

No. S-234515
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WEAVER CAPITAL CORP.

PETITIONER

AND:

EAGLE GRAPHITE CORPORATION

RESPONDENT

ORDER MADE AFTER APPLICATION

APPROVAL AND VESTING ORDER

BEFORE THE HONOURABLE

Justice Duncan

)
)
)

November 30, 2023

THE APPLICATION of FTI Consulting Canada Inc., in its capacity as Court-appointed Receiver (the "**Receiver**") of the assets, undertakings and properties of Eagle Graphite Corporation ("**Eagle**") coming on for hearing at Vancouver, British Columbia, on the 30th day of November, 2023; AND ON HEARING Colin D. Brousson, counsel for the Receiver, and those other counsel listed on Schedule "A" hereto; AND UPON READING the material filed, including the Second Report of the Receiver dated November 21, 2023 (the "**Report**");

THIS COURT ORDERS AND DECLARES THAT:

1. Service of notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.
2. The sale transaction (the "**Transaction**") contemplated by the Agreement of Purchase and Sale dated September 25, 2023 (the "**Sale Agreement**") between the Receiver and 1420027 B.C. Ltd. (the "**Purchaser**"), a copy of which is attached as Appendix "A" to the Report is hereby approved, and the Sale Agreement is commercially reasonable. The execution of the Sale Agreement by the Receiver is hereby authorized and approved, and the Receiver is hereby authorized and

directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance to the Purchaser of the assets described in the Sale Agreement (the "**Purchased Assets**").

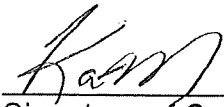
3. The Modification Agreement of Purchase and Sale (the "**Modification Agreement**") between the Receiver and the Purchaser, a copy of which is attached as Schedule "G" hereto, is hereby approved. The execution of the Modification Agreement by the Receiver is hereby authorized and approved.
4. Upon delivery by the Receiver to the Purchaser of a certificate substantially in the form attached as Schedule "B" hereto (the "**Receiver's Certificate**"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule "C" hereto shall vest absolutely in the Purchaser in fee simple, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of this Court dated July 20, 2023; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* of British Columbia or any other personal property registry system; and (iii) those Claims listed on Schedule "**D**" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "**E**" hereto), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
5. Upon presentation for registration in the Land Title Office for the Land Title District of _____ a certified copy of this Order, together with a letter from Receiver's counsel, solicitors for the Receiver, authorizing registration of this Order, the British Columbia Registrar of Land Titles, the Mineral Titles Branch and any other public registry in which an interest in the Purchased Assets may be registered (collectively, the "**Registries**") is hereby directed to:
 - (a) enter the Purchaser as the owner (in place of Eagle Graphite Corporation) of the mineral claims identified in Schedule "**F**" hereto (the "**Mineral Claims**") and this Court declares that it has been proved to the satisfaction of the Court on investigation that title of the Purchaser in and to the Mineral Claims is good, safe holding and marketable title and directs the Registries to register indefeasible title in favour of the Purchaser as set out above; and

- (b) having considered the interest of third parties, to discharge, release, delete and expunge from title to the Mineral Claims all of the registered Encumbrances except for those listed in Schedule "E".
6. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and from and after the delivery of the Receiver's Certificate all Claims shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having had possession or control immediately prior to the sale.
 7. Subject to the terms of the Sale Agreement, vacant possession of the Purchased Assets, including any real property, shall be delivered by the Receiver to the Purchaser at 12:00 noon on the Closing Date (as defined in the Sale Agreement), subject to the permitted encumbrances as set out in the Sale Agreement and listed on Schedule "E".
 8. Unless otherwise agreed to in writing between the Receiver and the Purchaser, the Closing Date shall occur by or on January 31, 2024.
 9. Notwithstanding:
 - (a) these proceedings;
 - (b) any applications for a bankruptcy order in respect of Eagle now or hereafter made pursuant to the *Bankruptcy and Insolvency Act* and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of Eagle,the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute or be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance or other reviewable transaction under the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.
 10. Subject to clause 8, the Deposit, as defined in the Sale Agreement, will be absolutely forfeited to the Receiver, without any prejudice to any other rights or remedies which the Receiver may have against the Purchaser, in the event that the Purchaser doesn't close on the Transaction on or before January 31, 2024, for any reason other than due to the default of the Receiver.

