com.au
	DEJONGE FAMILY FARMS LTD.		2953 IN-14 Francesville, Indiana 47946 USA accounting@newag.ca
	DELMAR INTERNATIONAL (ARTEX)		10636 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5 diazj@delmarusa.com

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	EAST ROCK LIMITED		Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing, Chaoyang District 100102 China jiaxiaoyu@eastrock.cc
	Gevasol Industries LTD		5 HaYetsira St Jerusalem 9342309 Israel Dvir.Sabah@gevasol.com
	GFL Environmental Inc.		PO BOX 555193 Detroit, Michigan 48255-5193 USA katie@firstclassgroup.ca
	HANSEN INDUSTRIES, INC.		29978 Road 56 Visalia, California 93291 USA diana@hansenindustries.net
	Kelly Ingalls		153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0 kelly.ingalls@ves-artex.com
	KURITEC		2500 Raymond Weigel St Cadillac, Michigan 49601 USA isaac@kuritec.com
	Levsky Holding Inc.		Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6 yoav@levskyholding.com
	Ministry of Finance - PST - British Columbia		BC Health Tax Station Provincial Government PO Box 9445 Victoria BC V8W 9V5 rmbtaxpayerinquiries@gov.bc.ca
	NEWAG HOLDINGS LTD	Fergus McDonnell	c/o Fasken Martineau DuMoulin LLP 2900 - 550 Burrard Street Vancouver BC V6C 0A3 ACCOUNTING@NEWAG.CA
	PALADIN TECHNOLOGIES		1350-355 Burrard Street Vancouver BC V6C 2G8 istavitskaya@paladintechnologies.com
	Patrick Lecavalier (Artex)		8153 Driftwood Ct Williamsville, New York 14221 USA patrick.lecavalier@ves-artex.com
	PHASON ELECTRONIC CONTROL SYSTEMS		2 Terracon Place Winnipeg MB R2J4G7 support@phason.ca
	PRECISION FARM SUPPLIES LTD.		9021 Van Buren Rd Everson, Washington 98247 USA berry@precisionfs.ca
	Precision Farm Supplies Ltd.		5555 Inter-Provincial Hwy Abbotsford BC V3G 2P5 berry@precisionfs.ca
	PT Lunar Chemplast		Komp. Ruko D'Best Blok A 31, Jl. RS Fatmawati no. 15 Kelurahan Gandaria Selatan, Kecamatan Cilandak Jakarta Selatan 12420 Indonesia anisaodang@gmail.com
	SOUTHERN IRRIGATION		44160 Yale Road West Chilliwack BC V2R 3Z9 kasper.v@southernirrigation.com

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Creditor Type	Name	Attention	Address
Unsecured	Thai Tan Trading and Transport Co LTD		29BT3 Ban Dao Linh Dam, Hoang Liet, Hoang Mai Hanoi, 1000 Vietnam
	TOPCOOL HOLDINGS LTD		Sunshine Plaza, 353 Lockhart Road Wan Chai, Hong Kong, HKG Hong Kong tcfd@topcool.co
	Turntide Technologies Canada Inc. c/o Turntide Technologies		1295 Forgewood Avenue Sunnyvale, California 94089-2216 USA antonio.chinaglia@turntide.com
	VES Enviornmental Solutions Europe Limited c/o VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls , Wisconsin 54729 USA ed.paradowski@ves-artex.com
	WCB Workers Compensation Board of Alberta	Collection Department	PO Box 2415 Edmonton AB T5J 2S5 Fax: (780) 498-7999 employer.account.services@wcb.ab.ca
	WESTERN COW COMFORT (ARTEX)		PO Box 2689 Merced , California 95344 USA kristinar@valpacsales.com
	WorkSafeBC - Collections Department		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5 Fax: (604) 244-6373

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Affidavit of Heather Ursaki
sworn before me at Vancouver
this 12 day of April, 2022

A Commissioner for Taking Affidavits
for the Province of British Columbia

Creditor Type	Name	Attention	Address
Director	Edward Paradowski		1313 Lakeland Drive Chippewa Falls WI 54729 ed.paradowski@ves-artex.com
Secured	NEWAG HOLDINGS LTD	Fergus McDonnell	c/o Fasken Martineau DuMoulin LLP 2900 - 550 Burrard Street Vancouver BC V6C 0A3 ACCOUNTING@NEWAG.CA
Unsecured	Bakerview EcoDairy Ltd.		PO BOX 4110 Abbotsford BC V2S 8R1 ahuizing@nutrivagroup.com
	BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com		PO Box 57100 Etobicoke ON M8Y 3Y2 Fax: (416) 253-3610 bankruptcydocuments@asset.net
	Borden Ladner Gervais LLP - Vancouver		1200 Waterfront Centre, 200 Burrard Street, PO Box 48600 Vancouver BC V7X 1T2 Fax: (604) 687-1415
	Chamber of Commerce		2007-32900 South Fraser Way Abbotsford BC V2S 5A1 lavonne@abbotsfordchamber.com
	City of Abbotsford Property Taxes	Mike Veenbaas	32315 South Fraser Highway Abbotsford BC V2T 1W7 Fax: (604) 853-8505 mveenbaas@abbotsford.ca
	CONNECT COMPUTER SOLUTIONS		#203 - 32310 South Fraser Way Abbotsford BC V2T 1X1 accounting@connectsolutions.ca
	CONTACT SECURITY		45140 Yale Road West Chilliwack BC V2R 4H1 info@contactsecurity.com
	CRA - Southern Interior B.C. Tax Services Office		PO Box 9070, Station Main 9737 King George Blvd Surrey BC V3T 5W6
	Daviesway Pty Ltd.		PO Box 5031 15 Helen St. Heidelberg West DC, Victoria, 3081 Australia janice.camacho@daviesway.com.au
	DEJONGE FAMILY FARMS LTD.		2953 IN-14 Francesville, Indiana 47946 USA accounting@newag.ca
	DELMAR INTERNATIONAL (ARTEX)		10636 Chemin de La Côte-de-Liesse Lachine QC H8T 1A5 diazj@delmarusa.com
	EAST ROCK LIMITED		Room 1508-1511, Bldg. C, Focus Square, No. 6 Fu Tong Dong Da Jie, Wang Jing Beijing, Chaoyang District 100102 China jiaxiaoyu@eastrock.cc
	Gevasol Industries LTD		5 HaYetsira St Jerusalem 9342309 Israel Dvir.Sabah@gevasol.com

