



**Third Report of
KSV Advisory Inc.
as Liquidator of
LWP Capital Inc.**

December 8, 2016

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Court File No.: CV-16-11242-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE LIQUIDATION OF
LWP CAPITAL INC.
PURSUANT TO SECTION 211 OF THE
CANADA BUSINESS CORPORATIONS ACT, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR
OF LWP CAPITAL INC.

Applicant

THIRD REPORT OF
KSV ADVISORY INC.
IN ITS CAPACITY AS LIQUIDATOR OF
LWP CAPITAL INC.

DECEMBER 8, 2016

1.0 Introduction

1. At a special meeting of shareholders convened on November 9, 2015 (the “Special Meeting”), the shareholders of LWP Capital Inc. (formerly Legumex Walker Inc.) (the “Company”) passed a special resolution (the “Special Resolution”) approving, among other things:
 - a) A transaction between the Company and The Scoular Company (“Scoular”) pursuant to an Asset Purchase Agreement dated September 14, 2015, as amended (the “APA”), whereby the Company sold substantially all of the assets comprising its Special Crops division to Scoular (the “Transaction”);
 - b) The voluntary liquidation and dissolution of the Company pursuant to the *Canada Business Corporations Act* (the “CBCA”) at a time to be determined by the Company’s board of directors; and
 - c) The plan of liquidation and distribution substantially in the form attached to the Notice of Special Meeting (the “Liquidation Plan”).

2. The Liquidation Plan appointed KSV Advisory Inc. (“KSV”) as liquidator of the Company (the “Liquidator”). The Liquidation Plan became effective on December 31, 2015.
3. Pursuant to the Liquidation Plan, Joel Horn, Ivan Sabourin, Jay Lubinsky and Mick Fleming were appointed inspectors (collectively, the “Inspectors”). Each of the Inspectors is also a shareholder holding in aggregate approximately 30% of the Company’s shares.
4. The Liquidation Plan contemplated that the Company’s liquidation proceedings would be brought by the Liquidator under the supervision of the Ontario Superior Court of Justice – Commercial List (the “Court”). Pursuant to a Court Order made on January 11, 2016 (the “Liquidation Order”), the Court granted the Liquidator’s application. A copy of the Liquidation Order is attached as Appendix “A” (the Liquidation Plan is attached as Schedule A to the Liquidation Order).
5. This report (“Report”) has been prepared by KSV in its capacity as Liquidator.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) Provide background information on the Company’s liquidation proceedings;
 - b) Summarize the settlement agreements entered into with Scoular in respect of its substantial claims against the Company, principally arising from proposed purchase price adjustments under the APA;
 - c) Summarize the status of the claims process (“Claims Procedure”) pursuant to a Court Order made on January 11, 2016 (the “Claims Procedure Order”);
 - d) Set out the Liquidator’s estimate of the net funds to be distributed to the Company’s shareholders;
 - e) Set out the basis on which the Liquidator is seeking an Order: (i) exempting the Liquidator from convening meetings of shareholders; and (ii) extending the time for approval of final accounts and for making a distribution to shareholders;
 - f) Provide an overview of the Liquidator’s activities since the commencement of these proceedings;
 - g) Set out the Liquidator’s anticipated next steps in its administration of these proceedings; and
 - h) Recommend that this Honourable Court issue an Order:
 - Relieving the Company and the Liquidator from any obligation to call and hold meetings of its shareholders;

- Extending the time for approval of final accounts and for making a distribution to shareholders pursuant to CBCA s. 223(2)(b);
- Approving the fees and disbursements of the Liquidator, and its counsel, Osler, Hoskin and Harcourt LLP (“Osler”) and Borden Ladner Gervais LLP (“BLG”), from the commencement of these proceedings to October 31, 2016; and
- Approving this Report and the Liquidator’s conduct and activities described herein.

1.2 Restrictions

1. In preparing this Report, the Liquidator has relied upon financial information prepared and provided by the Company’s former management, the Company’s books and records and discussions with its former management and advisors. The Liquidator has not performed an audit or other verification of such information.
2. Future oriented financial information relied upon in this Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. The Company was incorporated on April 20, 2011 under the CBCA. The Company was comprised of two operating segments, being: (a) the “Special Crops” segment, which provided primary processing for special crops¹ received from growers and some secondary processing; and (b) the “Oilseed Processing” segment, which was involved in the processing of Canola oilseed. The Company had operations in Canada, the US and China. Its consolidated annual revenue totalled approximately \$468 million in fiscal 2014.
2. The Company’s common shares were publicly traded under the symbol “LWP” on the Toronto Stock Exchange (“TSX”). Effective at the close of markets on December 31, 2015, the common shares were delisted from trading on the TSX. The common shares are not traded on any other market. Effective May 12, 2016, the Ontario Securities Commission issued an order ceasing trading in the common shares of the Company as a result of the Company’s failure to file annual financial statements for the year ended December 31, 2015. There are presently 16,294,635 common shares issued and outstanding.

¹ Special crops include sunflower seed, flax, canary seed, dry beans, chick peas, peas and lentils.

2.1 Sale of Special Crops

1. In March, 2015, the Company formed a special committee to consider its strategic alternatives (the “Special Committee”). The Special Committee engaged AltaCorp Capital Inc. (“ACI”) as the Company’s financial advisor and investment banker. ACI ultimately recommended and carried out a sale process for the Company’s business and assets. ACI’s sale process resulted in the Transaction with Scoular.
2. On September 14, 2015, the Company entered into the APA with Scoular for, among other things, the sale of substantially all of the Company’s Special Crops assets to Scoular for gross proceeds of \$94 million, less closing and post-closing adjustments, plus Closing Working Capital (as defined in the APA). The preliminary estimate agreed to by the parties at closing for the amount of Closing Working Capital was \$71.5 million.
3. On October 26, 2015, the Company issued a press release which included an estimate that there would be funds available for distribution to the Company’s shareholders ranging from \$1.69 to \$1.98 per common share. The estimate was based, largely, on the Company’s calculation of the net proceeds that were to be generated from the Transaction, which assumed there would not be a material positive or negative adjustment to the Closing Working Capital from the estimate of working capital as of September 30, 2015. A copy of the Company’s press release dated October 26, 2015 is attached as Appendix “B”.
4. On November 9, 2015, the Transaction was approved by approximately 99.56% of the Company’s shareholders who voted at the Special Meeting in person or by proxy. The Company issued a press release on November 9, 2015, a copy of which is attached as Appendix “C”.
5. The Transaction closed on November 23, 2015. A copy of the Company’s press release dated November 23, 2015 is attached as Appendix “D”.

3.0 Scoular Dispute

1. From the outset, the focus of these proceedings has been dealing with Scoular on post-closing Transaction issues and resolving the significant purchase price adjustment and other claims advanced by Scoular, which claims exceeded \$25 million.
2. The Scoular dispute resolution process was lengthy and extensive - it involved litigation and third-party experts as prescribed under the APA.
3. Effective October 20, 2016, all issues between the Company and Scoular were resolved, as summarized in the following sections of this Report.

3.1 Objection Notice and Proof of Claim

1. On February 19, 2016, Scoular filed a Notice (“Objection Notice”) objecting to the Company’s calculation of the Closing Working Capital under the APA. The Objection Notice and proofs of claim filed by Scoular contemplated a \$25 million purchase price adjustment in respect of certain working capital items, the most significant of which related to the net realizable value (“NRV”) of inventory.
2. On February 23, 2016, the Liquidator issued a press release in respect of the Objection Notice and its potential implications on the Company’s estimate of the net funds available for distribution to shareholders. A copy of the press release dated February 23, 2016 is attached as Appendix “E”.
3. Pursuant to the Claims Procedure Order, Scoular also filed a proof of claim and amended proof of claim dated March 14, 2016 and May 19, 2016, respectively. These proofs of claim reflected in excess of \$25 million of claims against the Company.

3.2 Litigation

1. For the reasons set out in the Liquidator’s Second Report to Court dated March 10, 2016 (“Second Report”), in the Liquidator’s view, the Objection Notice did not raise a legitimate objection pursuant to the terms of the APA. Accordingly, the Liquidator, with the approval of the Inspectors, brought a motion to, *inter alia*, seek declaratory relief that certain disputes identified in the Notice of Objection were not valid disputes pursuant to the terms of the APA (the “Motion”).
2. The Liquidator retained BLG as its special counsel for the purposes of the Motion. BLG is familiar with the terms and provisions of the APA, its dispute resolution mechanisms and other substantive issues presented by the Objection Notice given that it acted for the Company prior to the commencement of the liquidation proceedings.
3. The Motion was heard on April 29, 2016. As set out in the endorsement of the Honourable Justice Newbould dated May 11, 2016, the Motion was dismissed and the matters under dispute pursuant to the Motion were to be resolved in accordance with the APA by engaging the parties named in the APA to resolve working capital disputes, namely Brian Clancey for disputes involving the NRV of inventory, SGS Canada Inc. for inventory quantity issues and Ernst & Young (“EY”) for other working capital disputes. A copy of the endorsement of the Honourable Justice Newbould is attached as Appendix “F”.

3.3 First Settlement Agreement

1. Prior to engaging the parties named in the APA to resolve certain of the working capital disputes, the Liquidator, on behalf of the Company, and Scoular entered into a settlement agreement dated July 5, 2016 (the “First Settlement Agreement”).
2. The First Settlement Agreement served as a full and final settlement of all claims against the Company asserted by Scoular, excluding claims in respect of the NRV of inventory and certain environmental matters.

3. The First Settlement Agreement was approved by the Inspectors. Pursuant to the First Settlement Agreement, Scoular was paid approximately \$4 million in satisfaction of certain of its claims against the Company.

3.4 Engagement of Brian Clancey re: NRV Dispute

1. On July 11, 2016, the Liquidator, on behalf of the Company, and Scoular jointly engaged Brian Clancey of STAT Communication Ltd., the valuator named in the APA to resolve the substantive dispute concerning the NRV of inventory (the "Clancey Engagement").
2. The Clancey Engagement required a comprehensive written submission to be delivered to Mr. Clancey by the Liquidator, on behalf of the Company, and by Scoular in support of their respective and opposing views on the NRV of inventory. The parties also had an opportunity to meet with Mr. Clancey. The Liquidator and certain former members of the Company's management team and advisors met with Mr. Clancey on July 19, 2016.
3. On August 5, 2016, Mr. Clancey issued his report on the NRV of inventory. The results of the Clancey Engagement were favourable to the Company.

3.5 Second Settlement Agreement

1. Following the results of the Clancey Engagement, the Liquidator, on behalf of the Company, and Scoular entered into a final settlement agreement dated October 20, 2016 (the "Second Settlement Agreement") agreeing to a full and final settlement of all remaining claims against the Company asserted by Scoular.
2. The Second Settlement Agreement was approved by the Inspectors. Scoular was paid approximately \$1 million pursuant to the Second Settlement Agreement.
3. The Liquidator issued a press release on October 26, 2016 which discussed, *inter alia*, the Settlement Agreements with Scoular. The press release dated October 26, 2016 is attached as Appendix "G".

4.0 Claims Procedure

1. The Liquidator has administered the Claims Procedure in accordance with the Claims Procedure Order. There were 14 claims filed in the Claims Procedure, as summarized in the table below.

Claimant	Number of Claims	(\$000s)		
		Amount of Claim	Amount Paid	Amount Outstanding
Scoular	1	25,964	5,149	-
Redmond Riverwalk LLC ("Redmond")	1	709	-	709
Other	12	693	438	255
Total	14	27,366	5,587	964

2. Other than the claim filed by Scoular, which has been settled on the basis detailed above, the status of the other claims is as follows:
 - Redmond is the landlord of the Company's premises in Seattle, Washington. The Company subleased this premises and the subtenant continues to pay monthly rent (approximately US\$15,000) as required under the lease. Redmond filed a "placeholder" claim covering rent for the balance of the term of the lease (i.e. until August 31, 2019). The Liquidator does not expect there will be any amounts owing to Redmond under this claim; and
 - The only other material claim outstanding was filed by Olympic Wholesale Company Limited ("Olympic") for damages in the amount of approximately \$228,000. This claim was disallowed by the Liquidator based on, *inter alia*, its merits, statute of limitations issues and because it was filed after the Claims Bar Date (March 15, 2016). Olympic has filed a Notice of Objection and, accordingly, this claim will be adjudicated in accordance with the Claims Procedure Order.

5.0 Estimated Shareholder Distributions

1. As at November 30, 2016, there is cash² on deposit in the Company's Canadian and US dollar bank accounts maintained by the Liquidator of approximately \$18.4 million and US\$1 million, respectively.
2. Attached as Appendix "H" is an interim statement of receipts and disbursements, which provides an accounting of all activity in the Liquidator's accounts since the effective date of the Liquidation Plan (being December 31, 2015).
3. The Liquidator is continuing to work with certain of the Company's former employees to pursue realizations on the Company's remaining accounts receivable and other sundry assets.
4. Based on the estimated realizations (if any) on accounts receivable and other sundry assets, and the outstanding claims and costs to completion, the current estimate of funds that will be available for distribution to the Company's shareholders at the completion of these proceedings ranges from \$1.14 to \$1.20 per share.
5. It should be noted that the Company's tax accountants have advised that there should not be any taxes payable by the Company and, accordingly, the estimated funds available for distribution does not include a provision for taxes payable. To the extent any tax obligation arises, the funds available for distribution would decrease accordingly.

² The cash on deposit has increased by approximately \$1 million from the amount disclosed in the Liquidator's press release issued on October 26, 2016 principally as a result of a tax refund collected in November, 2016.

6. In its press release issued prior to the Transaction, the Company estimated a range for shareholder distributions of \$1.69 to \$1.98 per share. The net cash available for distribution to shareholders will be materially less than the range disclosed in the Company's press releases, principally as a result of the agreed-upon purchase price adjustments with Scoular and collection issues with certain foreign accounts receivable excluded from the Transaction, both of which were not contemplated in the Company's prior estimates.