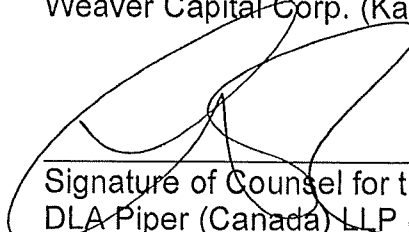
11. The Receiver is hereby authorized to immediately utilize the funds comprising the Deposit, as defined in the Sale Agreement, in its sole discretion, including, without limitation, for purposes of paying receiver fees and expenses and payments to Weaver Capital Corp. (the "**Secured Lender**") as the secured creditor.
12. The Receiver is authorized to pay out to the Secured Lender the net proceeds from the estate as final payment of the indebtedness owing to the Secured Lender by Eagle, less amounts to be reserved by the Receiver for outstanding professional fees, Receiver Certificates and receivership administrative costs.
13. The Receiver is authorized to immediately pay out to the Secured Lender the Modification Fee, as defined in the Modification Agreement, and the Modification Fee will be applied to the debt owing by Eagle to the Secured Lender.
14. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.
15. The Receiver or any other party have liberty to apply for such further or other directions or relief as may be necessary or desirable to give effect to this Order.

16. Endorsement of this Order by counsel or any unrepresented party appearing on this application, other than counsel to the Petitioner, the Receiver and the Purchaser is hereby dispensed with.

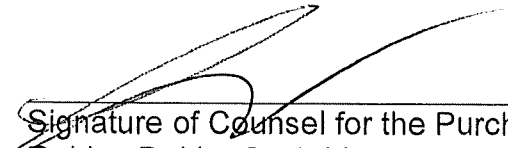
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Counsel for the Petitioner,
Weaver Capital Corp. (Katie Mak)

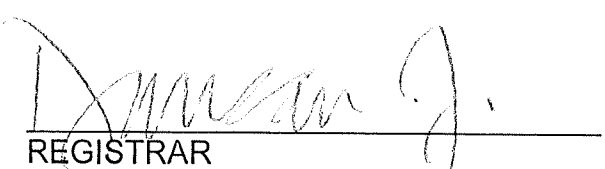


Signature of Counsel for the Receiver,
DLA Piper (Canada) LLP (Colin D. Brousson)



Signature of Counsel for the Purchaser,
Gehlen Dabbs Cash LLP (Carol Cash)

BY THE COURT



REGISTRAR

Schedule A – List of Counsel

Name of Counsel	Party Representing

Schedule B – Form of Receiver’s Certificate

No. S-234515
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WEAVER CAPITAL CORP.

PETITIONER

AND:

EAGLE GRAPHITE CORPORATION

RESPONDENT

RECEIVER’S CERTIFICATE

- A. Pursuant to an Order of the Honourable Justice Fitzpatrick of the Supreme Court of British Columbia (the “Court”) dated July 20, 2023, FTI Consulting Canada Inc. was appointed as the receiver of all of the undertakings and property of Eagle Graphite Corporation (“Eagle”).
- B. Pursuant to an order of the Court dated _____, 2023, the Court approved the agreement of purchase and sale (the “**Sale Agreement**”) between the Receiver and 1420027 B.C. Ltd. (the “**Purchaser**”) dated September 25, 2023, and provided for the vesting in the Purchaser of Eagle’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon delivery by the Receiver to the Purchaser of a certificate confirming (i) payment by the Purchaser of the Purchase Price for the Purchased Assets; and (ii) the Transaction has been completed to the satisfaction of the Receiver.
- C. Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE RECEIVER HEREBY CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement.

2. The Transaction has been completed to the satisfaction of the Receiver.

DATED at the City of Vancouver, in the Province of British Columbia, this __ day
of _____, 2023.