Creditor Mailing List

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Creditor Type	Name	Attention	Address
Unsecured	GFL Environmental Inc.		PO BOX 555193 Detroit, Michigan 48255-5193 USA katie@firstclassgroup.ca
	HANSEN INDUSTRIES, INC.		29978 Road 56 Visalia, California 93291 USA diana@hansenindustries.net
	Jim Peplinski's Leasing		81 The East Mall - Suite 101 Toronto ON M8Z 5W3 info@jimpeplinski.ca
	Kelly Ingalls		153 Rue Francis Saint-Alphonse-De-Granby QC J0E 2A0 kelly.ingalls@ves-artex.com
	KURITEC		2500 Raymond Weigel St Cadillac, Michigan 49601 USA isaac@kuritec.com
	Levsky Holding Inc.		Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6 yoav@levskyholding.com
	Ministry of Finance - PST - British Columbia		BC Health Tax Station Provincial Government PO Box 9445 Victoria BC V8W 9V5 rmbtaxpayerinquiries@gov.bc.ca
	NEWAG HOLDINGS LTD	Fergus McDonnell	c/o Fasken Martineau DuMoulin LLP 2900 - 550 Burrard Street Vancouver BC V6C 0A3 ACCOUNTING@NEWAG.CA
	PALADIN TECHNOLOGIES		1350-355 Burrard Street Vancouver BC V6C 2G8 istavitskaya@paladintechnologies.com
	Patrick Lecavalier (Artex)		8153 Driftwood Ct Williamsville, New York 14221 USA patrick.lecavalier@ves-artex.com
	PHASON ELECTRONIC CONTROL SYSTEMS		2 Terracon Place Winnipeg MB R2J4G7 stephen.ishmael@phason.ca
	PRECISION FARM SUPPLIES LTD.		9021 Van Buren Rd Everson, Washington 98247 USA berry@precisionfs.ca
	Precision Farm Supplies Ltd.		5555 Inter-Provincial Hwy Abbotsford BC V3G2P5 berry@precisionfs.ca
	PT Lunar Chemplast		Komp. Ruko D'Best Blok A 31, Jl. RS Fatmawati no. 15 Kelurahan Gandaria Selatan, Kecamatan Cilandak Jakarta Selatan 12420 Indonesia anisaodang@gmail.com
	SOUTHERN IRRIGATION		44160 Yale Road West Chilliwack BC V2R 3Z9 kasper.v@southernirrigation.com
	Thai Tan Trading and Transport Co LTD		29BT3 Ban Dao Linh Dam, Hoang Liet, Hoang Mai Hanoi, 1000 Vietnam

Creditor Mailing List

**In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America**

Creditor Type	Name	Attention	Address
Unsecured	TOPCOOL HOLDINGS LTD		Sunshine Plaza, 353 Lockhart Road Wan Chai, Hong Kong, HKG Hong Kong tcf@topcool.co
	Turntide Technologies Canada Inc.		c/o Gowling WLG (Canada) LLP - Kelly Charbonne, 50 Queen Street North, Suite 1020 Kitchener ON N2H 6M2 antonio.chinaglia@turntide.com
	VES Environmental Solutions Europe Limited		19 Close Maes Rhedyn Gorslas Llanelli, Dyfed, SA14 6SG Wales susan.dub@ves-artex.com
	VES Environmental Solutions Inc.		1313 Lakeland Drive Chippewa Falls, Wisconsin 54729 USA susan.dub@ves-artex.com
	WCB Workers Compensation Board of Alberta	Collection Department	PO Box 2415 Edmonton AB T5J 2S5 Fax: (780) 498-7999 employer.account.services@wcb.ab.ca
	WESTERN COW COMFORT (ARTEX)		PO Box 2689 Merced, California 95344 USA kristinar@valpacsales.com
	WorkSafeBC - Collections Department		PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5 Fax: (604) 244-6373

CANADA
Province of British Columbia

Estate No. 11-2805685, 11-2805687
Court No. B220121, B220120

In the Matter of the Joint Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia
and
VES-Artex Systems USA, LLC
Incorporated under the Laws of the State of Delaware in the United States of America

NOTICE OF RECONVENED MEETING OF CREDITORS

TAKE NOTICE THAT the first meeting of creditors held on April 7, 2022 was adjourned pursuant to section 52 of the *Bankruptcy and Insolvency Act*.

The reconvened meeting of creditors will be held virtually on:

April 13, 2022 at 11:00am

Toll-Free Phone Number: 1-877-252-9279

Phone Conference ID: 546 414 423#

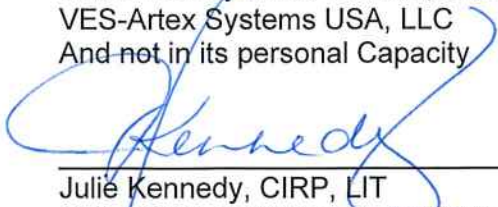
The creditors of any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the Court, the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior thereto.

DATED at Vancouver, British Columbia this 7th day of April, 2022.

MNP Ltd.

Trustee acting the in the Joint Proposal of
VES-Artex Systems Canada, ULC and
VES-Artex Systems USA, LLC
And not in its personal Capacity



Julie Kennedy, CIRP, LIT
Suite 1600, MNP Tower, 1021 West Hastings Street
Vancouver, BC V6E 0C3
Phone: (604) 639-0001 Fax: (604) 904-8628

EXECUTION COPY

District of British Columbia
Division No: 03-Vancouver
Court No: 11-2805687
Estate No: 11-2805687

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VES-ARTEX SYSTEMS USA, LLC**

District of British Columbia
Division No: 03-Vancouver
Court No: 11-2805685
Estate No: 11-2805685

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF VES-ARTEX SYSTEMS CANADA, ULC**

**AMENDED JOINT PROPOSAL OF VES-ARTEX SYSTEMS USA, LLC
AND VES-ARTEX SYSTEMS CANADA, ULC**

VES-Artex Systems USA, LLC and VES-Artex Systems Canada, ULC hereby submit the following Proposal to their Unsecured Creditors pursuant to Part III of the BIA.

ARTICLE 1

DEFINITIONS

1.1 Definitions

In this Proposal:

- (a) **“Administrative Fees and Expenses”** include the proper fees and expenses, including legal fees and disbursements, of the Trustee and the Debtor, the fees and disbursements of Gowling, on and incidental to the negotiation, preparation, presentation, consideration and implementation of the Proposal, and all proceedings and matters relating to or arising out of the Proposal;
- (b) **“Approval Order”** means an Order of the Court approving the Proposal;