6.0 Meetings of Shareholders

1. Absent an exemption, the CBCA requires the directors of a corporation, or a liquidator upon whom the directors' powers have been delegated, to, among other things, call an annual meeting of shareholders within 15 months of the last shareholders meeting. The last shareholders meeting convened by the Company was the Special Meeting (November 9, 2015). There is also a requirement to call and hold a meeting of shareholders in paragraph 4.2(m) of the Liquidation Plan.
2. Paragraph 9.1 of the Liquidation Plan permits the Liquidator and Inspectors to modify the Liquidation Plan without shareholder approval in certain cases, including 9.1(a)(iii) which states: "*in order to make any change that in the opinion of the Liquidator and Inspectors is administrative in nature and does not materially change the terms of the Liquidation Plan.*" The Liquidator is of the view that it may amend the Liquidation Plan to delete the requirement to hold a meeting of shareholders as contemplated in paragraph 4.2(m) of the Liquidation Plan as such a requirement is administrative in nature and does not materially change the terms of the Liquidation Plan for the reasons set out below.
3. The Liquidator is seeking a Court Order confirming that neither the Company nor the Liquidator is required to call or hold a meeting of shareholders for the following reasons:
 - a) As set out in the Liquidation Order, the Company and the Liquidator are not required to produce or place before the Company's shareholders audited financial statements as required under subsections 155(1) and 159(1) of the CBCA or otherwise;
 - b) As set out in the Liquidation Order, the Company and the Liquidator are exempt from the requirements of Part XIV of the CBCA regarding the appointment and duties of an auditor;
 - c) The usual matters addressed at a meeting of shareholders are no longer applicable in the context of the Company as: (1) there is no requirement to produce or place the Company's financial statements before shareholders; (2) there is no requirement to appoint an auditor; (3) there is no need to elect directors as the powers of the directors have ceased and vested in the Liquidator pursuant to Section 219 of the CBCA; and (4) there is no special business to be transacted that would otherwise require approval by shareholders;

- d) The Liquidator is in frequent communication with the Inspectors regarding the business and financial affairs of the Company, and, as required by the Liquidation Order, advises on and obtains Inspector approval for any material steps taken by the Liquidator in respect of same;
 - e) Pursuant to the Liquidation Plan, the Liquidator has reported, and will continue to report, to the Company's shareholders with respect to these proceedings and any material developments relating to the Company's assets, material claims and distributions. The Liquidator has posted, and will continue to post, on its website press releases and other information relevant to the Company, including updates on the estimated funds available for distribution;
 - f) The Liquidator is including in this Report the information that would be relevant to shareholders at this time, being the interim statement of receipts and disbursements (Appendix "H") and an estimate of the funds available for distribution (as set out in Section 5.0 above);
 - g) The Liquidator communicates frequently with the Company's public shareholders to provide updates on the liquidation proceedings, upon request;
 - h) All of the Company's directors resigned on or around December 31, 2015; and
 - i) The Inspectors are of the view that a meeting is unnecessary in the circumstances and have advised they would rather not incur the expense of a meeting, including the incremental professional fees and notice/publication costs in connection with calling and holding such a meeting.
4. For the reasons set out above, the Liquidator believes that it would be appropriate for it to be exempt from any requirement to hold a meeting of shareholders.

7.0 Approval of Final Accounts and Distribution

1. The Liquidator is seeking an extension of the one year period under Section 223(2)(b) of the CBCA regarding the approval of final accounts and applying for an order permitting the liquidator to distribute the remaining property of the Company to its shareholders for the following reasons:
 - a) A distribution of the remaining property cannot take place until Clearance Certificates (as defined in the Liquidation Plan) pursuant to the Income Tax Act, R.S.C. 1985, c.1 (5th Supp.) as amended, are obtained from Canada Revenue Agency ("CRA"). The process for obtaining Clearance Certificates can only commence once the Company's 2016 tax return is filed. The working capital dispute with Scoular delayed the Liquidator's ability to file the applicable tax return. Now that the working capital adjustments (and all other purchase price adjustments) are resolved, the tax return is in the process of being prepared by the Company's accountants and will be filed in the next few weeks;

- b) There are a small number of claims filed in the Claims Procedure that require resolution; and
 - c) The Liquidator continues to pursue accounts receivable collections and realizations on other sundry assets.
2. Subject to being granted the requested extension by this Honourable Court, the Liquidator intends to continue to work to facilitate a timely completion of these proceedings, including paying final distributions to shareholders at such time as the Clearance Certificates are obtained. The Liquidator's anticipated next steps in these proceedings are set out in the next section of this Report.

8.0 Anticipated Next Steps

1. The Liquidator's anticipated next steps include the following:
- a) Arranging for the Company's final corporate tax returns to be prepared and filed by MNP;
 - b) Continuing to pursue accounts receivable collections with the assistance of certain of the Company's former employees;
 - c) Resolving outstanding claims in the Claims Procedure;
 - d) Subject to Court approval, issuing the first interim distribution to shareholders upon the issuance, by CRA, of a Notice of Assessment (which typically takes approximately two months from the date of filing the tax return). An interim distribution is likely to be processed in the first quarter of 2017;
 - e) Applying to CRA, following the receipt of the Notice of Assessment of the Company's final tax return, for the issuance of Clearance Certificates, which are required prior to the Liquidator making final distributions to shareholders in these proceedings. It is the Liquidator's experience that obtaining Clearance Certificates from CRA is typically a lengthy process. In addition, it is possible that CRA elects to conduct an audit prior to issuing the Clearance Certificates. An audit would increase the cost and extend the time before a final distribution can be paid to shareholders;
 - f) Subject to Court approval, paying a final distribution to shareholders once Clearance Certificates are obtained from CRA; and
 - g) Keeping the Company's shareholders and this Honourable Court apprised of any material developments, including by way of press release and/or filing reports with the Court, which will continue to be made available on the Liquidator's website.

9.0 Overview of the Liquidator's Activities

1. The Liquidator's activities since the commencement of these proceedings have included, *inter alia*, the following:

General Liquidation Matters

- Corresponding extensively at the commencement of the proceedings with the Company's former management team;
- Corresponding routinely with the Company's Controller, CFO and other former employees;
- Corresponding with Osler and BLG regarding the liquidation proceedings;
- Keeping the Inspectors apprised of all matters in the liquidation proceedings;
- Drafting the Liquidator's First Report to Court dated January 4, 2016 (the "First Report") and corresponding with the Company, Osler and BLG regarding same;
- Reviewing and commenting on all Court materials filed in connection with the Liquidator's application returnable January 11, 2016 ("Liquidator's Application");
- Corresponding extensively with BLG, Osler and the Company in respect of the above-noted Court materials;
- Attending at Court on January 11, 2016 in connection with the Liquidator's Application;
- Corresponding with Osler and TMX Equity Transfer Services Inc., the Company's transfer agent, regarding the Liquidator's reporting obligations and other matters pursuant to securities legislation;
- Dealing generally with cash management issues, including corresponding with the Company's bank regarding the Company's accounts and arranging, when necessary, for the transfer of funds from the Company's bank accounts to the accounts set up by the Liquidator;
- Administering the Claims Procedure in accordance with the Claims Procedure Order, as detailed in this Report;
- Reviewing the APA and Transition Services Agreement between Scouler and the Company in the context of fulfilling the Company's obligations thereunder, as required under the Liquidation Plan;

- Working with the Company, its US and Panamanian legal counsel and certain former employees to collect amounts owing from the Company's former customers, including those in Canada, USA, Latin America and South America;
- Negotiating settlement agreements with certain of the Company's former customers in connection with accounts receivable;
- Corresponding with the Company's US counsel regarding the dissolution of the Company's US subsidiaries;
- Convening Inspector meetings on April 14, 2016 and May 16, 2016 and preparing internal memoranda detailing the discussions held during those meetings;
- Dealing with matters in connection with the Company's leased premises in Winnipeg, MB and Seattle, WA;
- Dealing with employee related matters, including, but not limited to, reviewing and paying payroll, terminating employees and engaging certain former employees on a "term and task" basis;
- Engaging MNP LLP ("MNP") to prepare the Company's Canadian and US tax returns, and corresponding with MNP routinely regarding tax matters generally;
- Corresponding with the Company's and Scoular's environmental consultants regarding Scoular's environmental claims;
- Corresponding with Canada Border Services Agency ("CBSA") for the purposes of collecting import duty receivables and working with the Company to file a claim and respond to information requests from CBSA in an effort to realize on same;
- Corresponding with US counsel and US Department of Homeland Security – US Customs and Border Protection in connection with a "prior disclosure" matter, which was successfully resolved in October, 2016;
- Arranging for certain of the Company's former utilities, telecommunications and other suppliers to transfer services to Scoular;
- Reviewing and commenting on a press release dated May 20, 2016 issued by the Liquidator in connection with cease trade orders issued by the Manitoba Securities Commission, Ontario Securities Commission and B.C. Securities Commission and to provide an update on the liquidation proceedings;
- Corresponding with AON Risk Solutions, the Company's former insurance agent, regarding the reimbursement of the Company's US\$1.165 million security deposit posted in connection with a grain bond;

- Reviewing and commenting on a press release dated October 26, 2016 in connection with, among other things, the Scoular settlement agreements and information regarding quantum and timing of distributions to shareholders;
- Preparing and updating the Liquidator's estimate of funds available for distribution to the Company's shareholders and delivering same to the Inspectors;
- Preparing and updating, periodically, an estimated recovery analysis and statement of receipts and disbursements;
- Responding to numerous shareholder and creditor calls and emails regarding these liquidation proceedings and the status of a pending distribution;
- Reviewing the Company's GST/HST filings on a monthly basis and coordinating with the Company to file same;
- Reviewing and issuing payments related to the liquidation proceedings;
- Drafting this Report; and
- Posting documents on the Liquidator's website.

Scoular Litigation

- Corresponding extensively with the Company, BLG and ACI regarding working capital adjustments pursuant to the APA, particularly with respect to the NRV of inventory;
- Reviewing the Objection Notice and discussing same extensively with legal counsel;
- Reviewing and commenting on a press release dated February 23, 2016 in connection with the Objection Notice;
- Reviewing the proofs of claim filed by Scoular, including extensive supporting materials, and corresponding with Scoular routinely in respect thereof;
- Reviewing and commenting on all Court materials filed in connection with the litigation involving a working capital adjustment proposed by Scoular ("Scoular Litigation"), including the Motion materials and responding materials;
- Drafting the Second Report;
- Corresponding extensively with BLG, ACI, the Inspectors and the Company regarding all matters concerning the Scoular Litigation, including the Objection Notice, the Second Report and the Court materials filed;

- Attending at cross examinations of Jeff Fallows of ACI, Tom Wortmann and Ken Teuling of Scoular and Bryan Buss, the Company's former Controller, on April 4, 5, 6 and 7, 2016;
- Attending at Court on April 29, 2016 regarding the Scoular Litigation;
- Reviewing the endorsement of the Honourable Justice Newbould; and
- Keeping Osler, the Company and Inspectors apprised of developments concerning the Scoular Litigation.

Dispute Resolution Matters

- Corresponding with BLG, the Company and Scoular regarding the engagement of Mr. Clancey, EY and SGS Canada Inc., the parties named in the APA to resolve certain working capital disputes;
- Reviewing and commenting on materials prepared by the Company for the purposes of EY's working capital dispute resolution engagement (the "EY Engagement") and corresponding frequently with the Company and Scoular regarding same;
- Reviewing Scoular's materials delivered to EY in connection with the EY Engagement and discussing same with the Company;
- Drafting a comprehensive letter to Mr. Clancey, including supporting exhibits and background information about the Company and the NRV of inventory dispute (the "Clancey Letter");
- Reviewing Scoular's submissions to Mr. Clancey regarding the Clancey Engagement and corresponding with the Company, ACI and the Company's former management regarding same;
- Meeting at the Liquidator's offices with Mr. Clancey, a representative of ACI and former members of the Company's management regarding the Clancey Engagement, delivering to and discussing with Mr. Clancey the Clancey Letter and corresponding frequently with Mr. Clancey and Scoular in July and August, 2016 regarding the Clancey Engagement, including preparing detailed responses to each of Mr. Clancey's information requests;
- Reviewing a report dated August 5, 2016 prepared by Mr. Clancey setting out his findings on the NRV of inventory (the "Clancey Report"); and
- Keeping Osler, BLG, the Company and the Inspectors apprised of developments concerning the Clancey Engagement and the Clancey Report.

Scoular Settlement Agreements

- Corresponding extensively with Scoular regarding the First Settlement Agreement and Second Settlement Agreement;
- Corresponding extensively with the Inspectors, including convening an inspector meeting on June 13, 2016 regarding the First and Second Settlement Agreements;
- Negotiating, after obtaining unanimous approval from the Inspectors, the First and Second Settlement Agreements;
- Keeping Osler, BLG, the Company and the Inspectors apprised of developments concerning the First and Second Settlement Agreements; and
- Dealing with all other matters in the liquidation proceedings not specifically addressed above.

10.0 Professional Fees

1. The fees and disbursements, excluding HST, of the Liquidator (for the period December 1, 2015 to October 31, 2016), Osler (for the period October 1, 2015 to October 31, 2016) and BLG (for the period January 1, 2016 to September 30, 2016) total approximately \$507,000, \$105,000 and \$349,000, respectively. The fees of the Liquidator and Osler include the time incurred in the months leading up to the commencement of these proceedings, all of which was incurred in connection with the preparation and planning for the contemplated liquidation proceedings.
2. Detailed invoices in respect of the fees and disbursements of the Liquidator, Osler and BLG for these periods are provided in appendices to the affidavits filed by KSV, Osler and BLG in the accompanying motion materials.
3. The average hourly rate for KSV, Osler and BLG for the referenced billing periods was \$433.70, \$465.20 and \$471.65, respectively.
4. The Liquidator is of the view that the hourly rates charged by Osler and BLG are consistent with the rates charged by corporate law firms practicing in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.