FTI Consulting Canada Inc., in its capacity as
Receiver of Eagle Graphite Corporation

Per:

Schedule C – Purchased Assets

1. All of the right, title and interest of Eagle Graphite Corporation in:
 - a. a graphite mine located in the Slocan Valley area of British Columbia, approximately 35 kilometres west of the city of Nelson and 35 kilometres north of the city of Castlegar, with an open-pit quarry allowing access to graphite deposits;
 - b. a processing facility and related equipment;
 - c. two mining or mineral leases registered in the name of the Debtor under title numbers 390937 and 392322;
 - d. two mineral claims under title numbers 318625 and 318627; and
 - e. the following assets, if any:
 - i. all inventory;
 - ii. all chattels, fixtures and equipment;
 - iii. all intellectual property;
 - iv. all rights under non-disclosure or confidentiality, non-compete or non-solicitation agreements with employees and agents or with third parties;
 - v. the Assigned Contracts, if any, and the Permitted Encumbrances; and
 - vi. all other personal property not contemplated by the foregoing, but excluding the Excluded Assets.

Schedule D - Claims to be Deleted from the Purchased Assets

Schedule E - Permitted Encumbrances

1. Any rights reserved to or vested in any Governmental Authorities by any statutory provision or authority with respect to the Property;
2. Any rights of expropriation, access or use or any other rights conferred or reserved by or in any statute of Canada, or the Province of British Columbia regarding the Property including the Quarry and/or Plant and Equipment;
3. Any unregistered interest in the Property (including, without limitation, leases, claims and other encumbrances) of which the Purchaser has actual notice;
4. Any unregistered easements regarding the provision of utilities to the Quarry and/or Plant and Equipment; and
5. Any reservations, limitations, provisions, conditions or exceptions, including royalties, charges or user fees, related to the Mineral Leases and/or Mineral Claims.

Schedule F - Mineral Claims

1. Mineral claims under title numbers: 318625 and 318627.

Schedule G – Modification Agreement

No. S-234515
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WEAVER CAPITAL CORP.

PETITIONER

AND:

EAGLE GRAPHITE
CORPORATION

RESPONDENT

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

**IN THE MATTER OF THE RECEIVERSHIP OF
EAGLE GRAPHITE CORPORATION**

ORDER MADE AFTER APPLICATION

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No. 039071-00005

CDB/saa

MODIFICATION OF AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made as of the 29th day of November, 2023,

BETWEEN:

FTI CONSULTING CANADA INC., solely in its capacity as the court-appointed receiver of the assets, property and undertaking of Eagle Graphite Corporation, and not in its personal capacity and without personal or corporate liability

(the "Vendor")

AND:

1420027 B.C. LTD.

(the "Purchaser")

WHEREAS

A. The Vendor and Purchaser entered into an agreement of purchase and sale made September 25, 2023 (the "**Purchase Agreement**") wherein the Vendor agreed to sell and the Purchaser agreed to purchase the Purchased Assets, as more particularly described in the Purchase Agreement; and

B. The parties have agreed to modify and amend the terms of the Purchase Agreement as set out herein.

THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements hereinafter set out, and other good and valuable consideration, the receipt and sufficiency of which by each of the parties hereto is hereby acknowledged:

1. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Purchase Agreement.
2. The text of the following sections of the Purchase Agreement are hereby deleted in their entirety and replaced with the following:
 - (a) section 1.1 – "'Deposit" – means the sum of \$630,000 paid in accordance with Section 2.6."
 - (b) section 2.5 – "Purchase Price – The purchase price for the Purchased Assets, exclusive of all applicable Transfer Taxes, shall be \$4,200,000 (the "**Purchase Price**"), to be paid by the Purchaser as follows:
 - (a) the Deposit will be paid by the Purchaser to the Receiver by way of certified cheque, bank draft or wire concurrently with delivery of this Agreement by the Purchaser; and
 - (b) the balance of the Purchase Price will be paid by the Purchaser on the Closing Date as provided in this Agreement."