- (c) “BIA” means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and in force as at the Proposal Date;
- (d) “Business Day” means a day, other than a Saturday or Sunday, on which banks are generally open for business in Vancouver, British Columbia;
- (e) “Canada Pension Plan” means the *Canada Pension Plan*, R.S.C. 1985, c. C-8, as amended;
- (f) “Certificates” have the meaning ascribed by Article [5.1];
- (g) “Claim” means any right of any Person against the Debtor or a Director in connection with any indebtedness, liability or obligation of any kind of the Debtor which indebtedness, liability or obligation is in existence at the Proposal Date **but, for greater certainty: (i) shall not, except in the case of NewAg include any contingent or unliquidated claims, liabilities or obligations, which claims, liabilities and obligations shall not be compromised by this Proposal; and (ii) in the case of NewAg shall include any and all claims, demands, actions, causes of actions, judgments, rights, fees, damages, debts, obligations, liabilities and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown, and under the Share Purchase Agreement, and any other liabilities that NewAg may have or have ever had against the Debtor, VES Technologies and Turntide, or any of them, arising out of, or by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter agreement or the transaction up to and including 12 April 2022;**
- (h) “Consulting Agreement” means the **Consulting Agreement between NewAg and VES Environmental effective the 2 April 2021 as amended or supplemented;**
- (i) “Court” means the British Columbia Supreme Court (in Bankruptcy and Insolvency);
- (j) “Creditor” means any Person, having a Claim and may, if the context requires, mean a trustee, receiver, receiver-manager or other Person acting on behalf or in the name of such Person;
- (k) “Creditors’ Meeting” means the meeting of the Unsecured Creditors called for the purpose of considering and voting upon the Proposal;
- (l) “Creditors’ Meeting Date” means the date and time as may be called by the Trustee for **the Creditors’ Meeting;**
- (m) “Debtor” means VES-Artex Systems USA, LLC and VES-Artex Systems Canada, ULC;

- (n) “**Directors**” mean the Debtor’s current directors;
- (o) “**Employee Creditors**” mean employees and former employees of the Debtor, not to include independent commissioned sales agents or contractors, for amounts equal to the amounts that they would be qualified to receive under paragraph [136(l)(d)] of the BIA if the Debtor became bankrupt on the Proposal Date, as well as wages, salaries, commissions or compensation for services rendered after that date and before the Court approval of the Proposal, together with, in the case of travelling salesmen, disbursements properly incurred by those salesmen in and about the Debtor’s business during the same period;
- (p) “*Employment Insurance Act*” means the *Employment Insurance Act*, S.C. 1996 c. 23, as amended;
- (q) “**Gowling**” means Gowling WLG (Canada) LLP;
- (r) “**Implementation Date**” means the date upon which the conditions set forth in Article [7.4] have been satisfied;
- (s) “*Income Tax Act*” means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended;
- (t) “**Inspectors**” mean one or more inspectors appointed pursuant to the BIA as provided for in the Proposal;
- (u) “**NewAg**” means NewAg Holding Ltd. and, for greater certainty, includes John de Jong;
- (v) “**NewAg Settlement Documents**” means (i) a mutual release, non-disclosure and non-disparagement agreement pursuant to which the parties agree to release each other from any and all claims arising from, under or pursuant to the Share Purchase Agreement or by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of time up to and including the 12 April 2022; and (ii) a termination of the Consulting Agreement and mutual release pursuant to which to which the parties agree to release each other from any and all claims arising from, under or pursuant to the Consulting Agreement;
- (w) “**Official Receiver**” shall have the meaning ascribed thereto in the BIA;
- (x) “**Person**” means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or any agency or instrumentality thereof, or any other entity howsoever designated or constituted;
- (y) “**Preferred Creditors**” mean Creditors with Proven Claims that are required by the BIA to be paid in priority to all other Claims under the Proposal made by the

Debtor save and except for the Employee Creditors and Source Deduction Creditors;

- (z) **“Proof of Claim”** means the proof of claim required by the BIA to be mailed to each known Creditor prior to the Creditors’ Meeting;
- (aa) **“Proposal”** means this joint proposal together with any amendments or additions thereto;
- (bb) **“Proposal Date”** means 17 February 2022;
- (cc) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the BIA;
- (dd) **“Secured Creditor”** means any Person, holding a valid and perfected mortgage, hypothec, pledge, charge or lien on or against the property or assets of the Debtor as security for a debt due or accruing due to the Person from the Debtor and whose security is of a value sufficient to satisfy that Person’s Proven Claim, but shall not include NewAg whose security is valued at \$0 for the purposes of this Proposal;
- (ee) **“Settlement Date” means [Date] 2022;**
- (ff) **“Share Purchase Agreement” means the Amended and Restated Agreement for Purchase and Sale of Shares made as of 2 April 2021 among VES-Artex Systems Canada ULC, NewAg and John de Jonge as such agreement may be amended or supplemented, as well and any and all related or ancillary agreements;**
- (gg) **“Source Deduction Creditors”** mean Her Majesty in Right of Canada or a Province for all amounts that were outstanding on the Proposal Date and are of a kind that could be subject to a demand under,
 - (i) subsection **[224(1.2)]** of the *Income Tax Act*;
 - (ii) 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*, or an employee’s premium, or employer’s premium, as defined in the *Employment Insurance Act*, and of any related interest, penalties or other amounts; or
 - (iii) 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;

- (A) 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
- (B) 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;
- (hh) **“Superintendent” means the Office of the Superintendent of Bankruptcy;**
- (ii) **“Trustee”** means MNP Ltd. or its duly appointed successor or successors;
- (jj) **“Turntide” means Turntide Technologies, Inc.;**
- (kk) **“Unsecured Creditors”** means the Preferred Creditors and any Creditor who is not a Secured Creditor and, for greater certainty, includes NewAg;
- (ll) **“VES Environmental” means VES Environmental Solutions, Inc.; and**
- (mm) **“Voting Letter”** means the voting letter required by subsection [51(1)] of the BIA to be mailed to each known Creditor prior to the Unsecured Creditors’ Meeting.

1.2 Other Defined Terms

Any term not specifically defined in this Proposal that is defined in the BIA shall have the meaning assigned to that term by the BIA

1.3 Articles of Reference

The terms “hereof”, “hereunder”, “herein” and similar expressions refer to the Proposal and not to any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section, subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

1.4 Interpretation Not Affected by Headings

The division of the Proposal into articles, sections, subsections, clauses or paragraphs and the insertion of a table of contents and headings are for convenience of reference only and will not affect the construction or interpretation of this Proposal.

1.5 Date for Any Action

In the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day that is a Business Day.

1.6 Time

All times expressed herein are local time in Vancouver, British Columbia unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 17:00 local time in Vancouver, British Columbia.

1.7 Numbers

In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa*, and a word or words importing gender will include all genders.

1.8 Currency

Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

1.9 Statutory References

Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made thereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

1.10 Successors and Assigns

The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person named or referred to in the Proposal.

ARTICLE 2

CLASSIFICATION AND TREATMENT OF CREDITORS

2.1 Classes of Creditors

For the purposes of voting on the Proposal, only the Unsecured Creditors will be entitled to vote on the Proposal. There shall be one (1) class of Unsecured Creditors.

2.2 Proposed Assessed Value

For the purposes of this Proposal, the security held by NewAg shall be valued at \$0 such that NewAg shall be included in the class of Unsecured Creditors for the purposes of voting on and receiving a distribution under this Proposal. **NewAg's Claim against the Debtor shall be allowed at USDS\$6 million.**

2.3 Administrative Fees and Expenses

The Administrative Fees and Expenses will be paid in full by the Debtor in the ordinary course.