11.0 Conclusion and Recommendation

1. Based on the foregoing, the Liquidator respectfully recommends that this Court make an Order granting the relief detailed in Section 1.1(h) of this Report.

* * *

All of which is respectfully submitted,

KSV Advisory Inc.

**KSV ADVISORY INC.
IN ITS CAPACITY AS LIQUIDATOR OF
LWP CAPITAL INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)


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MONDAY, THE 11TH DAY

JUSTICE NEWBOULD)

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OF JANUARY 2016



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Applicant

LIQUIDATION ORDER

THIS APPLICATION, made by KSV Advisory Inc. in its capacity as the liquidator (in such capacity, the “**Liquidator**”) of LWP Capital Inc., formerly “Legumex Walker Inc.”, pursuant to section 211 of the *Canada Business Corporations Act*, R.S.C. 1989, c. C-44, as amended (the “**CBCA**”) to have the voluntary liquidation of LWP Capital Inc. pursuant to the plan of liquidation and distribution approved on November 9, 2015 at a special meeting of the shareholders and adopted by the directors of LWP Capital Inc., effective December 31, 2015, and attached hereto as Schedule “A” (the “**Liquidation Plan**”) continued under the supervision of this Court, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Liquidator dated January 4, 2016 (the “**First Report**”) and the affidavit of Joel Horn sworn January 6, 2016, and on hearing the submissions of counsel for the Liquidator and counsel for LWP Capital Inc., no one appearing for any other person on the service list although duly served,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

LIQUIDATION PLAN

2. THIS COURT ORDERS AND DECLARES that the Liquidation Plan (and the appointment of the Liquidator thereunder) be and is hereby approved and affirmed.

3. THIS COURT ORDERS that any capitalized terms not otherwise defined in this Order shall have the meaning ascribed to them in the Liquidation Plan.

4. THIS COURT ORDERS that that the liquidation of LWP Capital Inc. shall continue under the supervision of this Court and in accordance with the terms of the Liquidation Plan and any further order of this Court.

5. THIS COURT ORDERS that, for greater certainty, the Liquidator hereby has and shall have all of the powers and authorities as provided to it under the Liquidation Plan and the CBCA and any further order of this Court.

6. THIS COURT ORDERS that in the event of any conflict, inconsistency, ambiguity or difference between the provisions of the Liquidation Plan and this Order, the terms, conditions and provisions of this Order shall govern and be paramount, and the Liquidation Plan shall be deemed to be amended to the extent necessary to eliminate any such conflict, inconsistency, ambiguity or difference.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

7. THIS COURT ORDERS that from the date of this Order until further order of this Court (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of LWP Capital Inc., any of its subsidiaries or affiliates (collectively, “**LWP**”) or the Liquidator, or affecting any of LWP’s current or future assets, undertakings or properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”), except with the written consent of the Liquidator, or with leave of this Court, and any and all Proceedings currently under way against or in respect of LWP or affecting the Property are hereby stayed and suspended pending further order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of LWP or the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall: (i) empower the Liquidator to carry on any business which LWP is not lawfully entitled to carry on; (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment; (iii) prevent the filing of any registration to preserve or re-perfect an existing security interest; or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

9. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right,

contract, agreement, lease, sub-lease, licence or permit in favour of or held by LWP, except with the written consent of the Liquidator, or leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with LWP or statutory or regulatory mandates for the supply of goods and/or services, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility, leasing or other services to LWP, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator, and that the Liquidator shall be entitled to the continued use of LWP's current premises, telephone numbers and facsimile numbers, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of LWP or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

11. THIS COURT ORDERS that during the Stay Period, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of LWP with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of LWP whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of LWP.

THE LIQUIDATOR

12. THIS COURT ORDERS that, in the case of information requests submitted to the Liquidator by creditors or shareholders, if the Liquidator has been advised by LWP or determines in its discretion that the requested information is confidential or otherwise material and non-public, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court or on such terms as the Liquidator may agree. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph.

13. THIS COURT ORDERS that, in addition to the rights and protections afforded the Liquidator under the CBCA and the Liquidation Plan or as an officer of this Court, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Liquidation Plan, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the CBCA, the Liquidation Plan or any applicable legislation.

14. THIS COURT ORDERS that the Liquidator and its counsel shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, by LWP as part of the costs of these proceedings. The Liquidator is hereby authorized and directed to pay its accounts and the accounts of its counsel as and when such accounts are rendered.

15. THIS COURT ORDERS that the Liquidator and its counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its counsel are hereby referred to a judge of this Court.

16. THIS COURT ORDERS that the Liquidator and its counsel shall be entitled to the benefit of and are hereby granted a charge (the “**Administration Charge**”) on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Liquidator and its counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall constitute a first charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person.

17. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

18. THIS COURT ORDERS that the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by: (a) the pendency of these proceedings; (b) the provisions of any federal or provincial statutes; or (c) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds LWP, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Administration Charge shall not create or be deemed to constitute a breach by LWP of any Agreement to which it is a party;

- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by LWP pursuant to this Order and the granting of the Administration Charge do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE LIQUIDATOR

19. THIS COURT ORDERS that all Persons shall forthwith advise the Liquidator of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the “**Records**”) in that Person’s possession or control, and shall provide to the Liquidator or permit the Liquidator to make, retain and take away copies thereof and grant to the Liquidator unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 19 or in paragraph 20 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Liquidator due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

20. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give

unfettered access to the Liquidator for the purpose of allowing the Liquidator to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Liquidator in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Liquidator. Further, for the purposes of this paragraph, all Persons shall provide the Liquidator with all such assistance in gaining immediate access to the information in the Records as the Liquidator may in its discretion require including providing the Liquidator with instructions on the use of any computer or other system and providing the Liquidator with any and all access codes, account names and account numbers that may be required to gain access to the information.

INSPECTORS

21. THIS COURT ORDERS that the Liquidator shall consult with the Inspectors regarding the business and financial affairs of LWP to the extent necessary to enable the Liquidator to adequately carry out its functions under the Liquidation Plan and any Order of this Court.

22. THIS COURT ORDERS that, notwithstanding anything to the contrary in the Liquidation Plan, the Inspectors are hereby only directed and empowered to:

- (a) provide guidance and assistance to the Liquidator to the extent necessary to enable the Liquidator to carry out its functions under the Liquidation Plan, this Order and any claims procedure approved by this Court;
- (b) be advised of, and provide input in respect of, material steps taken by the Liquidator pursuant to the Liquidation Plan, this Order and any claims procedure approved by this Court;

- (c) consult with the Liquidator in connection with the liquidation of LWP under the Liquidation Plan and this Order;
- (d) participate in meetings convened by the Liquidator, as required by the Liquidator, to provide guidance on material developments in the liquidation of LWP; and
- (e) perform such other duties as may be required by the Liquidator or this Court from time to time.

SERVICE AND NOTICE

23. THIS COURT ORDERS that the Liquidator be at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to LWP's creditors or other interested parties at their respective addresses as last shown on the records of LWP and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

24. THIS COURT ORDERS that the Liquidator, and any party who has filed a Notice of Appearance, may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Liquidator may post a copy of any or all such materials on its website at www.ksvadvisory.com.

DISPENSING WITH AUDITED FINANCIAL STATEMENTS

25. THIS COURT ORDERS AND DECLARES that LWP and the Liquidator are not required to produce or place before LWP's shareholders any further audited financial statements as required under subsections 155(1) and 159(1) of the CBCA or otherwise and that LWP and the Liquidator be and are hereby exempt from the requirements of Part XIV of the CBCA regarding the appointment and duties of an auditor.

GENERAL


26. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Liquidator and its respective 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.

28. THIS COURT ORDERS that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Liquidator is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. THIS COURT ORDERS that any interested party (including the Liquidator) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

30. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Daylight Time on the date of this Order.



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Schedule A – Plan of Liquidation and Distribution

PLAN OF LIQUIDATION AND DISTRIBUTION

LWP CAPITAL INC.
(formerly LEGUMEX WALKER INC.)

PLAN OF LIQUIDATION AND DISTRIBUTION

December 31, 2015

**LWP CAPITAL INC.
PLAN OF LIQUIDATION AND DISTRIBUTION**

WHEREAS the board of directors of LWP Capital Inc. (formerly "Legumex Walker Inc.") (the "**Board**") has concluded that it is in the best interests of LWP Capital Inc. ("**LWP**" or the "**Company**") to be wound up voluntarily pursuant to the *Canada Business Corporations Act* in accordance with the terms of this Liquidation Plan (as defined below);

AND WHEREAS the Board has passed a resolution authorizing the Company to seek shareholder approval for the liquidation and dissolution of the Company and hold a special meeting of shareholders to consider and vote to require the Company to be wound up voluntarily and, in connection therewith, approve this Liquidation Plan;

NOW THEREFORE THIS Liquidation Plan is adopted by the Board as of the last date set forth below, having the terms and conditions as set out herein.

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Liquidation Plan:

"**Assets**" means all of the property, assets, undertaking and the proceeds thereof of LWP;

"**Board**" has the meaning given to it in the recitals of this Liquidation Plan;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**Calendar Day**" means any day, including a Saturday, Sunday or statutory holiday in Toronto, Ontario;

"**Canadian Dollars**" or "**CDNS**" means dollars denominated in lawful currency of Canada;

"**CBCA**" means the *Canada Business Corporations Act*;

"**CBCA Director**" means the Director, as defined in and appointed under Section 260 of the CBCA;

"**Claim**" means

- (a) any right of any Person against LWP in connection with any indebtedness, liability or obligation of any kind of LWP and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any claim made or asserted against LWP through any affiliate, associate or any 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 with respect to any matter, action, cause or chose in action; and
- (b) any existing or future right of any Person against any one or more of the Directors which arose or arises as a result of such Director's position, supervision, management or involvement as a Director or otherwise in any other capacity in connection with LWP whether such right, or the circumstances giving rise to it, arose before or after the Effective Date and whether enforceable in any civil, administrative or criminal proceeding;

"Claims Bar Date" means the date on which a Claim must be filed pursuant to the Claims Process;

"Claims Process" means the process established by the Liquidator and approved by the Court for the identification, resolution and barring of certain Claims, including *inter alia* the issuance of a final order of the Court establishing the Claims;

"Clearance Certificates" mean:

- (a) a certificate issued by the Minister pursuant to subsection 159(2) of the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp.) as amended (the "**ITA**"), or any equivalent thereto, certifying that all amounts for which LWP is, or can reasonably be expected to become, liable under the ITA and the *Taxation Act*, 2007, S.O. 2007, c. 11, Sched. A, up to and including the date of distribution have been paid, or that the Minister has otherwise accepted security for payment;
- (b) a certificate issued by the Minister pursuant to subsection 23(5) of the *Canada Pension Plan*, R.S.C. 1985, c. C-8 (the "**CPP**"), or any equivalent thereto, certifying that all amounts for which LWP is liable under the CPP up to and including the date of distribution, have been paid or that security for the payment thereof has been accepted by the Minister;
- (c) a certificate issued by the Minister pursuant to subsection 86(3) of the *Employment Insurance Act*, S.C. 1996, c. 23 (the "**EIA**"), or any equivalent thereto, certifying the payment, or acceptance by the Minister of security for payment, of all amounts for which LWP is liable under the EIA up to and including the date of distribution;
- (d) a certificate issued by the Minister pursuant to subsection 81(1) of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "**ETA**"), or any equivalent thereto, certifying that no tax, penalty, interest or other sum under the ETA, chargeable against or payable by the Liquidator or chargeable against or payable in respect of the Assets, remains unpaid or that security for the payment thereof has, in accordance with section 80.1 of the ETA, been accepted by the Minister; and
- (e) a certificate issued by the Minister pursuant to subsection 270(3) of the ETA, or any equivalent thereto, certifying that all amounts payable or remittable under Part IX of the ETA by LWP in respect of the reporting period during which the distribution is made or any previous reporting period, and all amounts that are, or can reasonably be expected to become, payable or remittable under Part IX of the ETA by the Liquidator in respect of the reporting period during which the distribution is made, has been paid or that security for the payment thereof has been accepted by the Minister.

"Common Shares" means the common shares in the capital of LWP;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Creditor" means any Person with a Claim;

"Directors" means all individuals who were, on or at any time before the Effective Date, directors or officers of LWP, and the term "**Director**" shall mean any one of them;

"Dissolution Date" means the date on which the Company is dissolved pursuant to the CBCA or by order of the Court;

"Effective Date" means the date to be established by a resolution of the Board upon which the implementation of the Liquidation Plan shall commence, which date shall be no earlier than the date upon which the certificate of intent to dissolve is issued to the Company pursuant to and in accordance with the CBCA.

“**Employees**” means the employees of LWP;

“**Governmental Authority**” means any nation or government, any province, state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any Legal Requirement and any corporation or other entity owned or controlled, through capital stock or otherwise by any of the foregoing;

“**Inspectors**” has the meaning given to it in Section 6.1;

“**Legal Requirement**” means any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator, court, Governmental Authority or securities exchange and, with respect to any Person, includes all such Legal Requirements applicable or binding upon such Person, its business or the ownership or use of any of its assets;

“**Liquidation Date**” means the date on which the Shareholders pass the Resolution;

“**Liquidation Plan**” means this plan of liquidation and distribution as it may be amended, modified, supplemented, restated or otherwise modified in accordance with its terms;

“**Liquidator**” means the Person appointed from time to time pursuant to Sections 4.1, 4.5, or 4.6 in its capacity as liquidator of LWP;

“**LWP**” or “**Company**” has the meaning given to it in the recitals of this Liquidation Plan;

“**Minister**” means the Minister of National Revenue;

“**Person**” means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other judicial entity howsoever designated or constituted domiciled;

“**Proven Claim**” means a Claim finally determined or accepted in accordance with the provisions of the Claims Process;

“**Public Trustee**” means the Public Guardian and Trustee pursuant to the *Public Guardian and Trustee Act*, R.S.O. 1990, Chapter P.51;

“**Purchase Agreement**” means the asset purchase agreement dated September 14, 2015, between the Company, Legumex Walker Canada Inc., St. Hilaire Seed Company, Inc., Legumex Walker Sunflower LLC, and The Scoular Company;

“**Purchaser**” means The Scoular Company.

