



PBFC

P: (587) 787 1539
F: (587) 787 1852
office@pbfccattle.com
www.pbfccattle.com

#120
876 Heritage Blvd W
Lethbridge
T1K 8G1

June 12, 2025

VIA EMAIL

Dear Picture Butte Feeder Cooperative Members

Re: Member Update: Operational update, townhall and upcoming Court hearing

Since our last update of May 15, 2025, Alvarez & Marsal Canada Inc. (“**A&M**” or the “**Restructuring Officer**”) wishes to provide PBFC Members a further update now that PBFC has fully resumed lending and applications for new loans are being received and funded after the required review by the Supervisor and the Restructuring Officer.

Operational Update

Since May 26, 2025, PBFC has been issuing new funding and member qualifications is well underway and the reception and requests for continued cattle and equity loans have been coming in fast and furious. The Restructuring Officer and the Supervisor have now established a streamlined process to evaluate and accept qualified loans and are available under our existing credit facilities with our Lenders – which is the benefit of being a member of PBFC. We welcome all new and existing members to please reach out to our Supervisor, Mr. Cody McBride, to set up time in arranging for new loans to be issued.

As part of the requalification of members/loans, we are making sure that all new loans and existing members/new members qualify in accordance with the FAGR and FAGA programs, including reviewing certain other information to strengthen PBFC’s records and overall governance.

During this process we have identified certain improvements to PBFC’s record keeping, which has caused us some delay in being able to fund these new loans, but we believe these matters have now been worked out. We continue to ask for all member’s patience as we work to ensure that all the record keeping within PBFC are up to date and compliant with the respective legislation and requirements of PBFC’s lenders.

Second Townhall (Lethbridge)

The Restructuring Officer will be hosting its second townhall on June 23, 2025. The purpose of this townhall is to provide the members an in-person update on PBFC operations, details surrounding the second phase of the Restructuring Officer's mandate and to ask any questions you may have for A&M or the new PBFC Supervisor, Cody McBride.

In attendance for this meeting will be representatives Minister's office, including Mr. Tom Pack (Provincial Supervisor), Mr. Bruce Hamblin (Executive Director – AHAB) and on video calling in virtually, Mr. John Conrad (Assistant Deputy Minister – Primary Agriculture Division). In addition, representatives from the FAA will also be present: Mr. Craig Guthrie (Executive Director) and Mr. George L'Heureux (Chairman).

Details of the townhall are as follows:

- **Date:** June 23, 2025
- **Time :** 9:30amMT – 11:30amMT (doors open at 8:30 AM)
- **Location:** Essie's Ballroom, Sandman Signature Lethbridge Lodge, 320 Scenic Drive South, Lethbridge, AB T1J 4B4 (access in the S.W. corner of the building)

As with our previous townhall, this meeting is only for existing PBFC Members and invited guests. We ask that members come earlier before the start of the meeting as there will be check in process before entry into the meeting room.

Administrator

The Restructuring Officer has completed a fulsome application process to identify and ultimately select PBFC's new Administrator. We are pleased to update the membership that a candidate has been selected and the Restructuring Officer, in coordination with the Supervisor, is going through the final stages securing this employment. It is our hope that PBFC's new Administrator will be in place by the end of June 2025. We will provide the Members a further update once this is finalized.

Overages

The Restructuring Officer, with the assistance of Mr. McBride, have now been able to get overages out to the PBFC members within 5-7 days of the request, which our desired goal is to bring this payout time lower. In the earlier months and prior weeks, there were some delays experienced in issuing overages to certain members, which was largely due to the Restructuring Officer having to update various internal PBFC records since its appointment. We acknowledge that this has not been ideal for certain Members, but we believe we have now rectified these timing issues.

As a result in some of these delays, and as a good-faith gesture, the Restructuring Officer believes it is appropriate to provide those Members affected with an interest payment for those overages that were outstanding longer than normal. We are currently calculating these amounts and will be in contact with those Members within the next 2 weeks on what PBFC will reimburse for this delay. We do not believe the amount will be overly material to PBFC, but it is important that we recognize that there was a financial impact to some Members as a result of these delays.

Governance and Selection of Board Members

The Restructuring Officer and its legal counsel are establishing a process in updating the by-laws and corporate governance for PBFC. In addition, we are in the process of establishing a protocol to seek interested Members to become new board members of PBFC. We hope to have a better timeline on this process at our Townhall, but look to advance this final phase expeditiously.

Reminder

The Restructuring Officer is monitoring email communications sent to PBFC. Please continue to direct any business inquiries to office@pbfccattle.com and notifications of any cattle movement and/or sale to supervisor@pbfccattle.com. All publicly available information relating to the restructuring proceedings, can be found on the Restructuring's Officer website at: www.alvarezandmarsal.com/picturebutte.

We appreciate your ongoing understanding and support throughout this period and, again, we look forward to sharing with you additional positive news this week.

Yours truly,

**Alvarez & Marsal Canada Inc.,
acting in its capacity as the court-appointed
Restructuring Officer**

A handwritten signature in blue ink, appearing to read 'Orest Konowalchuk', with a stylized flourish at the end.

Orest Konowalchuk, CPA, CA, CIRP, LIT
Senior Vice President