2.4 Preferred Creditors

The Proven Claims of the Preferred Creditors are to be paid in full in priority to the Proven Claims of the Unsecured Creditors in accordance with the BIA and the Proposal.

2.5 Unsecured Creditors

The Proven Claims of the Unsecured Creditors, other than Preferred Creditors, will be satisfied or paid as provided by **Article [6.4]**.

2.6 Creditors with Equity Claims

Creditors with equity claims shall not be entitled to vote those equity claims and shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

2.7 Secured Creditors

Secured Creditors will not be affected by the Proposal and will be paid in the ordinary course by the Debtor in accordance with the current arrangement between the Secured Creditor and the Debtor or as the parties may otherwise agree.

ARTICLE 3

PROCEDURE FOR VALIDATION OF CLAIMS

3.1 Filing of Proof of Claim

Each Creditor must file a Proof of Claim as required by the BIA.

3.2 Allowance or Disallowance of Claims by the Trustee

Subject to Article [2.2], upon receipt of a completed Proof of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Proof of Claim in accordance with the provisions of

the BIA. The procedure for valuing Claims of the Creditors and resolving disputes with respect to such Claims will be as set forth in the BIA.

3.3 Section [149(1)] Notice

Within twenty (20) days of the Implementation Date, the Trustee shall deliver to each Unsecured Creditor who has not filed a Proof of Claim the notice contemplated by section [149(1)] of the BIA.

ARTICLE 4

MEETING OF CREDITORS

4.1 Creditors' Meeting

On the Creditors' Meeting Date, the Debtor shall hold the Creditors' Meeting in order for the Unsecured Creditors to consider and vote upon the Proposal.

4.2 Time and Place of Meeting

Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Official Receiver, or the nominee thereof, and confirmed in the notice of Creditors' Meeting to be mailed to the Creditors pursuant to the BIA.

4.3 Conduct of Meetings

The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only Persons entitled to attend the Creditors' Meeting are those Persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of the Debtor, together with such representatives of the Trustee as the Trustee may appoint in its discretion, and such scrutineers as may be duly appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Unsecured Creditors.

4.4 Adjournment of Meetings

The Creditors' Meeting may be adjourned in accordance with section [52] of the BIA.

4.5 Voting by Creditors

To the extent provided herein, each Unsecured Creditor will be entitled to vote to the extent of the amount that is equal to that of the Creditor's Claim. Any Proof of Claim in respect of a

Claim that is not a Proven Claim as at the Creditors' Meeting Date will be marked as objected to in accordance with subsection [108(3)] of the BIA.

Creditors with equity claims will not be entitled to vote those equity claims at the Creditors' Meeting.

4.6 Approval by Creditors

The Proposal will be binding on all of the Unsecured Creditors of the Debtor in accordance with the BIA if it is first accepted by the class of Unsecured Creditors by a majority in number of the Unsecured Creditors who actually vote upon the Proposal (in-person or by proxy) at the Creditors' Meeting or by a Voting Letter, representing two-thirds in value of the Proven Claims of the Unsecured Creditors in each class who actually vote upon the Proposal (whether in-person or by proxy) at the Creditors' Meeting or by a Voting Letter.

4.7 Appointment of Inspectors

At the Creditors' Meeting, the Unsecured Creditors may appoint up to five (5) Inspectors whose powers will be limited to:

- (a) advising the Trustee concerning any dispute which may arise as to the validity of the Claims; and
- (b) advising the Trustee, from time to time, with respect to any other matter that the Trustee may refer to them.

ARTICLE 5

CREDITOR CERTIFICATES

5.1 Certificates

On the Implementation Date, each Unsecured Creditor will receive from the Trustee, in full and final satisfaction of their Proven Claims, certificates (the "**Certificates**") with a face value equal to that of the Creditor's Claim as set forth in the Creditor's Proof of Claim or the Statement of Affairs, whichever is greater, subject to that Creditor's Claim being determined in accordance with **Article [3]**. Once a Creditor's Claim becomes a Proven Claim, a new Certificate shall be issued to that Creditor with a face value equal to that of the Creditor's Proven Claim, if that Proven Claim is different from the amount set out on the Certificate originally issued to the Creditor.

To the extent that the Claim of an Unsecured Creditor as set forth in the Statement of Affairs has been otherwise paid by the Debtor, that Unsecured Creditor shall not be entitled to receive a Certificate.

The Superintendent will receive a single Certificate with a face value of \$62,500. In the event that the amount of the levy payable by an Unsecured Creditors changes such that the amount of the levy payable by the Unsecured Creditors changes, a new Certificate will be issued to the Superintendent.

ARTICLE 6

DISTRIBUTION

6.1 Payment of Employee Creditors

The Claims, if any, of the Employee Creditors shall be paid immediately after the making of the Approval Order in the ordinary course using proceeds from the operation of the Debtor's business.

6.2 Payment of Source Deduction Creditors

Unless Her Majesty in Right of Canada agrees otherwise, the Proven Claims, if any, of the Source Deduction Creditors shall be paid within six (6) months after the making of the Approval Order.

6.3 Payment of Preferred Creditors

The Debtor shall pay each Preferred Creditor in respect of its Proven Claim in the priority established by the BIA in the ordinary course.

6.4 Payment of Certificates

6.4.1 Payment to Unsecured Creditors other than NewAg. On 30 September 2022, the Debtor shall pay to each of the Unsecured Creditors, except NewAg, and the Superintendent 100% of the amount set out on the on the Certificate issued to that Unsecured Creditor or the Superintendent. In the event that the Claim of an Unsecured Creditor has not become a Proven Claim by 30 September 2022: (a) the amount paid to the Superintendent shall be reduced by the levy shown as owing in respect of that Claim; and (b) the Unsecured Creditor and the Superintendent shall be paid within thirty (30) days of the Unsecured Creditors Claim becoming a Proven Claim.

6.4.2 Payments to NewAg. The Debtor shall pay a total of USDS\$6 million to NewAg as set out in the attached Schedule A. The obligation of the Debtor to make the payments to NewAg is hereby guaranteed by VES Environmental and Turntide.

6.4.3 Satisfaction of Certificates. The Certificates will be fully paid and satisfied by the distribution of the amounts contemplated by this Article [6.4.1] and [6.4.2].

6.4.4 Maximum Payment. No Unsecured Creditor will be entitled to receive more than 100% of that Unsecured Creditor's Proven Claim.

6.5 Equity Claims

Notwithstanding any other provisions of the Proposal, Proven Claims in respect of equity claims shall be fully subordinated to the Proven Claims that are not equity claims and Creditors with equity claims shall not be entitled to receive a distribution in respect of those equity claims unless and until the Proven Claims that are not equity claims are paid in full.

6.6 Levy

As described in Article [5.1], the Superintendent will receive a Certificate in respect of the amount payable in respect of levy.