“**Resolution**” means the special resolution of the Shareholders authorizing the voluntary liquidation and dissolution of LWP made in accordance with the CBCA and approving this Liquidation Plan;

“**Shareholders**” means all holders of Common Shares shown from time to time in the registers maintained by or on behalf of LWP by the Transfer Agent in respect of the Common Shares and, unless otherwise specified, includes all beneficial owners of Common Shares;

“**Tax Return**” means any report, return or other information required to be supplied to a taxing authority in connection with (a) all taxes, charges, fees, levies and other assessments (whether federal, provincial, local or foreign), including income, gross receipts, excise, property, sales, use, transfer, license, payroll, franchise, withholding, social security and unemployment taxes, and (b) any interest, penalties and additions related to the foregoing;

“Transfer Agent” means Equity Financial Trust Company, as transfer agent for the Common Shares of the Company;

“Transitional Services Agreement” means the Transitional Services Agreement to be entered into between the Company and the Purchaser addressing the provision of the transitional services described in Schedule I to the Purchase Agreement;

“TSX” means the Toronto Stock Exchange.

1.2 **Certain Rules of Interpretation**

In this Liquidation Plan and the Schedules hereto:

- (a) all references to currency are to Canadian Dollars, except as otherwise expressly indicated;
- (b) the division of this Liquidation Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Liquidation Plan. The terms “this Liquidation Plan”, “hereof”, “hereunder”, “herein” and similar expressions refer to this Liquidation Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Liquidation Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Liquidation Plan;
- (c) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Liquidation Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) the words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes without limitation” and “including without limitation”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m., on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Liquidation Plan is required to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day;
- (f) unless otherwise specified, where any reference to an event occurring within any number of “days” appears in this Liquidation Plan, such reference means Calendar Days and not Business Days; and
- (g) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

ARTICLE 2 PURPOSE OF THE PLAN

2.1 Purpose

The purpose of this Liquidation Plan is to provide for a plan of liquidation and distribution of the Assets, payment or settlement of all Claims and dissolution of the Company.

2.2 Commencement of Liquidation and Dissolution

The voluntary liquidation and dissolution of the Company shall commence on and as of the Effective Date.

2.3 Affected Persons

This Liquidation Plan will be implemented under the CBCA and, as of the Effective Date will be binding on the Company, the Directors, the Inspectors, the Liquidator and the Shareholders in accordance with its terms. On the Liquidation Date, each Shareholder shall be deemed to have consented and agreed to all of the provisions of this Liquidation Plan in their entirety.

ARTICLE 3 EFFECT OF PLAN

3.1 Share Transfers

If not already otherwise halted and/or delisted, on and as of the Effective Date, the Common Shares will be halted and shall cease to trade on the TSX.

3.2 Company to Cease Business

On and as of the Effective Date, the Company shall cease to carry on its undertaking, except in so far as may be required as beneficial for the liquidation and dissolution thereof in the discretion of the Liquidator, but its corporate existence and all its corporate powers, even if it is otherwise provided by its articles or by-laws, shall continue under the control of the Liquidator until its affairs are wound up.

3.3 Resignation of Directors

On and as of the Effective Date, all the powers of the Directors shall cease and the Directors shall be deemed to have resigned.

ARTICLE 4 THE LIQUIDATOR

4.1 Appointment of Liquidator

On and as of the Effective Date, KSV Advisory Inc. is hereby appointed as the liquidator of the estate and effects of the Company (the "**Liquidator**") for the purpose of liquidation and dissolution its business and affairs and distributing its Assets, after satisfying all Claims, all in accordance with the terms of this Liquidation Plan, and who shall serve until removal and replacement in accordance with this Liquidation Plan. The Liquidator shall have the authority to enter into agreements and execute documents for and on behalf of the Company pursuant to the powers and obligations of the Liquidator as contained in this Liquidation Plan or otherwise under the CBCA.

4.2 Mandatory Obligations of the Liquidator

The Liquidator is expressly directed, empowered and authorized to, and shall:

- (a) deposit all money that the Liquidator has belonging to the Company in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, and as approved by the Inspectors, which deposit shall not be made in the name of the Liquidator individually, but shall be a separate deposit account in the Liquidator's name as Liquidator of the Company, and such money shall be withdrawn for payment of Claims or fees and expenses incurred in connection with the implementation of the Liquidation Plan and signed in accordance with such signing authorities as may be determined by the Liquidator in consultation with the Inspectors;
- (b) at every meeting of the Shareholders, produce a pass-book, or statement of account showing the amount of the deposits, the dates at which they were made, the amounts withdrawn and the dates of withdrawal, and mention of such production shall be made in the minutes of the meeting, and the absence of such mention shall be admissible in evidence as proof, in the absence of evidence to the contrary, that the pass-book or statement of account was not produced at the meeting;
- (c) forthwith after the Effective Date, make an application to the Court under Section 211(8) of the CBCA to have the liquidation of the Company supervised by the Court if the Liquidator considers such an application advisable under the circumstances then existing;
- (d) establish and implement a Claims Process;
- (e) following the Effective Date and following the delisting of the Common Shares from the TSX, if applicable, pursuant to the CBCA, all transfers of Common Shares thereafter shall be void unless made with the explicit sanction of the Liquidator;
- (f) pay or otherwise satisfy all Proven Claims from the Assets in accordance with the Claims Process;
- (g) after satisfying all Proven Claims and in accordance with the provisions of the CBCA and any order of the Court, distribute the remaining Assets rateably among the registered Shareholders according to their rights and interests in the Company;
- (h) cause to be filed with the appropriate Governmental Authority all Tax Returns required to be filed by LWP, its subsidiaries and, if necessary, any trusts or special purpose entities for which LWP continues to have responsibility under applicable Legal Requirements;
- (i) remit all taxes required to be remitted by LWP in accordance with all applicable statutes, all outstanding CPP contributions and EIA premiums, including any associated interest and penalties and obtain the Clearance Certificates;
- (j) cause to be filed with the appropriate Governmental Authority all financial statements and reports required to be filed by LWP subject to amendments or exclusions which may be obtained by Court Order during the liquidation proceedings;
- (k) maintain the continuous disclosure requirements applicable to the Company under all applicable securities laws, subject to amendments or exclusions which may be obtained by Court Order during the liquidation proceedings;
- (l) meet with the Inspectors regularly and shall call such meetings by providing at least two days written notice to the Inspectors which notice period may be waived by such Inspectors in their discretion; and
- (m) make up an account showing the manner in which the liquidation and dissolution has been conducted and the Assets disposed of, and thereupon shall call a meeting of the Shareholders for the purpose of having the account laid before them and hearing any explanation that may be given

by the Liquidator, and the meeting shall be called in the manner prescribed by the articles or by-laws of the Company or, in default thereof, in the manner prescribed by the CBCA for the calling of meetings of shareholders, and within ten days after the meeting is held file a notice in the prescribed form under the CBCA with the CBCA Director stating that the meeting was held and the date thereof and shall forthwith publish the notice in The Ontario Gazette.

4.3 Discretionary Powers of the Liquidator

The Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) with the prior approval of the Inspectors, bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Company;
- (b) carry on the business of the Company so far as may be required as beneficial for the liquidation and dissolution of the Company;
- (c) oversee and address any of the Company's obligations under the Purchase Agreement and/or the Transitional Services Agreement with the Purchaser;
- (d) engage any former employee of the Company on a "term and task" basis to assist with the Liquidator's administration and implementation of the Liquidation Plan;
- (e) sell any of the Assets by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (f) do all acts and execute, in the name and on behalf of the Company, all documents, and for that purpose use the seal of the Company, if any;
- (g) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company;
- (h) raise upon the security of the Assets any requisite money;
- (i) call meetings of the Shareholders for any purpose the Liquidator thinks fit;
- (j) in accordance with the Claims Process or any further order of the Court and with the approval of the Shareholders or the Inspectors, make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Company may be rendered liable;
- (k) in accordance with the Claims Process or any further order of the Court and with the approval of the Shareholders or the Inspectors, compromise all debts and liabilities capable of resulting in debts, and all Claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Company and any contributory, alleged contributory or other debtor or person who may be liable to the Company and all questions in any way relating to or affecting the Assets, or the liquidation and dissolution of the Company, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (l) at any time after the affairs of the Company have been fully wound up, make an application to the Court for an order dissolving the Company;
- (m) in accordance with the provisions of the CBCA and any order of the Court, make or cause to be made, from time to time, any interim distributions or distributions in kind of portions of the Assets

to the registered Shareholders rateably among the registered Shareholders according to their rights and interests in the Company, as considered appropriate and approved by the Inspectors, and while maintaining such reserves as are reasonably necessary to provide for all Claims;

- (n) at any time after the Effective Date and following the delisting of the Common Shares from the TSX, request the Transfer Agent to refrain from making any changes to the registers maintained by the Transfer Agent in respect of the Common Shares, except with the explicit sanction of the Liquidator;
- (o) liquidate or dissolve subsidiaries of the Company; and
- (p) do and execute all such other things as are necessary for the liquidation and dissolution of the business and affairs of the Company and distributing the Assets.

4.4 Reporting Obligations

The Liquidator shall report to the Inspectors and Shareholders at such times and intervals as the Liquidator may deem appropriate with respect to matters relating to the Assets, LWP and such other matters as may be relevant to this Liquidation Plan.

4.5 Removal of the Liquidator

The Liquidator may be removed by order of the Court pursuant to a motion brought following either:

- (a) a resolution of the majority of the Inspectors;
- (b) a determination by the Liquidator, in its discretion, to be discharged by the Court; or
- (c) ordinary resolution of the Shareholders at a meeting called for the purpose of removing the Liquidator,

but only if such order of the Court appoints another liquidator in the Liquidator's stead which successor liquidator shall become the Liquidator under this Liquidation Plan.

4.6 Resignation of the Liquidator and Filling Vacancy

If the Liquidator resigns or is discharged by order of the Court, then a successor liquidator shall be appointed by resolution of the majority of Inspectors, by ordinary resolution of the Shareholders at a meeting called for the purpose of appointing a successor liquidator, or by order of the Court, and such successor liquidator shall become the Liquidator under this Liquidation Plan.

4.7 Fees of the Liquidator and its counsel

The Liquidator and its counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, from the Assets as and when the Liquidator or its counsel renders an account to the Company and such account is approved by the Inspectors. Pursuant to Section 223(1) of the CBCA, the costs, charges and expenses of the liquidation and dissolution, including the remuneration of the Liquidator and its counsel, are payable out of the Assets in priority to all other Claims. In the event of a dispute between the Liquidator and Inspectors with respect to the Liquidator's fees and disbursements, including the fees of its counsel, the Liquidator may apply to the Court.

4.8 Indemnity

The Company hereby releases, holds harmless, and indemnifies the Liquidator from and against all liabilities, claims and costs of any nature arising from the Liquidator's execution of this Liquidation Plan, save and

except any such liabilities, claims or costs arising as a result of the Liquidator's fraud, gross negligence or wilful misconduct.

ARTICLE 5 TERMINATION OF EMPLOYEES

5.1 Termination of Employment

All Employees shall be terminated on the Effective Date, other than those Employees who are requested by the Liquidator to remain in service and assist in the implementation of this Liquidation Plan and agree to do so which Employees shall remain Employees of the Company.

5.2 Employment Agreements

In connection with the termination of all Employees, LWP will comply with all existing agreements with such Employees, if any.

ARTICLE 6 INSPECTORS

6.1 Appointment of Inspectors

On and as of the Effective Date, Joel Horn, Ivan Sabourin, Jay Lubinsky and Mick Fleming are hereby appointed as inspectors of the Company's liquidation pursuant to Section 217 of the CBCA (the "**Inspectors**").

6.2 Approval of Inspectors

For any action or inaction which requires the approval of the Inspectors under this Liquidation Plan, by order of the Court or pursuant to the CBCA, such approval shall exist if a majority of the Inspectors approve of the action or inaction by vote at a meeting of Inspectors or otherwise by written resolution signed by a majority of the Inspectors.

6.3 Meetings of Inspectors

The Liquidator or any one of the Inspectors may call a meeting of Inspectors by providing all of the Inspectors with two days written notice of such meeting, which notice may be waived by the Inspectors in their discretion. Such meetings may be held by teleconference. Quorum for any meeting of Inspectors shall be a majority of the Inspectors. Each of the Inspectors shall have one vote at any such meetings. The Liquidator shall have no vote at such meetings but may chair such meetings with the approval of a majority of the Inspectors.

6.4 Removal of Inspectors

An Inspector may be removed by:

- (a) order of the Court; or
- (b) ordinary resolution of the Shareholders at a meeting called for the purpose of removing an Inspector.

6.5 Filing Vacancies of Inspectors

There shall always be at least one Inspector and not more than four Inspectors at any time. Any vacancy in the number of permissible Inspectors may be filled by election by the majority of remaining Inspectors.

6.6 **Remuneration of Inspectors**

The compensation paid to Inspectors shall be \$5,000.00 per Inspector per year, plus \$100.00 per Inspector per day on which meetings of Inspectors are held for attendance at such meetings in person or, if attended by conference call, \$50.00 per Inspector per day.

6.7 **Indemnity**

The Company hereby releases, holds harmless, and indemnifies the Inspectors from and against all liabilities, claims and costs of any nature arising from the Inspector's actions as an Inspector under the Liquidation Plan and pursuant to the CBCA, save and except any such liabilities, claims or costs arising as a result of the Inspector's fraud, gross negligence or wilful misconduct.

ARTICLE 7 DISTRIBUTIONS

7.1 **Delivery of Distribution to Shareholders**

Unless otherwise directed, distributions to registered Shareholders shall be made by the Liquidator at the addresses set forth in the registers maintained by the Transfer Agent in respect of the Common Shares as at the date of any such distribution, or if applicable, and to the extent differing from the foregoing, at the address of such registered Shareholder's respective legal representatives, in trust for such registered Shareholder. Beneficial holders of Common Shares shall be entitled to receive distributions only through the applicable registered Shareholder on the registers maintained by the Transfer Agent in respect of the Common Shares.

