

Court File No. _____

BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., AND FINAL BELL CORP.

PRE-FILING REPORT OF FTI CONSULTING CANADA INC., AS PROPOSED MONITOR

February 28, 2024

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN
LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH
ROAD HOLDING CORP., AND FINAL BELL CORP.**

Applicants

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED MONITOR**

A. INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) understands that BZAM Ltd. (“**BZAM**”), BZAM Holdings Inc. (“**BZAM Holdings**”), BZAM Management Inc. (“**BZAM Management**”), BZAM Cannabis Corp. (“**BZAM Cannabis**”), Folium Life Science Inc. (“**Folium Life Science**”), 102172093 Saskatchewan Ltd. (“**102 Saskatchewan**”), The Green Organic Dutchman Ltd. (“**TGOD**”), Medican Organic Inc. (“**Medican Organic**”), High Road Holding Corp. (“**High Road Holding**”), and Final Bell Corp. doing business as BZAM Labs (“**BZAM Labs**” and collectively, the “**Applicants**” or the “**BZAM Group**” intend to make an application (the “**Initial Application**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an initial order (the “**Proposed Initial Order**”) granting certain relief, including, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) against the Applicants and the Non-Applicant Stay Parties (collectively, the “**Company**”) until and including March 8, 2024, and appointing FTI as the monitor (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicants will be referred to herein as the “**CCAA Proceedings**”.

2. The purpose of this pre-filing report of the Proposed Monitor (the “**Pre-Filing Report**”) is to inform the Court of the following:
- (a) FTI’s qualifications to act as Monitor, if appointed;
 - (b) the activities of FTI and its counsel, Stikeman Elliott LLP (“**Stikeman**”) to date;
 - (c) FTI’s comments regarding the BZAM Group’s cash management system;
 - (d) FTI’s comments regarding the BZAM Group’s proposed stakeholder communication plan (the “**Communication Plan**”);
 - (e) BZAM Group’s proposed treatment of certain pre-filing payables in the Proposed Initial Order;
 - (f) BZAM Group’s consolidated 13-week cash flow projections of its receipts and disbursements to May 25, 2024 (the “**Cash Flow Projection**”) and the reasonableness thereof, in accordance with section 23(1)(b) of the CCAA;
 - (g) BZAM Group’s request for the approval of a debtor-in-possession (“**DIP**”) credit facility (the “**DIP Facility**”), pursuant to which the Company’s post-filing receipts are swept and applied against the existing debt under the Credit Facility with their existing senior secured creditor, in the existing cash management system, of which a maximum initial amount of \$2.4 million will be advanced during the initial 10-day Stay of Proceedings, and a corresponding charge in respect thereof (the “**DIP Lender’s Charge**”);
 - (h) BZAM Group’s proposed administration charge (the “**Administration Charge**”) and proposed directors’ and officers’ charge (the “**Directors’ Charge**”);
 - (i) A discussion of the BZAM Group’s intended next steps in the CCAA Proceedings, including relief that the Proposed Monitor understands the BZAM Group intends to seek at a proposed comeback hearing (the “**Comeback Hearing**”) if the requested Proposed Initial Order is granted, including:

- (i) approval of BZAM’s execution of a share subscription agreement (the “**Stalking Horse Agreement**”) with a corporation related to BZAM’s largest shareholder and current Chairman, who also ultimately controls Stone Pine (in its capacity as purchaser under the Stalking Horse Agreement, the “**Stalking Horse Bidder**”);
- (ii) a “**Bid Protections Charge**” (together with the DIP Lender’s Charge, the Administration Charge, and the Directors’ Charge, the “**Proposed CCAA Charges**”) over the Property in favour of the Proposed Stalking Horse Bidder;
- (iii) a sale and investment solicitation process (the “**Proposed SISP**”) in which the Stalking Horse Agreement will serve as the “**Stalking Horse Bid**”;
- (iv) an increase in the amounts that may be borrowed by the BZAM Group under the DIP Facility to the maximum principal amount of \$41.0 million and a corresponding increase to the DIP Lender’s Charge;
- (v) amendments to the amounts and rankings of the Proposed CCAA Charges;
and
- (vi) an extension to the Stay of Proceedings until and including May 25, 2024;
and
- (j) FTI’s views with respect to the proposed CCAA Proceedings and certain of the relief sought in the Proposed Initial Order.