ARTICLE 7

MISCELLANEOUS

7.1 Compromise Effective for all Purposes

The provisions of this Proposal will be binding upon each Unsecured Creditor, and **their subsidiaries and affiliates, shareholders, directors and officer,** heirs, executors, administrators, successors and assigns, for all purposes. Subject to the limitations in section [50(14)] of the BIA, the Claims against the Directors that arose before the Proposal Date and that relate to the obligations of the Debtor where the Directors are, by law, liable in their capacity as Directors for the payment of such obligations will be satisfied and released.

7.2 Modification of Proposal

The Debtor may propose an alteration or modification to the Proposal prior to the vote taking place on the Proposal.

7.3 Consents, Waivers and Agreements

On payment of the amounts contemplated by Articles [6.4.1] and [6.4.2], each Unsecured Creditor and **their subsidiaries and affiliates, shareholders, directors and officer, heirs, executors, administrators, successors and assigns shall** be deemed:

- (a) to have executed and delivered to the Debtor **or, in the case of NewAg VES Environmental and Turntide,** all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety;

- (b) to have waived any default by the Debtor or VES Environmental of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor or VES Environmental that has occurred on or prior to the Implementation Date, including, in the case of NewAg, the Share Purchase Agreement;
- (c) to have agreed, in the event that there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Debtor or VES Environmental as at the Implementation Date (other than those entered into by the Debtor on, or with the effect from, the Implementation Date) and the provisions of this Proposal, that the provisions of this Proposal shall take precedence and priority, and the provisions of such agreement or other arrangement shall be amended accordingly;
- (d) to have released the Debtor, VES Environmental, Turntide, the Trustee and all of their respective direct and indirect parents, affiliates, employees, agents, directors, officers, shareholders, advisors, consultants and solicitors from any and all demands, claims, actions, causes of action, counter-claims, suits, debts, sums of money, accounts, covenants, damages, judgements, expenses, executions, liens, set off rights and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person 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 act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Implementation Date, relating to or arising out of or in connection with the matters herein including, for greater certainty, debts, claims or obligations contemplated by or related to the Share Purchase Agreement, provided that nothing herein shall release the Debtor of its obligation to make the distributions to the Unsecured Creditors contemplated in this Proposal or VES Environmental and Turntide of their guarantee of the payments required to be made by Article [6.4.2]; and
- (e) in the case of NewAg, shall have released and discharged VES Environmental from any and all claims, liabilities or obligations relating to or arising under the Share Purchase Agreement, including, without limitation, the Consulting Agreement, and the Consulting Agreement shall be terminated and be of no further force and effect.

7.4 Conditions to Proposal Implementation

The implementation of the Proposal by the Debtor, VES Environmental and Turntide will be conditional upon the fulfilment or satisfaction of the following conditions:

- (a) the acceptance of the Proposal by the Unsecured Creditors;

- (b) the making of the Approval Order and the expiry of all appeal periods; and
- (c) **the execution and delivery of the NewAg Settlement Documents.**

7.5 Full Implementation

This Proposal will be fully implemented by the Debtor on delivery of the Certificates as provided by **Article [5.1]**.

7.6 Effect of Proposal Generally

As at 12:01 on the date of the Approval Order becomes final and binding:

- (a) the treatment of all Claims under the Proposal shall be final and binding on the Debtor and all Unsecured Creditors (along with their respective heirs, executors, administrators, legal personal representatives, successors and assigns); and
- (b) the Proposal shall constitute:
 - (i) a full, final and absolute settlement of all rights of the holders of the Claims and **other Persons affected by the Proposal;** and
 - (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Debtor **and other Persons** of or in respect of the Claims **or other obligations affected by the Proposal.**

7.7 Conduct of Debtor's Business

Subject to any Order made by the Court, the Debtor shall remain in possession and control of their property and assets at all times, both before and after the implementation of this Proposal.

ARTICLE 8

AVOIDANCE OF TRANSACTION

8.1 Proceedings Pursuant to Sections [95 to 101] of the BIA

Sections [95 to 101] of the BIA will **not** apply in respect of the Debtor and this Proposal.

ARTICLE 9

FOREIGN RECOGNITION

9.1 Recognition Proceedings

The Debtor or, up until the Proposal is fully implemented, the Trustee may, in their sole discretion, initiate proceedings, in the United States of America or elsewhere, to: (a) have the proceedings commenced by the Debtor pursuant to Part III of the BIA recognized; and (b) obtain any order or orders that may be necessary or advisable in connection with this Proposal.

9.2 Designation of Representative

For that purpose of **Article [9.1]**, the Approval Order shall designate each of the Trustee and the Debtor as the representative of the Debtor pursuant to section **[279]** of the BIA.

9.3 Funding of Recognition Proceedings

Notwithstanding **Article [9.1]**, neither the Trustee or the Debtor is not obliged to initiate proceedings or take any steps to have these proceedings commenced by the Debtor pursuant to Part III of the BIA recognized unless there are provisions in place that are satisfactory to the Debtor and/or Trustee, in its sole discretion, with respect to the payment of the professional fees and other expenses that will be incurred by the Trustee or the Debtor in connection with such proceedings.

ARTICLE 10

GENERAL

10.1 Notices

Any notices or communications to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject as hereinafter provided, be made or given by personal delivery, by prepaid mail or by telecopier (except for Proof of Claim which may only be sent by personal delivery, telecopier or registered mail) addressed to the respective parties as follows:

- (a) if to the Debtor:

c/o Gowling WLG (Canada) LLP
Suite 1600, 100 King St.W.
Toronto ON M5X 1G5

Attention: E. Patrick Shea, LSM, CS
Telecopier: 416-862-7661
E-mail: patrick.shea@gowlingwlg.com

- (b) if to an Unsecured Creditor, to the address or telecopier number for such Unsecured Creditor specified in the Proof of Claim filed by such Unsecured Creditor or, if no Proof of Claim has been filed, to such other address or telecopier number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted; and
- (c) if to the Trustee:

MNP Ltd.
1021 West Hastings Street
Suite 1600 - MNP Tower
Vancouver BC V6E 0C3

Attention: Julie Kennedy, CIRP, LIT
Telecopier: 604-904-8628
E-mail : julie-kennedy@mnp.ca

or to such other address, e-mail address or telecopier number as any party may from time to time notify the others in accordance with this section. In the event of any strike, lock-out and other event which interrupts postal service in any part of Canada, all notices and communications during such interruption may only be given or made by personal delivery, by e-mail or telecopier, and any notice or other communication given or made by prepaid mail within the five (5) Business Day period immediately preceding the commencement of such interruption will be deemed not to have been given or made. All such notices and communications will be deemed to have been received, in the case of notice by e-mail or telecopier, or by delivery prior to 17:00 (local time) on a Business Day, when received or if received after 17:00 (local time) on a Business Day or at any time on a non-Business Day, on the next following Business Day and in the case of notice mailed as aforesaid, on the fifth (5th) Business Day following the date on which such notice or other communication is mailed. The unintentional failure to give a notice contemplated hereunder to any particular Creditor will not invalidate this Proposal or any action taken by any Person pursuant to this Proposal.