7.2 **Undeliverable Distributions to Shareholders**

Where the Liquidator is unable to distribute rateably the Assets among the registered Shareholders because a registered Shareholder is unknown or a registered Shareholder's whereabouts is unknown, the share of the Assets of such registered Shareholder may, by agreement with the Public Trustee or as otherwise ordered by the Court, be delivered or conveyed by the Liquidator to the Public Trustee or such other party as ordered by the Court to be held in trust for the registered Shareholder, and such delivery or conveyance shall be deemed to be a distribution to that registered Shareholder of his, her or its rateable share for the purpose of this Liquidation Plan.

7.3 **Interim Distributions**

Any distributions to registered Shareholders (other than any final distribution on the cancellation of the Common Shares) shall be either as a reduction of stated capital, subject to satisfying the applicable solvency tests in the CBCA, or as a dividend. Subject to applicable law, the determination as to whether or not to make any such interim distribution and whether or not any such interim distribution is made as a reduction of stated capital or as a dividend shall be made by the Inspectors.

ARTICLE 8 COMPLETION OF THE LIQUIDATION PLAN

8.1 **Discharge of Liquidator and Inspectors**

At the Dissolution Date, the Liquidator and Inspectors shall be discharged and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Liquidation Plan.

**ARTICLE 9
GENERAL PROVISIONS**

9.1 Liquidation Plan Amendment

- (a) The Liquidator and Inspectors may, at any time prior to the Dissolution Date, agree to amend, modify and/or supplement this Liquidation Plan without the approval of the Shareholders, (i) in order to correct any clerical or typographical error, (ii) as required to maintain the validity or effectiveness of this Liquidation Plan as a result of any change in any Legal Requirement, or (iii) in order to make any change that in the opinion of the Liquidator and the Inspectors is administrative in nature and does not materially change the terms of this Liquidation Plan.
- (b) Subject to the ability of the Liquidator and Inspectors to agree to amend, modify and/or supplement or amend this Liquidation Plan without the approval of the Shareholders as provided in Section 9.1(a), the Liquidator and Inspectors reserve the right, at any time prior to the Dissolution Date, to amend, modify and/or supplement this Liquidation Plan, provided that any such amendment, modification or supplement shall not be effective until approved by a special resolution of the Shareholders at a meeting of Shareholders called for the purposes of approving such amendment, modification or supplement.

9.2 Severability

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

9.3 Paramourncy

From and after the Liquidation Date, any conflict between: (A) this Liquidation Plan; and (B) any information summary in respect of this Liquidation Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, document or agreement, written or oral, and any and all amendments and supplements thereto existing between LWP and any of the Shareholders, Directors, Liquidator, and Inspectors as at the Liquidation Date, will be deemed to be governed by the terms, conditions and provisions of this Liquidation Plan, which shall take precedence and priority.

9.4 Responsibilities of the Liquidator

The Liquidator will have only those powers granted to it by this Liquidation Plan, by the CBCA and by any order of the Court.

9.5 Notices

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Liquidation Plan and may, subject as hereinafter provided, be made or given by personal delivery, by fax, courier or e-mail addressed to the respective parties as follows:

- (i) if to a Shareholder:
at the addresses set forth in the securities register kept at the Transfer Agent;

(ii) if to a Creditor:

at the addresses set forth in the books and records of the Company or the proofs of claim filed by such Creditor in accordance with the Claims Process

(iii) if to the Company or the Liquidator:

KSV Advisory Inc.
150 King Street West, Suite 2308
Toronto, ON M5H 1J9

Attention: David Sieradzki
Fax: 416-932-6266
E-mail: dsieradzki@ksvadvisory.com

with a copy to (which shall not constitute notice):

Osler Hoskin & Harcourt
1 First Canadian Place
Toronto, ON M5X 1B8

Attention: Marc Wasserman
Fax: 416-862-6666
E-mail: mwasserman@osler.com

and

Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West, 44th Floor
Toronto, ON M5H 3Y4

Attention: Edmond Lamek
Fax: 416-361-2436
E-mail: elamek@blg.com

(iv) if to the Inspectors:

c/o Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West, 44th Floor
Toronto, ON M5H 3Y4

Attention: Edmond Lamek
Fax: 416-361-2436
E-mail: elamek@blg.com

or to such other address as any party may from time to time notify the others in accordance with this Section 9.5. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications which are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Standard Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Liquidator to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Liquidation Plan.

9.6 Governing Law

This Liquidation Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of laws. All questions as to the interpretation or application of this Liquidation Plan and all proceedings taken in connection with this Liquidation Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The foregoing Liquidation Plan being adopted by the Board as of this 31st day of December, 2015.

BY ORDER OF THE BOARD

by



Name:

Title:

Bruce A. Schevr
Chairman

IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL INC.
PURSUANT TO SECTION 211 OF THE *CANADA BUSINESS
CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

and

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF LWP
CAPITAL INC.

Court File No: CV-16-11242-00CL

Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

Proceeding commenced at TORONTO

LIQUIDATION ORDER

OSLER, HOSKIN & HARCOURT LLP
Box 50, 1 First Canadian Place
Toronto, Canada M5X 1B8

Marc Wasserman (LSUC#: 44066M)
Tel: 416.862.4908

Sonja Pavic (LSUC #: 64558U)
Tel: 416.862.5661
Fax: 416.862.6666

Lawyers for the Liquidator, KSV Advisory Inc.

Appendix “B”

FOR IMMEDIATE RELEASE

Legumex Walker Provides Update on Expected Distribution to Shareholders

– Company Moving Towards Closing of Divestiture of Pacific Coast Canola –

WINNIPEG, MB (October 26, 2015) – Legumex Walker Inc. (TSX: LWP) (“LWI” or the “Company”) today provided a revised estimate for the net amount available for distribution to shareholders (“the **Distribution**”) following the previously announced proposed sale of substantially all of the assets its Special Crops Division to The Scoular Company (“**Scoular**”) for CAD\$94 million plus the amount of net working capital at closing, on a cash free debt free basis, paid in cash (the “**Sale Transaction**”).

The Company has completed an update of the Distribution in advance of the Special Meeting of Shareholders to be held on November 9, 2015. The Distribution has been updated to include Capital Lease Obligations in Secured Debt Repayment, increasing this required repayment by \$4.4 million. As a result, the Distribution is now estimated to be \$1.69 to \$1.98 per share (after deducting estimated taxes, all corporate and Special Crops Division related debt and all wind-up and transaction related expenses as set out under the heading “Use of Proceeds from the Sale Transaction” in the Company’s Management Information Circular dated October 12, 2015 (“**the Circular**”). In addition, the Company has also completed an update of its working capital as at October 23, 2015 and continues to be satisfied with the parameters presented in the Circular in this regard.

The revised estimated Distribution represents a 69.8% to 98.9% premium over the 20-day volume-weighted average price of the Company’s Common Shares on the TSX as of September 11, 2015, the last trading day prior to the announcement of the Sale Transaction. The net amount available for distribution to shareholders is based on net working capital estimated as at September 30, 2015. The actual amount of the Distribution will be based on working capital at closing, which will be different than working capital as at September 30, 2015

The Company also reported it continues to make progress towards the intended divestiture of its 84% ownership interest in Pacific Coast Canola (“PCC”) (the “PCC Transaction”). The Company has been informed that the terms have been agreed to in principle with the prospective acquirers and the parties are moving towards expected closing of the transaction, including termination of the Processing Agreement between PCC and the Scoular Company, although the outcome of any such transaction is uncertain and is subject to compliance with the terms of the forbearance from secured lenders. The Company does not expect to receive any value from the sale of its 84% interest.

The revised estimated Distribution range of \$1.69 to \$1.98 per share assumes the Company will not be required to pay \$1.2 million in respect of severance obligations for PCC nor that the Company will be required to pay to Scoular an amount of US\$1.5 million in respect of the sale of the Canola Current Assets by Scoular in connection with the termination of the PCC Processing Agreement.

BOARD RECOMMENDATION

The Board of Directors (“the Board”) of LWI has unanimously approved the sale of the Specialty Crops Division. The Board recommends that shareholders vote in favour of the Sale Transaction and other related matters.

ADDENDUM TO MANAGEMENT INFORMATION CIRCULAR

An addendum to Management Information Circular (“the Addendum”) in respect to the update described above will be mailed to shareholders as of the record date of October 9, 2015. Copies of the Addendum will be filed with Canadian securities regulators and will be available on the SEDAR profile of the Company at www.sedar.com. In addition, investors and shareholders may obtain free copies of the documents the Company files with Canadian securities regulators by directing a written request to LWI, 1345 Kenaston Boulevard, Winnipeg, MB R3P 2P2 Attention: Corporate Secretary. Investors and shareholders of the Company are urged to read the Circular and the Addendum as such materials contain important information about the transaction.

THE SPECIAL MEETING

The Special Meeting of Shareholders to consider the Resolutions will be held on November 9, 2015 at 10:00 a.m. (Toronto time) at the offices of Borden Ladner Gervais LLP, Scotia Plaza, 40 King St. W., 44th Floor, Toronto, Ontario. All shareholders are encouraged to vote.

HOW TO VOTE

Registered shareholders (shareholders who hold LWI shares in their name and represented by a physical certificate or through the Direct Registration System) may vote by mail, internet, fax or in person at the Meeting. In the interest of time, shareholders are encouraged to vote via the internet or by fax as follows:

Internet: Vote online at www.voteproxyonline.com, using the 12 digit control number located on your proxy.

Facsimile: 416-595-9593

Beneficial shareholders (shareholders who hold LWI shares through a bank, broker or other intermediary) will have different voting instructions provided to them and should follow the instructions found on their voting instruction form to vote online, by telephone or fax.

SHAREHOLDER QUESTIONS

Shareholders who have questions or require assistance with voting may contact LWI’s Proxy Solicitation Agent:

Laurel Hill Advisory Group

Toll free: 1-877-452-7184 or 416-304-0211 (collect)

Email: assistance@laurelhill.com

About Legumex Walker Inc.

LWI is a growth-oriented processor and merchandiser of pulses and other special crops, and with the completion of the PCC canola seed processing facility in Washington State, canola products. The Company derives its revenue from sourcing, processing, marketing and distributing special crops, canola products and associated healthy, specialty food ingredients to a global customer base. The Company operates processing facilities in the Canadian Prairies, American Midwest, the Pacific Northwest, and China.

Cautionary Note on Forward-looking Statements

This press release contains “forward-looking information” within the meaning of Canadian securities laws which may include, but are not limited to, statements relating to the transaction value to LWI of the sale transaction, the proposed plan of liquidation and the amount of the Company’s working capital as at September 30, 2015 and October 23, 2015, the estimated amount of distributions to shareholders and the proposed divestiture of PCC. Such forward-looking information reflects the Company’s views with respect to future events and is subject to risks, uncertainties and assumptions, including the risk that the conditions to the completion of the sale of the Special Crops Division, including shareholder and regulatory approvals, will not be satisfied within the contemplated time frames, the risk that the amount of working capital or payment in respect thereof will be less than as at September 30, 2015 and October 23, 2015 or otherwise less than expected, the risk that the amount available for distribution to shareholders will be less than expected as a result of unforeseen liabilities and other factors, as well as those factors referred to in the section entitled “Risk Factors” in the Company’s Management’s Discussion and Analysis for the period ended December 31, 2014 and in the Circular which are available on SEDAR at www.sedar.com and should be reviewed in conjunction with this document. The statements with respect to the estimated distributions to the shareholders assume that the amount paid for the working capital will not be less than the working capital of LWI as at September 30, 2015 and that other adjustments to the purchase price will not result in a reduction to the purchase price payable in respect of the Special Crops Division or the amount available for distribution to shareholders. The statements relating to the estimated distributions to shareholders also assume that the sale of the Special Crops Division will be completed and that any adjustment to the sale price will not exceed projections, and that taxes, expenses and liabilities of the Company will not exceed internal estimates. Such statements are subject to significant uncertainties. The statements with respect to working capital as at October 23, 2015 assume that no negative material adverse changes have occurred to working capital from the working capital as at September 30, 2015. The statements with respect to the proposed divestiture of PCC assume that parties will enter into binding agreements in respect thereto and complete the proposed divestiture and terminate the PCC Processing Agreement on terms which do not result in LWI being responsible for any additional payment to Scoular or for any severance obligations in respect of certain employees of PCC. Although the Company believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For additional information, please contact:

Lauren Moran
Manager, Investor Relations
investors@legumexwalker.com
(425) 250-1498

Lawrence Chamberlain
NATIONAL Equicom
lchamberlain@nationalequicom.ca
(416) 848-1457

Appendix “C”

Legumex Walker Reports Results of Special Meeting of Shareholders to Approve Sale of Special Crops Division

— Shareholders Overwhelmingly Vote in Favour of Transaction —

WINNIPEG, MB (November 9, 2015) – Legumex Walker Inc. (TSX: LWP) (“LWI” or the “Company”) today announces that a two thirds majority of shareholders have voted “FOR” the sale of substantially all of the assets of the Company’s Special Crops Division to The Scoular Company (“the Sale Transaction”), the voluntary liquidation and dissolution of the Company according to the Canada Business Corporations Act and other related matters (“the Resolutions”), all as more particularly described in the Management Information Circular (“the Circular”) of the Company, dated October 15, 2015.

The total number of shares voted by way of ballot at the Meeting by proxy or in person was 12,394,245 or 76.06% of the total issued and outstanding shares of the Company.