- (c) section 6.1(a) – "Unless otherwise agreed to in writing by the parties, the closing shall occur on January 31, 2024 (the "**Closing Date**")."
3. In consideration of the Vendor agreeing to the modifications contemplated herein and in acknowledgement of the additional interest charges that the petitioner and secured creditor in the Receivership Proceeding, Weaver Capital Corp. ("**Weaver**"), will incur as a result of such modifications, the Purchaser agrees to pay to the Vendor, which the Vendor will then pay directly to Weaver a non-refundable fee of \$70,000 (the "**Modification Fee**") which Modification Fee when paid to Weaver will be applied to the debt owing by the Debtor to Weaver. The Vendor acknowledges receipt of \$30,000 of the Modification Fee with the balance of the Modification Fee in the amount of \$40,000 to be paid by the Purchaser to the Vendor on or before 5:00 pm (Vancouver time) on November 30, 2023. For certainty, it is understood and agreed by the Purchaser that the Modification Fee does not form part of the Deposit, will not be applied to the Purchase Price and is a payment independent of any payments that the Purchaser is required to make on account of the Purchase Price under the Purchase Agreement.
 4. The \$60,000 increase in the Deposit contemplated by way of Section 2(a) above shall be paid by the Purchaser to the Vendor on or before 5:00 pm (Vancouver time) on November 30, 2023.
 5. The Purchaser shall consent to the Vendor obtaining an order from the Court under the Receivership Proceeding to the effect that the Deposit, as increased hereunder, will be absolutely forfeited to the Vendor, without prejudice to any other rights or remedies which the Vendor may have against the Purchaser, in the event that the Purchaser doesn't close on the Transaction on or before January 31, 2024 for any reason other than due to the default of the Vendor.
 6. In the event that the Purchaser fails to close the Transaction under the terms of the Purchase Agreement, as amended by this Agreement, the Purchaser agrees that it shall not contest the purchase of the Purchased Assets by Weaver on terms substantially similar to the Stalking Horse APS (as defined in Schedule D of the Purchase Agreement).
 7. The Purchaser agrees that the Vendor shall no longer be required to hold the Deposit in trust and may immediately utilize the funds comprising the Deposit (including such additional funds that will form part of the Deposit when paid under the terms of this Agreement) in its sole discretion, including, without limitation, for purposes of paying receiver fees and expenses and payments to Weaver as the secured creditor.
 8. This Agreement will be read together with the Purchase Agreement as if the provisions of this Agreement and the Purchase Agreement were contained in one agreement. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Purchase Agreement, the provisions of this Agreement will prevail.
 9. The Vendor and Purchaser hereby ratify the Purchase Agreement and confirm that, except as amended by this Agreement, the Purchase Agreement remains in full force and effect without further amendment.
 10. This Agreement will enure to the benefit of and be binding upon the parties and their respective

successors and assigns.

11. Time shall remain of the essence in respect of the Purchase Agreement and this Agreement.
12. This Agreement will in all respects be governed exclusively by and construed in accordance with the laws of British Columbia and the laws of Canada applicable therein and will be treated in all respects as a British Columbia contract.
13. This Agreement may be executed in one or more counterparts, all of which together will constitute one and the same instrument.
14. This Agreement may be electronically executed by the parties and transmitted electronically and if so executed and transmitted this Agreement will be for all purposes as effective as if the parties had delivered an executed original Agreement.

[EXECUTION PAGE FOLLOWS]

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

FTI CONSULTING CANADA INC., solely in its capacity as court-appointed receiver of the assets, property and undertaking of and not in its personal capacity and without personal or corporate liability.

Per: _____
Authorized Signatory

1420027 B.C. LTD.

Per: _____
Authorized Signatory

No. S-234515
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

BETWEEN:

WEAVER CAPITAL CORP.

PETITIONER

AND:

EAGLE GRAPHITE
CORPORATION

RESPONDENT

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE RECEIVERSHIP OF
EAGLE GRAPHITE CORPORATION

ORDER MADE AFTER APPLICATION

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No. 039071-00005

CDB/saa