10.2 Foreign Currency Obligations

For purposes of this Proposal, the Claims denominated in a currency other than Canadian funds will be converted to Canadian dollars at the closing spot rate of exchange of the Bank of Canada on the Proposal Date.

10.3 Applicable Law

This Proposal shall be construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and shall be treated in all respects as a British Columbia contract.

10.4 Non-Severability

It is intended that all provisions of this Proposal shall be fully binding on and effective between all Persons named or referred to in this Proposal, and in the event that any particular provision or provisions of this Proposal is or are found to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

10.5 Deeming Provisions

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

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EXECUTION PAGE

DATED this 13th day of April 2022.

VES-ARTEX SYSTEMS USA, LLC

DocuSigned by:
Ed Paradowski
Per: 3A4582A6ABAE420...
Name: Ed Paradowski
Title: CEO

I have authority to bind the corporation.

VES-ARTEX SYSTEMS CANADA, ULC

DocuSigned by:
Ed Paradowski
Per: 3A4582A6ABAE420...
Name: Ed Paradowski
Title: CEO

I have authority to bind the corporation.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK

GUARANTEE OF DISTRIBUTIONS

EACH OF THE UNDERSIGNED hereby, jointly and severally, unconditionally guarantee the prompt and full payment to the Unsecured Creditors of all amounts payable by the Debtor to the Unsecured Creditors of the amount described in Article [6.4.1] and [6.4.2] above (the "Indebtedness"), whether present or future, mature or not, voluntary or involuntary, and whether recovery upon such Indebtedness may be or hereafter become barred or unenforceable.

VES ENVIRONMENTAL SOLUTIONS, INC.

DocuSigned by:
Ed Paradowski
Per: 3A4582A6ABAE420...
Name: Ed Paradowski
Title: CEO

I have authority to bind the corporation.

TURNTIDE TECHNOLOGIES, INC.

DocuSigned by:
Ryan Morris
Per: 7A12B9A3933C46D...
Name: Ryan Morris
Title: CEO

I have authority to bind the corporation.

SCHEDULE A

50055499\1

12/04/2022 SCHEDULE A

		MONTH NUMBER									
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>	<u>9</u>	<u>10</u>
12-Apr-22		31-May-22	30-Jun-22	31-Jul-22	31-Aug-22	30-Sep-22	31-Oct-22	30-Nov-22	31-Dec-22	31-Jan-23	28-Feb-23
Opening	6,000,000	5,500,000	5,463,333	5,426,666	5,389,999	5,353,332	5,316,665	5,280,000	5,104,000	4,928,000	4,752,000
Less: Payment	(500,000)	(36,667)	(36,667)	(36,667)	(36,667)	(36,667)	(36,665)	(176,000)	(176,000)	(176,000)	(176,000)
Equals: Closing	5,500,000	5,463,333	5,426,666	5,389,999	5,353,332	5,316,665	5,280,000	5,104,000	4,928,000	4,752,000	4,576,000

<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>	<u>16</u>	<u>17</u>	<u>18</u>	<u>19</u>	<u>20</u>	<u>21</u>	<u>22</u>	<u>23</u>
31-Mar-23	30-Apr-23	31-May-23	30-Jun-23	31-Jul-23	31-Aug-23	30-Sep-23	31-Oct-23	30-Nov-23	31-Dec-23	31-Jan-24	29-Feb-24	31-Mar-24
4,576,000	4,400,000	4,224,000	4,048,000	3,872,000	3,696,000	3,520,000	3,344,000	3,168,000	2,992,000	2,816,000	2,640,000	2,464,000
(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)
4,400,000	4,224,000	4,048,000	3,872,000	3,696,000	3,520,000	3,344,000	3,168,000	2,992,000	2,816,000	2,640,000	2,464,000	2,288,000

<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>28</u>	<u>29</u>	<u>30</u>	<u>31</u>	<u>32</u>	<u>33</u>	<u>34</u>	<u>35</u>	<u>36</u>
30-Apr-24	31-May-24	30-Jun-24	31-Jul-24	31-Aug-24	30-Sep-24	31-Oct-24	30-Nov-24	31-Dec-24	31-Jan-25	28-Feb-25	31-Mar-25	30-Apr-25
2,288,000	2,112,000	1,936,000	1,760,000	1,584,000	1,408,000	1,232,000	1,056,000	880,000	704,000	528,000	352,000	176,000
(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)	(176,000)
2,112,000	1,936,000	1,760,000	1,584,000	1,408,000	1,232,000	1,056,000	880,000	704,000	528,000	352,000	176,000	-

**IN THE MATTER OF THE JOINT DIVISION I PROPOSAL OF
VES-ARTEX SYSTEMS USA, LLC AND VES-ARTEX SYSTEMS CANADA, ULC**

MINUTES OF THE GENERAL MEETING OF CREDITORS

These are the Minutes of the reconvened general meeting of creditors (the "**Meeting**") held virtually on the 13th day of April, 2022 at the hour of 11 AM (PST)

<u>Present:</u>	<u>Representing</u>
Sheldon Title	Trustee
William Roberts	Lawson Lundell LLP, Trustee's counsel
Ed Paradowski	VES-Artex Systems USA, LLC and VES-Artex Systems Canada ULC (collectively, the " Debtors ")
Patrick Shea	Gowlings WLG, counsel for the Debtors
Ryan Morris	Debtors
Fergus McDonnell	Fasken Martineau DuMoulin LLP, proxy for Newag Holdings Ltd.
Eldon Goudzwaard	Newag Holdings Ltd.
Yoav Levsky	Levsky Holding Inc. (no proxy filed)
Cam Hall (until 11:31 AM)	Connect Computer Solutions
Michael Schur	Top Cool Holdings Ltd.

The Trustee advised that it had voting letters from Phason Inc. and Top Cool Holdings Ltd. Fergus McDonnell was the only other party attending the meeting with standing to vote, being proxyholder for Newag Holdings Ltd. ("**NewAg**").

CALL TO ORDER

Sheldon Title acted as the Chairperson and acted as Secretary of the meeting. The Chairperson informed the Meeting that pursuant to section 51(3) of the *Bankruptcy and Insolvency Act* (the "**Act**"), he would act as Chairperson and would decide any questions or disputes arising at the meeting and from such decision any creditor may appeal to the court. The Chairperson examined the Proofs of Claim and Proxies in favour of the Trustee and determined that there was a quorum. The Chairperson declared the Meeting duly convened and called the Meeting to order.

The Chairperson advised that pursuant to Section 115 of the Act all questions at the Meeting, with the exception of voting for the approval of the Division I Proposal, shall be decided by ordinary resolution carried by the majority of votes, and for that purpose the votes of a creditor shall be calculated by counting one vote for each dollar of every claim of the creditor that is not disallowed.