Resolution	Outcome of Vote	Proxies Received and Shareholders Present ¹	
		For	Against
Sale of Special Crops Division	Approved	12,164,676 (99.56%)	54,150 (0.44%)
Voluntary Liquidation & Dissolution	Approved	10,960,476 (89.70%)	1,258,350 (10.30%)
Change of Registered Office	Approved	12,167,326 (99.58%)	51,500 (0.42%)
Name Change	Approved	12,329,512 (99.48%)	64,733 (0.52%)
Reduction of Stated Capital	Approved	12,157,326 (99.50%)	61,500 (0.50%)

In addition to approval by shareholders, all necessary regulatory approvals have been obtained and it is expected that the Sale Transaction will be completed by November 30, 2015, provided that all third party approvals and other closing conditions are satisfied or waived by that date.

Further information regarding the Transaction and its anticipated effects on Legumex Walker are contained in the Circular, which is available on www.sedar.com. Readers are cautioned that there is risk that the amount of working capital or payment in respect thereof pursuant to the Sale Transaction will be less than as at September 30, 2015 or otherwise less than expected, resulting in the transaction value being less than anticipated, and a risk that the amount available for distribution to shareholders will be less than expected as a result of unforeseen liabilities.

¹ The percentages listed in the columns below are percentages of the total issued and outstanding shares of the Company, excluding any and all shares held by The Scoular Company.

About Legumex Walker Inc.

LWI is a growth-oriented processor and merchandiser of pulses and other special crops, and with the completion of the PCC canola seed processing facility in Washington State, canola products. The Company derives its revenue from sourcing, processing, marketing and distributing special crops, canola products and associated healthy, specialty food ingredients to a global customer base. The Company operates processing facilities in the Canadian Prairies, American Midwest, the Pacific Northwest, and China.

Cautionary Note on Forward-looking Statements

This press release contains “forward-looking information” within the meaning of Canadian securities laws which may include, but are not limited to, statements relating to the possible completion of the sale of the Special Crops Division and the proposed plan of liquidation. Such forward-looking information reflects the Company’s views with respect to future events and is subject to risks, uncertainties and assumptions, including the risk that the conditions to the completion of the sale of the Special Crops Division, including third party approvals, will not be satisfied within the time frame anticipated or contemplated by the agreement between LWI and The Scoular Company, as well as those factors referred to in the section entitled “Part II – Business of the Meeting – Risk Factors” in the Circular, which is available on SEDAR at www.sedar.com and should be reviewed in conjunction with this document. Although the Company believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For additional information, please contact:

Lauren Moran
Manager, Investor Relations
investors@legumexwalker.com
(425) 250-1498

Lawrence Chamberlain
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Appendix “D”

FOR IMMEDIATE RELEASE

Legumex Walker Completes Sale of Special Crops Assets to Scoular and Changes its Name to “LWP Capital Inc.”

WINNIPEG, MB (November 23, 2015) – Legumex Walker Inc. (TSX: LWP) (“**Legumex Walker**” or the “**Company**”) today announced that it has completed the previously announced sale of the assets of the Company’s Special Crops Division (“**the Special Crops Transaction**”) to The Scoular Company (“**Scoular**”) for gross proceeds of CAD\$94 million, less closing and post-closing adjustments, plus CAD\$71.5 million, which represents a preliminary estimate for the amount of net working capital at closing, paid in cash. Shareholders at a Special Meeting overwhelmingly approved the Special Crops Transaction on November 9, 2015. The final purchase price payable is expected to be determined within 90 days upon determination of the final closing working capital in accordance with the Asset Purchase Agreement dated September 14, 2015.

“This is the culmination of four years of hard work combining several of the premier companies in North America into a formidable Special Crops platform,” said Joel Horn, Legumex Walker’s President & CEO, “We are proud of what we have accomplished and look forward to seeing that platform continue to grow with Scoular’s expertise and leadership.”

According to Chuck Elsea, Scoular’s Chief Executive Officer, “We’ve been looking to enter the special crops market for some time, and we’re thrilled to finalize the purchase of a business that brings a wealth of special crops experience and expertise to our growing company. We will invest additional resources to expand the business and pursue opportunities that result in more value for growers and a high-quality, reliable supply of specialty products for customers around the globe.”

The Company previously estimated that the net amount available for distribution to shareholders to be \$1.69 to \$1.98 per share (after deducting estimated taxes, all corporate and Special Crops Division related debt and all wind-up and transaction related expenses as set out under the heading “Use

of Proceeds from the Sale Transaction” in the Company’s Management Information Circular dated October 12, 2015, as amended). The Company will be able to update its estimate of the net amount available for distribution to shareholders once the final purchase price has been determined based on final working capital.

The Company expects the Common Shares to be delisted from the TSX on the date specified by the TSX following an expedited delisting review. The Company expects the effective date of the delisting of Common Shares will be by December 31, 2015 (approximately 30 days following the completion of the expedited delisting review).

The Company expects to file articles of amendment changing its name to “LWP Capital Inc.” on November 24, 2015 and its new CUSIP number is 502464100 and its new ISIN is CA5024641006. The Company expects that the plan of liquidation approved by the shareholders on November 9, 2015 will become effective by December 31, 2015 or early in January 2016. Although an interim distribution to shareholders is expected to be made during the second quarter of 2016, its final distribution is not expected prior to the completion of the liquidation period in 2017.

Readers are cautioned that there is risk that the amount of working capital or payment in respect thereof pursuant to the Sale Transaction will be less than as estimated at closing or September 30, 2015 or otherwise less than expected, resulting in the transaction value being less than anticipated, and a risk that the amount available for distribution to shareholders will be less than expected as a result of unforeseen liabilities. The closing and post-closing adjustments, include the payment of fees relating to insurance policies, deductions in respect of accounts receivable of Pacific Coast Canola, LLC (“PCC”), environmental and real estate related costs.

Further information regarding the Special Crops Transaction and its anticipated effects on Legumex Walker are contained in the Management Information Circular dated October 12, 2015, as amended, which is available on www.sedar.com.

Update on the PCC Transaction

The Company is targeting to complete the proposed divestiture of its interest in Pacific Coast Canola LLC by the end of this week. The Company will not realize any proceeds from the divestiture.

About Scoular

A 123-year old company with nearly \$6 billion in sales, Scoular operates 130+ independent business units that provide diverse supply chain solutions for end-users and suppliers of grain, feed ingredients, and food ingredients around the globe. From more than 120 offices and facilities, 1200+ employees are engaged in the business of buying, selling, storing, and processing grain and ingredients as well as managing transportation and logistics worldwide. For further information, visit www.scoular.com.

Cautionary Note on Forward-looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws which may include, but is not limited to, statements relating to the determination of closing working capital, the final purchase price, the timing of the delisting of the Common Shares, the name change of the Company, the timing and amount of distributions to shareholders, the effectiveness of the plan of liquidation, the divestiture of its interest in PCC, and Scoular's future plans. Such forward-looking information reflects the Company's views with respect to future events and is subject to risks, uncertainties and assumptions, including the risk that the divestiture of its interest in PCC will not be completed within the time frame contemplated or on terms previously announced and the risk that PCC will not be in compliance with the terms of its credit facilities and related forbearances, the risk that the net proceeds of the sale of the Special Crops Division will be less than previously disclosed and expenses of the Company will exceed the amount estimated by the Company, the risk that distributions to shareholders will be delayed, the risk that the plan of liquidation will become effective later than expected, the risk that the closing working capital will not be determined within the time frame expected, and the risk that notwithstanding the fact that the Company will not realize any proceeds from the divestiture of its interest

in PCC, the Company or its subsidiaries may incur costs and obligations in respect of such divestiture, as well as those factors referred to in the section entitled "Risk Factors" in the Company's Management Information Circular dated October 12, 2011⁵ as amended by the Addendum dated October 26, 2015, in the Management's Discussion and Analysis for the period ended September 30, 2015 and in the Annual Information Form dated March 31, 2015 which are available on SEDAR at www.sedar.com and should be reviewed in conjunction with this press release. The Company's expectation with respect to the net amount available for distribution to shareholders and timing for such distributions assume that the final working capital is not less than as at September 30, 2015, expenses of the Company will not exceed the amount expected and the Company will receive the necessary approvals for such distributions. The Company's expectation with respect to the divestiture of its interest in PCC assume that the divestiture of its interest in PCC will be satisfied or waived by the anticipated closing date and PCC's lenders will continue to forbear in respect of the enforcement of the credit facilities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although the Company believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

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Appendix “E”

LWP CAPITAL INC. PROVIDES UPDATE ON LIQUIDATION PROCEEDINGS

TORONTO, February 23, 2016 /CNW/ - LWP Capital Inc. (TSX: LWP) (formerly “**Legumex Walker Inc.**”) (“**LWP**” or the “**Company**”), by KSV Advisory Inc., in its capacity as the Court-appointed liquidator of LWP (the “**Liquidator**”), today announced that it has received an objection notice (the “**Objection Notice**”) from The Scouler Company (the “**Purchaser**”) objecting to the Company’s calculation of the Closing Working Capital set out in the Company’s Closing Statement delivered pursuant to Section 2.7(3) of the Asset Purchase Agreement dated September 14, 2015, entered into among the Purchaser, the Company and certain wholly-owned subsidiaries of LWP, as amended (the “**Asset Purchase Agreement**”).

The Liquidator provides the following update on this matter:

- The calculation prepared by the Purchaser contemplates a downward adjustment to the purchase price of approximately CAD\$19 million;
- The Liquidator intends to provide an update once the Closing Working Capital has been definitively determined;
- If the Closing Working Capital is not definitively determined in a manner that is favorable to the Company, the funds available for distribution to shareholders may be materially less than the range of CAD\$1.69 to CAD\$1.98 per share disclosed in the Company’s press release dated November 23, 2015; and
- The Purchaser’s Objection Notice may not address all adjustments or claims which the Purchaser may advance under the Asset Purchase Agreement and/or the Court supervised claims process which is presently being administered by the Liquidator. The results of the claims process will be made available by the Liquidator following the claims bar date of March 15, 2016.

All Court materials filed and updates on the status of the liquidation proceedings will be available on the Liquidator’s website at www.ksvadvisory.com.

Cautionary Note on Forward-looking Statements

This press release contains “forward-looking information” within the meaning of Canadian securities laws which may include, but is not limited to, statements relating to the determination of Closing Working Capital, the final purchase price, the timing and amount of distributions to shareholders and the effectiveness of the plan of liquidation. Such forward-looking information reflects the Company’s views with respect to future events and is subject to risks, uncertainties and assumptions, including the risk that the amount of the Closing Working Capital will be definitively determined or resolved adversely to the Company, the risk that the net proceeds of the sale of the Special Crops Division pursuant to the Asset Purchase Agreement will be less than previously disclosed and expenses of the Company will exceed the amount estimated by the Company, the risk that distributions to shareholders will be delayed, the risk that the Closing Working Capital will not be determined within the time frame expected, as well as those factors referred to in the section entitled “Risk Factors” in the Company’s Management Information Circular dated October 12, 2015 as amended by the Addendum dated October 26, 2015, in the Management’s Discussion and Analysis for the period ended September 30, 2015 and in the

Annual Information Form dated March 31, 2015 which are available on SEDAR at www.sedar.com and should be reviewed in conjunction with this press release. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although the Company believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

For further information:

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Appendix “F”

CITATION: Re: LWP Capital Inc., 2016 ONSC 3091
COURT FILE NO.: CV-16-11242-00CL
DATE: 20160511

**SUPERIOR COURT OF JUSTICE – ONTARIO
COMMERCIAL LIST**

IN THE MATTER OF THE LIQUIDATION OF LWP CAPITAL
INC. PURSANT TO SECTION 211 OF THE *CANADA BUSINESS
CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

And

KSV ADVISORY INC. IN ITS CAPACITY AS LIQUIDATOR OF
LWP CAPITAL INC.

BEFORE: Newbould J.

COUNSEL: *James D.G. Douglas and Caitlin R. Sainsbury*, for the applicant KSV Advisory
Inc. in its capacity of liquidator of LWP Capital Inc.

Peter F.C. Howard and David Spence, for The Scoular Company

HEARD: April 29, 2016

ENDORSEMENT

[1] The Liquidator of LWP Capital Inc. moves for declaratory relief in connection with a dispute over a working capital adjustment to be made following a sale of the special crops division of Legumex Walker Inc. (“LWP”) to The Scoular Company (“Scoular”). There is a provision in the Asset Purchase Agreement that requires disputes for the matters in issue to be decided by a Mr. Brian Clancey, agreed to be an expert in his field. Scoular says that the matter in dispute should be dealt with by Mr. Clancey. The Liquidator says that the objection of Scoular under the APA was invalid and asks for a declaration of rights regarding the dispute.

[2] For the reasons that follow, the motion of the Liquidator is dismissed.

Relevant factual background

[3] LWP was a public company that entered into voluntary liquidation proceedings by order of this Court dated January 11, 2016. LWP had two primary business operations. The business operation material to this motion was the special crops division. The other division was an indirect 84% share in a canola and oilseed processing plant in Washington State.

[4] The special crops division processed and sold crops known in the agribusiness as “special crops”, which include pulses (lentils, peas, beans and chickpeas), sunflower seeds, and flaxseed. LWP did not grow any of the crops it processed and merchandised. It was a dealer that purchased commodities from growers in the Canadian Prairies, American Midwest and China. After processing the commodities, LWP marketed them around the world.

[5] Scoular is, except for the assets it acquired from LWP, primarily an American merchandiser of bulk grain. It also has a small corn processing facility and, prior to its acquisition of LWP’s assets, it traded special crops. However, except for the assets acquired from LWP, Scoular did not, and does not, process or market any special crops.

[6] On September 14, 2015, Scoular entered into an asset purchase agreement (APA) with LWP pursuant to which Scoular agreed to acquire substantially all of the assets of LWP’s special crops division for CAD \$94 million, plus an amount to be paid for Working Capital as defined in the APA.

[7] The APA has its complexities. However, in simple terms, it provided for a purchase price of \$94 million plus the amount of the Closing Working Capital less other amounts not relevant to this motion. There was to be a good faith best estimate of a Preliminary Closing Working Capital to be paid on the closing. Within 45 days after the closing the vendor was to deliver a Closing Statement that included a Closing Working Capital calculation and the purchaser could deliver an Objection Notice within the same time. The parties were then obliged to negotiate in good faith and if any dispute was not settled within 15 days the purchaser was to appoint Mr. Clancey

to resolve the dispute. The parties agree that Mr. Clancey is to act as an expert and is not an arbitrator.