B. TERMS OF REFERENCE

3. In preparing this Pre-Filing Report, the Proposed Monitor has relied upon audited and unaudited financial information of the BZAM Group’s books and records, certain financial information and forecasts prepared by the BZAM Group, and discussions with various parties, including senior management (“**Management**”) of, and advisors to, the BZAM Group (collectively, the “**Information**”).

4. Except as otherwise described in this Pre-Filing Report:
 - (a) the Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Proposed Monitor has not examined or reviewed the financial forecasts or projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
5. Future-oriented financial information reported in, or relied on, in preparing this Pre-Filing Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
6. The Proposed Monitor has prepared this Pre-Filing Report in connection with the Initial Application. The Pre-Filing Report should not be relied on for any other purpose.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
8. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the affidavit of Matthew Milich, the Chief Executive Officer of the BZAM Group, filed in support of the Initial Application (the “**Milich Affidavit**”).

C. FTI’S QUALIFICATIONS TO ACT AS MONITOR

9. On February 6, 2024, the BZAM Group engaged FTI to assist it in understanding its strategic options and to prepare, on a contingency basis, for the possibility of commencing insolvency proceedings in which FTI would act as Monitor (subject to Court approval). Jeffrey Rosenberg, a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, leads the FTI team with carriage of this matter.

10. Since being engaged by the BZAM Group, FTI has acquired knowledge of the business and operations of the BZAM Group, including its personnel, stakeholders and the key issues in the proposed CCAA Proceedings. As a result, FTI is in a position to immediately act as Monitor in the CCAA Proceedings if appointed by this Court.
11. Neither FTI, nor any of its representatives or affiliates, has been at any time in the past two years:
 - (a) a director, officer or employee of any member of the BZAM Group;
 - (b) related to any member of the BZAM Group, or to any director or officer of any member of the BZAM Group; or
 - (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the BZAM Group.
12. The BZAM Group had conversations with FTI in Fall 2023 with respect to a potential engagement. However, FTI ultimately did not conduct any work for the BZAM Group at that time and had limited involvement with the BZAM Group until it was formally retained on February 6, 2024. An aggregate retainer of \$75,000 has been paid by the BZAM Group to the Proposed Monitor and the Proposed Monitor's counsel.
13. FTI has consented to act as Monitor should this Court grant the Proposed Initial Order.

D. FTI'S INVOLVEMENT TO DATE

Proposed Monitor's Activities

14. The Proposed Monitor has been involved in a number of activities leading up to the commencement of the CCAA Proceedings, including:
 - (a) participating in discussions with Management, counsel to the BZAM Group, and certain of the Directors and Officers (as defined below). These discussions have been carried out in connection with the business and affairs of the BZAM Group, as well as the Initial Application;

- (b) participating in discussions with Cortland Credit Lending Corporation (“**Cortland**”), the Company’s existing senior secured creditor and proposed DIP Lender to the Applicants, its financial advisor KSV Restructuring Inc., and legal advisor Cassels, Brock & Blackwell LLP;
- (c) reviewing and commenting on the Cash Flow Projection;
- (d) reviewing and considering various information in connection with the BZAM Group’s business, operations and the CCAA Proceedings including, but not limited to:
 - (i) BZAM Group’s cash management system;
 - (ii) BZAM Group’s Communication Plan in respect of these CCAA Proceedings;
 - (iii) the Proposed SISP and commenced preparing marketing materials in order to launch the Proposed SISP process;
 - (iv) the proposed Stalking Horse Agreement;
 - (v) the DIP Facility; and
 - (vi) the quantum and nature of the Proposed CCAA Charges;
- (e) engaging with Stikeman as its legal counsel to consider issues with respect to the foregoing; and
- (f) preparing this Pre-Filing Report.

E. OVERVIEW OF THE BZAM GROUP’S BUSINESS AND AFFAIRS

15. The Milich Affidavit sets out detailed information with respect to the Company’s business and operations, as well as the causes of its ongoing financial distress. The information contained in this Pre-Filing Report is intended to provide context for, and to facilitate an understanding of, the issues addressed in this Pre-Filing Report and is not intended to be

an exhaustive summary of all matters relating to the business of the Company. The Proposed Monitor recommends that readers carefully review all of the materials filed by the BZAM Group in connection with the Initial Application, including the Milich Affidavit.