RECESS

After calling the Meeting to order, the Meeting was recessed to permit the Debtors to present an amended proposal, which was in the process of being signed. The amended proposal dated April 13, 2022 (the "**Amended Proposal**") was emailed by Patrick Shea to the Trustee at 11:16 AM (PST). The meeting resumed at 11:16 AM.

PURPOSE OF MEETING – Subsection 51(1)

The Chairperson explained that the purpose of the Meeting is to:

- i) consider the Amended Proposal and the financial affairs of the Insolvent Person;
- ii) vote on the Amended Proposal, unless an adjournment is requested by ordinary resolution by the creditors pursuant to Section 52

MOTIONS

The Chairperson advised the Meeting that pursuant to subsection 54(1)(d) of the Act, the Amended Proposal shall be deemed to be accepted by the creditors if, and only if, all the classes of unsecured creditors vote for the acceptance of the Amended Proposal by a majority in number and two thirds (66.66%) in value of the unsecured creditors of each class present, personally or by proxy, at the meeting and voting on the resolution. The Amended Proposal provides that the unsecured creditors are voting as one class.

Michael Schur asked whether considering that NewAg holds over 2/3 of the voting power, is there any value in other creditors voting or is it a formality for the record? The Chairperson advised that there is need to have both a majority in number and 2/3 in dollar amount, so other creditors factor into the outcome of the vote.

UNSECURED CREDITORS

The Chairperson then called for a motion for the approval of the Proposal, which was carried.

Prior to taking the vote, Patrick Shea advised the following further amendments need to be made to the Amended Proposal:

Paragraph 1.1(ee) – the definition of “Settlement Date” is to be removed;

6.4.1 – remove typographical errors

6.4.4 – remove a typographical error

A vote was then held on the Amended Proposal (as further amended above), which was approved by the creditors voting. The Trustee informed the meeting that it included in the vote the voting letters it had received before the Meeting as the terms of the Amended Proposal represented an improvement to creditors.

Results of the voting as duly filed with the Trustee before the Meeting and in person at the Meeting is summarized as follows:

	For	%	Against	%
Number of creditors	3	100%	\$0	0%
Dollar value	\$15,722,057.09	100%	\$0	0%

APPOINTMENT OF INSPECTORS - Section 56

The Chairperson advised the Meeting that pursuant to Section 56 of the Act, the creditors may appoint one or more, but not exceeding five, Inspectors of the Amended Proposal, who shall have the powers of an Inspector under the Bankruptcy and Insolvency Act, subject to any extension or restriction of those powers by the terms of the Division I Proposal.

The Chairperson called for persons wishing to be appointed as inspectors. A motion was then made for the appointment of inspectors, wherein the creditors resolved that the board of Inspectors consist of one individual and that Eldon Goudzwaard be appointed as the sole Inspector.

DIRECTIONS TO THE TRUSTEE

No directions were given to the Trustee at this meeting.

CONCLUSION

There being no further business, the Meeting was concluded at 11:37 AM (PST).

DATED AT TORONTO, Ontario this 13th day of April 2022.

MNP Ltd.

**Trustee in re: the proposal of
VES-Artex Systems Canada, ULC and
VES-Artex Systems USA, LLC**

Per:

Per:  _____

Sheldon Title



Suite 1600 Cathedral Place
925 West Georgia Street
Vancouver, BC
Canada V6C 3L2
T: 604.685.3456

April 21, 2022

EMAIL

TO ATTACHED SERVICE LIST

Dear Sirs:

Re: *In the Matter of the Notice of Intention to Make a Proposal of VES-Artex Systems Canada, ULC; Action No. VLC-S-B-220121 (Vancouver Registry); and In the Matter of the Notice of Intention to Make a Proposal of VES-Artex Systems USA, LLC; Action No. VLC-S-B-2200120 (Vancouver Registry)*

Enclosed for service upon you is a Notice of Application and Notice of Hearing of Application for Court Approval of Proposal, both filed April 20, 2022, for each action noted above.

We trust the above is satisfactory but please do not hesitate to contact the writer if you have any questions or concerns.

Yours very truly,

LAWSON LUNDELL LLP



William L. Roberts*

WLR/czc

Enc.

cc. Client

*Law Corporation

William L. Roberts
D: 604.631.9163
F: 604.641.4401
wroberts@lawsonlundell.com

SERVICE LIST

Debtors:	Secured Creditors:
<p>VES-ARTEX SYSTEMS CANADA, ULC and VES-ARTEX SYSTEMS USA, LLC c/o Gowling WLG 100 King Street West Suite 1600 Toronto M5X 1G5 Attention: E. Patrick Shea Email: patrick.shea@gowlingwlg.com</p>	<p>JIM PEPLINSKI LEASING INC. 81 The East Mall - Suite 101 Toronto ON M8Z 5W3 Email: info@jimpeplinski.ca</p>
Unsecured Creditors:	
<p>KURITEC 2500 Raymond Weigel St Cadillac , Michigan 49601 USA Email: isaac@kuritec.com</p>	<p>MINISTRY OF FINANCE - PST - BRITISH COLUMBIA Station Provincial Government PO Box 9445 Victoria BC V8W 9V5 BC Health Tax Email: rmbtaxpayerinquiries@gov.bc.ca</p>
<p>LEVSKY HOLDING INC. Unit 3- 1201 Lamey's Mill Rd Vancouver BC V6H 3S6 Email: yoav@levskyholding.com</p>	<p>NEWAG HOLDINGS LTD Attn: Fergus McDonnell c/o Fasken Martineau DuMoulin LLP 2900 - 550 Burrard Street Vancouver BC V6C 0A3 Email: fmcdonnell@fasken.com</p>
<p>PHASON ELECTRONIC CONTROL SYSTEMS 2 Terracon Place Winnipeg MB R2J4G7 Email: dweigelt@phason.ca</p>	<p>TOPCOOL HOLDINGS LTD Sunshine Plaza, 353 Lockhart Road Wan Chai, Hong Kong, HKG Hong Kong Email: tcfid@topcool.co</p>

MNP Ltd.