[8] Scoular agreed to a figure for the Preliminary Closing Working Capital. It did not agree to the Closing Working Capital figure in the Closing Statement. The Liquidator says that Scoular is now impermissibly going back on the agreed Preliminary Closing Working Capital calculation and claiming that it was too high and that any objection Scoular has to the Closing Working Capital is limited to the discrepancies in inventory quantity and/or quality as between the Preliminary Closing Working Capital agreed to by Scoular and the Closing Working Capital.

[9] Relevant parts of the APA are as follows:

2.5. Purchase Price and Purchase Price Allocation.

(1) Subject to the terms and conditions of this Agreement, the aggregate purchase price (the "Purchase Price") to be paid by the Purchaser to the Vendors, or as the Vendors may direct, for the Purchased Assets is:

(a) \$94,000,000; plus the amount of the Closing Working Capital (which shall be determined in accordance with Sections 2.7 and 2.8);...

2.6 Payment of Purchase Price.

(1) Subject to Sections 2.7, 2.8, 2.9 and 2.10 and Section 6.8, the Purchaser shall pay and satisfy the Purchase Price at Closing:

...

(c) by payment to or to the order of the Vendors of \$94,000,000 ...*plus* the amount of the Preliminary Closing Working Capital, determined immediately prior to Closing pursuant to Section 2.7(1); and

2.7 Closing Date Adjustments.

(1) For purposes of determining a good faith best estimate of a detailed calculation of the Working Capital as of the Effective Time [the closing date], not less than five (5) Business Days prior to the Closing Date, the Parent [Vendor or LWP] shall, in consultation with the Purchaser, prepare and deliver to the Purchaser the Parent's reasonable estimate of the

Closing Working Capital (the "Preliminary Closing Working Capital"), which shall be prepared in the same manner as the Closing Statement under Section 2.7(2) below; ... In the event the Purchaser shall object to any of the information set forth in the calculation of the Preliminary Closing Working Capital or the accompanying schedules as presented by the Parent, the Parties shall negotiate in good faith and agree on appropriate adjustments to the end that such Preliminary Closing Working Capital and the accompanying schedules reflect a good faith best estimate of the Closing Working Capital....

- (2) As soon as possible, but not later than 45 days, following the Closing Date, the Parent shall prepare and deliver to the Purchaser the following (collectively, the "Closing Statement"):
 - (a) a detailed calculation of the Working Capital as of the Effective Time (the "Closing Working Capital"); and
 - (b) a calculation of:
 - (i) the amount by which the Closing Working Capital exceeds or is less than, as the case may be, the Preliminary Closing Working Capital; and
 - (ii) the Purchase Price, as adjusted in accordance with Section 2.8.
- (3) The Purchaser shall have 45 days from receipt of the Closing Statement within which to review the Closing Statement. For the purposes of this review, the Parent shall permit and shall cause the Vendors and the Acquired Subsidiaries to permit the Purchaser and the Purchaser's authorized Representatives to examine all working papers, schedules, accounting, Books and Records and other documents and information used or prepared by the Parent in connection with the preparation of the Closing Statement and to have reasonable access to appropriate personnel of the Parent for the Purchaser to verify the accuracy and presentation and other matters relating to the preparation of the Closing Statement. The Purchaser may dispute any of the items in the Closing Statement by written notice (an "Objection Notice") to the Parent within the same 45 days. If the Purchaser has not delivered an Objection Notice to the Parent within this 45-day period, the Purchaser shall be deemed to have accepted the Closing Statement. If the Purchaser delivers an Objection Notice, the Parent and the Purchaser shall work expeditiously and in good faith in an attempt to resolve all of the items in dispute within 15 days of receipt of the Objection Notice. ...

2.8. Purchase Price Adjustment. The Purchase Price is to be adjusted by the amount by which the Closing Working Capital is greater than, or is less than, as the case may be, the Preliminary Closing Working Capital. ...

[10] Working Capital was defined in the APA in part as follows:

(186) “**Working Capital**” means, as of the Closing Date... Closing Inventories ... which will be calculated in accordance with the calculation guidelines set forth on Schedule G and, except as otherwise expressly contemplated by Schedule G, in accordance with IFRS [International Financial Reporting Standards] applied on a basis consistent with the preparation of the Financial Statements.

[11] Schedule G provided for the Closing Inventory to be divided into Lots differentiated on the basis of commodity, type and class. Inventory that was subject to a sale to close within 30 days was to be valued at cost. The remaining inventory, which is the inventory in dispute, was to be valued at the lower of cost or net realizable value. Schedule G provided, in part:

The remaining Closing Inventory (“**Open Closing Inventory**”) will be valued at the lower of (i) Cost and (ii) net realizable value.

Net Realizable Value: If the Parent and the Purchaser are unable to agree on the net realizable value for any Lot of Closing Open Inventory, then the Parties shall jointly engage Brian Clancey, Senior Market Analyst at STAT Communications Ltd. to determine the net realizable value (as the mid-point between bids and offers for similar product for a similar shipment period) for such Lot, and such determination shall be final and binding on the parties. ... The parties acknowledge that they are retaining Brian Clancey as an individual and not the firm STAT Communications Ltd. Should Brian Clancey be unavailable or otherwise unable to provide the requested services, the parties will agree on a mutually acceptable substitute broker.

[12] Representatives from Scoular and AltaCorp, a consultant to LWP, negotiated the Preliminary Closing Working Capital value from November 10 to 22, 2015. On November 22, 2015 Scoular sent an email confirming its agreement on the final calculations representing the Preliminary Closing Working Capital of \$71,512,688. The transaction closed effective November 23, 2015, and Scoular fully funded the Purchase Price on closing, including the value ascribed to the Preliminary Closing Working Capital of \$71,512,688.

[13] After closing, LWP submitted its Closing Working Capital calculation to Scoular on January 7, 2016, which contained a write-down of \$110,404 from the Preliminary Closing Working Capital. LWP acknowledges that due to time constraints, an error was made in that calculation and that the total write-down from Preliminary Closing Working Capital should have been \$534,091.33.

[14] On December 10, 2015, Scoular provided LWP with a proposed set of NRVs for the crops listed in the Closing Working Capital. Scoular incorporated these values into the calculation that resulted in its Notice of Objection, delivered on February 19, 2016, which claimed the Preliminary Closing Working Capital should be written-down by approximately \$20 million for the purposes of the Closing Working Capital.

[15] Under section 2(7) of the APA, the parties were to try to work out any dispute. Apparently Scoular asked to do this but LWP did not respond other than to bring this motion.

Analysis

[16] What is at issue are the rights of the parties under the APA. Winkler C.J.O. articulated the test for construing a commercial contract in *Salah v. Timothy's Coffees of the World Inc.* (2010), 74 B.L.R. (4th) 161 as follows:

16 The basic principles of commercial contractual interpretation may be summarized as follows. When interpreting a contract, the court aims to determine the intentions of the parties in accordance with the language used in the written document and presumes that the parties have intended what they have said. The court construes the contract as a whole, in a manner that gives meaning to all of its terms, and avoids an interpretation that would render one or more of its terms ineffective. In interpreting the contract, the court must have regard to the objective evidence of the "factual matrix" or context underlying the negotiation of the contract, but not the subjective evidence of the intention of the parties. The court should interpret the contract so as to accord with sound commercial principles and good business sense, and avoid commercial absurdity. If the court finds that the contract is ambiguous, it may then resort to extrinsic evidence to clear up the ambiguity.

[17] In *Kentucky Fried Chicken v. Scott's Food Services Inc.* (1998), 41 B.L.R. (2d) 42 (Ont. C.A.) Goudge J.A. stated the following regarding the interpretation of a commercial agreement at para. 27

Where, as here, the document to be construed is a negotiated commercial document, the court should avoid an interpretation that would result in a commercial absurdity. *City of Toronto v. W.H. Hotel Ltd.* (1966), 56 D.L.R. (2d) 539 at 548 (S.C.C.). Rather, the document should be construed in accordance with sound commercial principles and good business sense; *Scanlon v. Castlepoint Development Corporation et al.* (1992), 11 O.R. (3d) 744 at 770 (Ont.C.A.). Care must be taken, however, to do this objectively rather than from the perspective of one contracting party or the other, since what might make good business sense to one party would not necessarily do so for the other.

[18] I take the principles in *Kentucky Fried Chicken* and in *Salah*, the latter adopted by Cronk J.A. in *Downey v. Ecore International Inc.* 2012 ONCA 480 and by Juriansz J.A. in *Ariston Realty Corp. v. Elcarim Inc.* 2014 ONCA 737, as the applicable principles governing this case. See also *Unique Broadband Systems Inc. (Re)* 2014 ONCA 538 at para. 88.¹ They are consistent with the principles enunciated by Rothstein J. in *Sattva Capital Corp. v. Creston Moly Corp.*, 2014 SCC 53.

[19] The Liquidator makes the following arguments as to why the dispute should not be dealt with by Mr. Clancey as provided for in schedule G to the APA:

- (a) LWP closed the transaction on November 23, 2015 based on Scoular's agreement to the Preliminary Closing Working Capital, including the NRVs on which it was based, and

¹ I prefer this test to that articulated in *Ventas, Inc. v. Sunrise Senior Living Real Estate Investment Trust* (2007), 85 O.R. (3d) 254 (C.A.), in which it was said that interpreting a contract that accords with sound commercial principles is limited to situations in which there is some ambiguity. I do not think that is correct and it is not what other cases of appellate authority have stated. See my comments in *Thomas Cook Canada Inc. v. Skyservice Airlines Inc.* (2011), 83 C.B.R. (5th) 106 at para. 13 and *Oncap L.P. v. Computershare Trust Co. of Canada* (2011), 94 B.L.R. (4th) 314 at paras. 21 to 24. See also Geoff R. Hall, *Canadian Contractual Interpretation Law*, 2nd ed. (Markham Ont.:LexisNexis 2012 at p. 46 fn. 191. See also *Nortel Networks Corporation (Re)*, (2015), 27 C.B.R. (6th) 175 at paras. 52-54, leave to appeal refused 2016 ONCA 332.

Scoular is estopped from claiming the NRVs are significantly different for the purposes of calculating the Closing Working Capital;

- (b) the proposed inventory values on which Scoular's Notice of Objection is based do not conform with IFRS, and so the Notice of Objection does not raise a valid dispute that engages the dispute resolution mechanism in Schedules G to the APA; and
- (c) the parties must agree on NRV for the purpose of Preliminary Closing Working Capital in order for that to be a best estimate of Closing Working Capital, so the dispute resolution mechanism in Schedule G with relation to NRV only applies to disputes in post-closing fluctuations in NRV.

[20] I will first deal with the estoppel argument.

[21] The Liquidator relies on a statement by Bastarache J. in *Ryan v. Moore*, [2005] 2 S.C.R. 53 describing estoppel by convention:

59 This Court is not bound by any of the above analytical frameworks. After having reviewed the jurisprudence in the United Kingdom and Canada as well as academic comments on the subject, I am of the view that the following criteria form the basis of the doctrine of estoppel by convention:

- 1) The parties' dealings must have been based on a shared assumption of fact or law: estoppel requires manifest representation by statement or conduct creating a mutual assumption. Nevertheless, estoppel can arise out of silence (impliedly).
- 2) A party must have conducted itself, i.e. acted, in reliance on such shared assumption, its actions resulting in a change of its legal position.
- 3) It must also be unjust or unfair to allow one of the parties to resile or depart from the common assumption. The party seeking to establish estoppel therefore has to prove that detriment will be suffered if the other party is allowed to resile from the assumption since there has been a change from the presumed position.

[22] I was referred to evidence by counsel for the Liquidator to the effect that Scoular was aware of things that it did not raise during the negotiations leading to the agreed amount for the Preliminary Closing Working Capital that Scoular later raised in its Notice of Objection to the Closing Working Capital amount proposed by LWP. It was argued that this was a breach by

Scoular of its obligation under the APA to negotiate the estimated Preliminary Closing Working Capital in good faith. I was referred to evidence by counsel for Scoular which indicated that there was some discussion during the negotiations leading to the Preliminary Closing Working Capital that indicated the parties agreed there could be adjustments later in accordance with the APA. In rebuttal, counsel for the Liquidator says what was discussed was not the major issue that has now arisen.

[23] On the state of the record, I would not be in a position to decide exactly what was said during the negotiations leading to the Preliminary Closing Working Capital without a trial of the issue. However, I do not think that necessary.

[24] Assuming without deciding that there was a shared assumption at the time of the closing as contended by the Liquidator, it would be necessary, to use the language of *Bastarache J.*, for the Liquidator to establish that LWP acted in reliance on such shared assumption and that its actions resulting in a change of its legal position. I do not see what LWP did to change its legal position. It negotiated under the APA in accordance with the terms that called for the negotiation. I do not see any cogent evidence that LWP changed anything or that its position was irreversibly altered as of the closing.

[25] I also have difficulty with the notion that LWP suffered any detriment. The Liquidator says that it would have had an opportunity to continue negotiations until the parties agreed on some other basis. But there is no evidence that if the parties had continued negotiations the end result would have been what the Liquidator now contends should be the result. It is speculation. What LWP received was a payment based on the agreed Preliminary Closing Working Capital. The Closing Working Capital was subject to being increased or decreased after the closing. That LWP might have to pay back something received on the closing was specifically contemplated in the APA. LWP agrees that it was overpaid on the closing. The issue is how much overpayment it received.

[26] I cannot find that Scoular is estopped from taking the position that it has.

[27] I will deal with the last two arguments of the Liquidator together. Both have to do with the divergent interpretations of the APA asserted on this motion.

[28] The Liquidator says that because a precondition to resort to the dispute resolution provisions in Schedule G to the APA is that the parties have a disagreement over NRV, there must be a legitimate dispute over NRV. It says that the Preliminary Closing Working Capital and the Closing Working Capital had to be calculated in accordance with IFRS [International Financial Reporting Standards] and that while LWP did that, Scoular has provided no evidence that the values it proposed in its December 10, 2015 email, on which most of the values in its Notice of Objection are based, are in any way related to the values for each commodity that LWP could obtain in the ordinary course of business, and thus are not calculated in accordance with IFRS. It says that in order for the parties to trigger the dispute resolution provisions in Schedule G with respect to NRV, the parties must have presented differing NRVs, but both of which were based on IFRS. As Scoular's objections were not based on IFRS, it has no right to resort to the dispute resolution mechanism.

[29] The Liquidator also says that to the extent Scoular is able to engage the dispute resolution mechanism in Schedule G, it cannot adjust the NRV of all commodities in the Closing Inventory, but rather can only adjust for any fluctuations in NRV post-closing. It says this is the result of the method of calculating the Preliminary Closing Working Capital and the Closing Working Capital being different than the method to be used by Mr. Clancey in the dispute resolution process. More particularly, the Liquidator says that the Preliminary Closing Working Capital is to be prepared in the same manner as the Closing Working Capital and that both are required to be calculated on the basis of IFRS as Schedule G does not provide any other method of calculation prior to the parties having a disagreement over the NRVs. It says that Schedule G, when its dispute resolution process is engaged, contemplates a somewhat different method of determining price (which is one of a number of factors used to arrive at NRV) than that prescribed by IFRS, namely "the mid-point between bids and offers for similar product for a similar shipment period".

[30] I do not agree that the APA provides for a method of determining the NRV in the dispute resolution process that is any different from the method to be used to determine NRV in the

Preliminary Closing Working Capital or Closing Working Capital calculations. The APA does not state that IFRS principles different from what is contained in Schedule G are to be used. To the contrary, it states that Schedule G applies if it is different than IFRS:

“Closing Inventories” means the value of all raw materials, works-in-progress and finished good commodities that are Inventories as of the Effective Time, as calculated in accordance with the calculation guidelines set forth on Schedule G and, except as otherwise expressly contemplated by Schedule G, in accordance with IFRS applied on a basis consistent with the preparation of the Financial Statements, but excluding any Excluded Assets. [Emphasis Added]

[31] Schedule G deals with a number of valuation issues involved in calculating the Closing Working Capital other than closing inventories, including accounts receivable and payable, accrued liabilities, prepaid expenses and currency adjustments. Schedule G states at the outset:

Closing Working Capital means, as of the Effective Time, (1) the sum of (a) Closing Accounts Receivable, (b) Closing Inventories and (c) Closing Prepaid Expenses; minus (2) the sum of (x) Closing Accounts Payable and (y) Closing Accrued Liabilities; plus or minus (3) Closing Currency Adjustment. **Except as expressly set forth below in this Schedule G, the calculation of Closing Working Capital shall be prepared in accordance with IFRS applied on a basis consistent with the preparation of the Financial Statements.** [Emphasis added]

[32] Thus it is clear that Closing Inventories are to be prepared in accordance with IFRS except as expressly set forth in Schedule G. So far as the NRV of the inventory in dispute (Open Closing Inventory) is concerned, the method of calculating Closing Working Capital is expressly stated in Schedule G:

Any Lot of Closing Inventory that is finished and conforms to the specifications of a Trade Sale with delivery to occur within thirty (30) days following the Closing Date (**“Sold Closing Inventory”**) will be valued at Cost for purposes of calculating Closing Working Capital. The remaining Closing Inventory (**“Open Closing Inventory”**) will be valued at the lower of (i) Cost and (ii) net realizable value.

Net Realizable Value: If the Parent and the Purchaser are unable to agree on the net realizable value for any Lot of Closing Open Inventory, then the Parties shall jointly engage Brian Clancey, Senior Market Analyst at STAT

Communications Ltd. to determine the net realizable value (as the mid-point between bids and offers for similar product for a similar shipment period) for such Lot, and such determination shall be final and binding on the parties....

[33] This valuation method, being the mid-point between bids and offers for similar product for a similar shipment period for any Lot, is not different from the method of calculating Closing Working Capital but rather is expressly stated to be the method for that calculation. By virtue of clause 2.7(1), the Preliminary Closing Working Capital was to be prepared in the same manner as the Closing Statement, including the Closing Working Capital figure. Thus under the APA, the Preliminary Closing Working Capital and Closing Working Capital figures were to be calculated in accordance with Schedule G.

[34] The Liquidator has filed an affidavit of Mr. Bryan Buss, the corporate comptroller of LWP, who stated that LWP was required to prepare its quarterly and annual financial statements in accordance with International Financial Reporting Standards purposes and that the value of the inventory is calculated as the lower of the cost or the NRV in the ordinary course of business, in the context of the particular business. In this case, Mr. Buss stated that such an NRV would contemplate the prices a dealer, like LWP, would sell a commodity for and not the prices another market participant, for example a grower. Mr. Buss acknowledged on cross-examination that he had not done the NRV analysis for the APA and that it was not his area of expertise. His information came from a Mr. Ivan Sabourin, who is a large shareholder of LWP and an inspector of the estate. No affidavit of Mr. Sabourin was filed.

[35] However, assuming Mr. Buss is right in what he said about IFRS, it would mean that Schedule G has provided an exception to the requirement that the calculation of Closing Working Capital shall be prepared in accordance with IFRS applied on a basis consistent with the preparation of the Financial Statements.

[36] The APA and Schedule G do not require any particular kind of dispute regarding the net realizable value of the inventory in order for the dispute resolution process to be applicable. The only precondition to Mr. Clancey being engaged is that the parties are unable to agree on the net realizable value of any Lot. That has occurred. It is up to Mr. Clancey to determine what the net realizable value is.

[37] Nor does the APA and Schedule G permit only post-closing changes to the Closing Inventory or, as requested in the Liquidator's notice of motion, limit relief to the discrepancies in inventory quantity or quality as between the Preliminary Closing Working Capital and the Closing Working Capital and not permit a challenge to the methodology employed in relation to the valuation of Closing Inventory for the purpose of calculating the Preliminary Closing Working Capital as agreed to by the parties. The fact that section 2.7 provided that the Preliminary Closing Working Capital was to be an estimate of the Working Capital as of the date of closing is an indication it was not to be a final figure that could not be changed.

Conclusion

[38] I see no reason why Mr. Clancey should not now be engaged to determine the net realizable value of the Open Closing Inventory. The motion of the Liquidator is dismissed. The Liquidator should cause LWP to agree to the appointment of Mr. Clancey to determine the net realizable value of the Open Closing Inventory in accordance with Schedule G of the APA.

[39] Scoular is entitled to its costs. It claims costs on a substantial indemnity basis on the grounds that allegations of bad faith were made against it. I realize that it was alleged that Scoular acted in bad faith in negotiating the Preliminary Closing Working Capital and providing a different basis for the calculation of the Closing Working Capital. I made no finding however of what was said during the negotiations and I do not think that the allegations, even if disproven, would amount to a sufficiently serious claim of wrongdoing of the kind to merit the higher scale of costs.

[40] Scoular claims total fees, including HST, of approximately \$101,500. This is to be contrasted with the cost outline of the Liquidator in which total fees, including HST, are claimed in the amount of approximately \$63,000. In reviewing the Scoular fee claim, there may have been overwork done, although this is very difficult to determine. Taking into account the factors in rule 57.1, including what the Liquidator could reasonably expect to pay, I fix the legal fees,

including HST, at \$80,000 and disbursements as claimed at \$6,666.09 for a total of \$86,666.09 to be paid within 30 days.



Newbould J.

Date: May 11, 2016

Appendix “G”

LWP Capital Inc.

October 26, 2016 10:36 ET

LWP Capital Inc. Provides Update on Liquidation Proceedings

TORONTO, ONTARIO—(Marketwired - Oct. 26, 2016) - LWP Capital Inc. (formerly "**Legumex Walker Inc.**") ("**LWP**" or the "**Company**"), by KSV Advisory Inc. in its capacity as the Court-appointed liquidator of LWP (the "**Liquidator**"), provides the following update in respect of the Company's liquidation proceedings:

- As previously announced on February 23 and May 20, 2016, the Liquidator was to issue a press release when the claims of The Scoular Company (the "**Purchaser**") under the Asset Purchase Agreement dated September 14, 2015 (the "**APA**") were definitively determined. On October 20, 2016, the Company and Scoular entered into a settlement agreement (the "**Settlement Agreement**") agreeing to a full and final settlement of all claims against the Company asserted by the Purchaser under the APA, including those raised in the previously announced objection notice (the "**Objection Notice**") in respect of the Company's calculation of the closing working capital (the "**Closing Working Capital**"). The Purchaser had also previously filed a proof of claim with the Liquidator. The Purchaser's claims against the Company totaled in excess of CAD\$25 million, including a working capital adjustment claim of approximately CAD\$20 million;
- In total, purchase price adjustments of approximately CAD\$5 million, including the CAD\$555,000 working capital settlement payment described below, have been paid to the Purchaser in full and final settlement of all claims asserted by the Purchaser under the APA, including all claims for working capital adjustments, environmental costs and other claims set out under the Objection Notice or otherwise. These settlement payments were authorized by the inspectors named in the Company's Plan of Liquidation, which was approved by the shareholders and became effective on December 31, 2015;
- Under the terms of the Settlement Agreement, the Liquidator, on behalf of the Company, has made a payment of approximately CAD\$555,000 as a final working capital adjustment to resolve a dispute over the net realizable value ("**NRV**") of certain inventory acquired by the Purchaser (which resulted from a NRV determination of approximately CAD\$4.3 million less approximately CAD\$3.8 million to account for the inventory fluctuation between the Preliminary Closing Working Capital and the Closing Working Capital). These amounts were determined following a favourable NRV determination by the valuator named in the APA;
- The Liquidator has administered the Court-approved claims process and there were no other material claims filed other than the claims of the Purchaser under the APA. The claims bar date was March 15, 2016;
- There is approximately CAD\$18.8 million on deposit with the Liquidator after payment to the Purchaser of all amounts payable under the Settlement Agreement, before any provision for taxes payable. The amount of cash available for distribution to shareholders will be determined once the Company's remaining accounts receivable and other sundry assets are realized upon and its tax obligations arising from the transaction with the Purchaser are quantified. There are 16,294,635 common shares issued and outstanding. The Company's accountants can now commence the preparation of the Company's final tax returns as the Closing Working Capital has been definitively determined. The net cash available for distribution to shareholders will likely be materially less than the range of CAD\$1.69 to CAD\$1.98 per share disclosed in the Company's press release dated November 23, 2015, principally as a result of the agreed-upon purchase price adjustments under the APA and collection issues with certain foreign accounts receivable excluded from the APA; and

- The Liquidator is likely to propose an interim distribution to shareholders following receipt of a Notice of Assessment from Canada Revenue Agency ("CRA") in respect of the Company's final tax returns. A final distribution will be paid upon the issuance by CRA of the applicable tax clearance certificates. It is the Liquidator's experience that obtaining clearance certificates from CRA is typically a lengthy process.

Updates on the timing and quantum of shareholder distributions, and the status of the liquidation proceedings generally, will be made available by the Liquidator in its Reports to Court and/or future press releases. Such updates will be available on the Liquidator's website at www.ksvadvisory.com.

Cautionary Note on Forward-looking Statements

This press release contains "forward-looking information" within the meaning of Canadian securities laws which may include, but is not limited to, statements relating to the amount of net distributable cash available for distribution to shareholders, the timing of a proposed interim distribution and the final distribution, and the timing to obtain a tax clearance certificate. Such forward-looking information reflects the Company's/Liquidator's views with respect to future events and is subject to risks, uncertainties and assumptions, including uncertainty with respect to the amount of taxes payable and timing of such assessment, future expenses and amount of net distributable cash and timing of any distribution, and risks generally relating to the liquidation process, as referred to in the section entitled "Risk Factors" in the Company's Management Information Circular dated October 12, 2015 as amended by the Addendum dated October 26, 2015, in the Management's Discussion and Analysis for the period ended September 30, 2015 and in the Annual Information Form dated March 31, 2015 which are available on SEDAR at www.sedar.com and should be reviewed in conjunction with this press release. Although the Company/Liquidator has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Although the Company/Liquidator believes the assumptions inherent in forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this press release. The Company/Liquidator expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws.

Contact Information

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Appendix “H”

LWP Capital Inc. (the "Company")

Interim Statement of Receipts and Disbursements for the Period Ended November 30, 2016

(\$; unaudited)

<u>Description</u>	<u>CAD</u>	<u>USD</u>
<u>Receipts</u>		
Cash transferred from Company's bank accounts	10,494,497	11,061,413
US dollars converted to Canadian dollars	14,553,337	(10,940,350)
Cash collected on behalf of Scoular	9,471,936	21,780
Refund of grain bond security deposit	-	1,165,000
Corporate income tax refund	940,963	-
Accounts receivable collections	86,474	645,903
GST/HST refunds	336,797	-
Other sundry refunds and receipts	179,140	59,903
Interest income	70,109	13,243
	<u>36,133,255</u>	<u>2,026,893</u>
<u>Disbursements</u>		
Reimbursements to Scoular	9,786,146	21,840
Purchase price adjustments - Scoular	5,062,518	-
Payroll costs	1,344,324	620,066
Professional fees	964,876	216,535
Operating and other expenses	355,746	140,644
GST/HST/PST paid	152,797	-
Rent	29,361	28,950
Legal publication costs (re: claims process)	40,496	-
	<u>17,736,262</u>	<u>1,028,035</u>
Balance in Liquidator's accounts as at November 30, 2016	<u>18,396,993</u>	<u>998,857</u>

General Notes

This schedule has been prepared on a cash basis and, accordingly, excludes accrued liabilities.

A significant amount of the expenses reflected above were incurred prior to the liquidation proceedings but paid from the funds in the Liquidator's accounts following the effective date of the Plan of Liquidation (December 31, 2015).