Claims Register

In the Matter of the Proposal of
VES-Artex Systems Canada, ULC
of the City of Abbotsford, in the Province of British Columbia

Insolvency Date: 17-Feb-2022

Estate Number: 11-2805685

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
Secured creditors						
1. BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com	No	Not proved		359,890.40		
2. Jim Peplinski Leasing Inc.	Yes	Admitted		46,000.00	42,254.92	
3. Turntide Technologies Canada Inc. c/o Turntide Technologies	No	Not proved				
4. VES Environmental Solutions Europe Limited c/o VES Environmental Solutions Inc.	No	Not proved				
5. VES Environmental Solutions Inc.	No	Not proved		628,017.60		
Total : Secured creditors				1,033,908.00	42,254.92	
Unsecured creditors						
1. Bakerview EcoDairy Ltd.	No	Not proved		210.00		
2. Borden Ladner Gervais LLP - Vancouver	No	Not proved		19,003.04		
3. Chamber of Commerce	No	Not proved		371.70		
4. City of Abbotsford Property Taxes Attn: Mike Veenbaas	No	Not proved		130.00		
5. CONNECT COMPUTER SOLUTIONS	Yes	Admitted		3,772.01	3,891.57	3,891.57
6. CONTACT SECURITY	No	Not proved		260.40		
7. CRA - Southern Interior B.C. Tax Services Office	No	Not proved		1.00		
8. Daviesway Pty Ltd.	No	Not proved		123.69		
9. DEJONGE FAMILY FARMS LTD.	No	Not proved		5,775.00		
10. DELMAR INTERNATIONAL (ARTEX)	No	Not proved		1,803.85		
11. EAST ROCK LIMITED	No	Not proved		264,809.07		
12. Gevasol Industries LTD	No	Not proved		21,456.93		
13. GFL Environmental Inc.	No	Not proved		264.09		
14. HANSEN INDUSTRIES, INC.	No	Not proved		3,381.34		
15. Kelly Ingalls	No	Not proved		197.73		
16. KURI TEC CORPORATION	Yes	Admitted		891.67	891.67	
17. Levsky Holding Inc.	Yes	Admitted		14,688.71	14,688.71	
18. Ministry of Finance - PST - British Columbia BC Health Tax	Yes	Admitted		10,264.09	7,365.06	
19. NEWAG HOLDINGS LTD Attn: Fergus McDonnell	Yes	Admitted		15,662,046.21	15,701,520.43	
20. PALADIN TECHNOLOGIES	No	Not proved		201.60		
21. Patrick Lecavalier (Artex)	No	Not proved		742.46		
22. PHASON ELECTRONIC CONTROL SYSTEMS	Yes	Admitted		19,689.20	19,689.20	

Claims Register for VES-Artex Systems Canada, ULC - Concluded

Insolvency Date: 17-Feb-2022

Estate Number: 11-2805685

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>	
23. PRECISION FARM SUPPLIES LTD.	No	Not proved		1,763.29			
24. Precision Farm Supplies Ltd.	No	Not proved		2,041.90			
25. PT Lunar Chemplast	No	Not proved		154.21			
26. SOUTHERN IRRIGATION	No	Not proved		5,545.00			
27. Thai Tan Trading and Transport Co LTD	No	Not proved		15,283.14			
28. TOPCOOL HOLDINGS LTD	Yes	Admitted		847.46	847.46		
29. Turntide Technologies Canada Inc. c/o Turntide Technologies	No	Not proved		33,390.84			
30. VES Enviornmental Solutions Europe Limited c/o VES Environmental Solutions Inc.	No	Not proved		13,135.70			
31. VES Environmental Solutions Inc.	No	Not proved		2,940,860.69			
32. WCB Workers Compensation Board of Alberta Attn: Collection Department	No	Not proved		4.28			
33. WESTERN COW COMFORT (ARTEX)	No	Not proved		26,786.56			
34. WorkSafeBC - Collections Department	No	Not proved		1,622.61			
Total : Unsecured creditors				19,071,519.47	15,748,894.10	3,891.57	
				Grand Total:	20,105,427.47	15,791,149.02	3,891.57

MNP Ltd.

Claims Register

In the Matter of the Proposal of
VES-Artex Systems USA, LLC
Incorporated Under the Laws of the State of Delaware
In the United States of America

Insolvency Date: 17-Feb-2022

Estate Number: 11-2805687

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
Secured creditors						
1. NEWAG HOLDINGS LTD Attn: Fergus McDonnell	Yes	Admitted		1.00		
Total : Secured creditors				1.00		
Unsecured creditors						
1. Bakerview EcoDairy Ltd.	No			210.00		
2. BMO Bank of Montreal (formerly MBanx) c/o BankruptcyHighway.com	No			359,890.40		
3. Borden Ladner Gervais LLP - Vancouver	No			19,003.04		
4. Chamber of Commerce	No			371.70		
5. City of Abbotsford Property Taxes Attn: Mike Veenbaas	No			130.00		
6. CONNECT COMPUTER SOLUTIONS	No			3,772.01		
7. CONTACT SECURITY	No			260.40		
8. CRA - Southern Interior B.C. Tax Services Office	No	Not proved		1.00		
9. Daviesway Pty Ltd.	No			123.69		
10. DEJONGE FAMILY FARMS LTD.	No			5,775.00		
11. DELMAR INTERNATIONAL (ARTEX)	No			1,803.85		
12. EAST ROCK LIMITED	No			264,809.07		
13. Gevasol Industries LTD	No			21,456.93		
14. GFL Environmental Inc.	No			264.09		
15. HANSEN INDUSTRIES, INC.	No			3,381.34		
16. Jim Peplinski's Leasing	No	Not proved		46,000.00		
17. Kelly Ingalls	No			197.73		
18. KURITEC	No			891.67		
19. Levsy Holding Inc.	No			14,688.71		
20. Ministry of Finance - PST - British Columbia BC Health Tax	No			10,264.09		
21. NEWAG HOLDINGS LTD Attn: Fergus McDonnell	Yes	Admitted		15,662,045.21	15,701,520.43	
22. PALADIN TECHNOLOGIES	No			201.60		
23. Patrick Lecavalier (Artex)	No			742.46		
24. PHASON ELECTRONIC CONTROL SYSTEMS	Yes	Not proved		19,689.20	19,689.20	
25. PRECISION FARM SUPPLIES LTD.	No			1,763.29		

Claims Register for VES-Artex Systems USA, LLC - Concluded

Insolvency Date: 17-Feb-2022

Estate Number: 11-2805687

<i>Creditor Name</i>	<i>Proof of Claim?</i>	<i>Claim Status</i>	<i>Rank / Class</i>	<i>SOA Amount</i>	<i>Amount Filed</i>	<i>Admitted for Dividend</i>
26. Precision Farm Supplies Ltd.	No			2,041.90		
27. PT Lunar Chemplast	No			154.21		
28. SOUTHERN IRRIGATION	No			5,545.00		
29. Thai Tan Trading and Transport Co LTD	No			15,283.14		
30. TOPCOOL HOLDINGS LTD	No			847.46		
31. Turntide Technologies Canada Inc.	No			33,390.84		
32. VES Environmental Solutions Europe Limited	No			13,135.70		
33. VES Environmental Solutions Inc.	No			3,568,878.29		
34. WCB Workers Compensation Board of Alberta Attn: Collection Department	No			4.28		
35. WESTERN COW COMFORT (ARTEX)	No			26,786.56		
36. WorkSafeBC - Collections Department	No			1,622.61		
Total : Unsecured creditors				20,105,426.47	15,721,209.63	
				Grand Total:	20,105,427.47	15,721,209.63