16. The Company engages in the production, cultivation, processing and distribution of cannabis and cannabis-related products.
17. All of the Applicants are Canadian companies and are wholly-owned, directly or indirectly, by BZAM (other than Folium Life Science and BZAM Cannabis). The Non-Applicant Stay Parties are registered in Canada, the United States, the Netherlands and Germany.
18. The Company collectively employs approximately 441 employees in Canada, approximately 256 of which are employed in Ontario. In addition, the Company also employs approximately 80-90 individuals on a contract basis.
19. The *Cannabis Act* and applicable provincial and municipal legislation regulates the operations of the BZAM Group. Through the Subsidiaries, the BZAM Group holds the applicable licenses allowing them to produce, cultivate, process, and distribute cannabis. The Proposed Monitor has been advised that the BZAM Group is compliant with the applicable licensing requirements allowing it to operate.

The Applicants

BZAM

20. BZAM is a company incorporated under the *Canada Business Corporations Act* (the “CBCA”) and having its registered office located in Pitt Meadows, British Columbia. BZAM is a reporting issuer listed on the Canadian Securities Exchange under the symbol “BZAM”, “BZAM.WR”, “BZAM.WA”, and “BZAM.WB” and its shares trade in the United States on the OTCQX under the symbol “BZAMF”.
21. BZAM wholly-owns five of the other Applicants: BZAM Holdings, BZAM Management, TGOD, Medican Organic and High Road Holding.

BZAM Holdings

22. BZAM Holdings is a company incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and acts as a holding company over BZAM Management, 102 Saskatchewan, BZAM Cannabis and Folium Life Science. BZAM Holdings' registered office is located in Vancouver, British Columbia.

BZAM Management

23. BZAM Management is a company incorporated under the BCBCA and currently does business as "BZAM Cannabis". BZAM Management is a licensed entity with Health Canada that operates out of a leased facility located in Pitt Meadows, British Columbia (the "**Pitt Meadows Facility**").

BZAM Cannabis

24. BZAM Cannabis is a company incorporated under the *Business Corporations Act* (Alberta). BZAM Cannabis is a licensed entity with Health Canada that operated out of a facility that it owns located in Sherwood Park, Alberta (the "**Edmonton Facility**"). The Edmonton Facility is currently listed for sale. There is some cultivation equipment on the grounds of the Edmonton Facility, but BZAM Cannabis does not have any active operations or inventory at the Edmonton Facility.

Folium Life Science

25. Folium Life Science is a company incorporated under the BCBCA. Folium Life Science is a licensed entity with Health Canada that operates out of a leased facility located in Sean Heights, Saanichton, British Columbia (the "**Saanichton Facility**"). The Saanichton Facility currently holds various cultivation equipment and inventory.

102 Saskatchewan

26. 102 Saskatchewan is a company incorporated under the *The Business Corporations Act* (Saskatchewan) and sells the Company's cannabis products direct to customers under

a retail sales license through a leased store located in Emerald Park, Saskatchewan (the "**Regina Store**").

TGOD

27. TGOD is a company incorporated under the CBCA. TGOD is a licensed entity with Health Canada that operates out of a facility that it owns located in Jerseyville, Ontario (the "**Hamilton Facility**").

Medican Organic

28. Medican Organic is a company incorporated under the *Business Corporations Act* (Quebec) (the "**QCBCA**") and is currently a holding company that is intended to hold all of the issued and outstanding shares of 9430-6347 Québec Inc. ("**943 Québec**") once the transaction in respect of 943 Québec closes (as described in more detail below).

High Road Holding

29. High Road Holding is a company incorporated under the *Business Corporations Act*, RSO 1990, c B.16 (the "**OBCA**"). High Road Holding wholly-owns BZAM Labs.

BZAM Labs

30. BZAM Labs is a company incorporated under the CBCA. BZAM Labs is a licensed entity with Health Canada that currently does business as "BZAM Labs" and operates out of a leased facility located in Bowmanville, Ontario.

The Non-Applicant Stay Parties

943 Québec

31. 943 Québec is a company incorporated under the QCBCA and is a licensed entity with Health Canada that operates out of a leased facility located in Vaudreuil-Dorion, Québec (the "**Québec Facility**"). On November 11, 2022, Medican Organic entered into a Share Purchase Agreement, Lease Agreement and Letter of Intent to acquire 943 Québec.

32. Medican Organic's acquisition of 943 Québec has not yet closed as it is a condition precedent to the acquisition that the landlord for the Québec Facility obtain municipal approval over certain improvements to the building. Medican Organic currently holds all the issued and outstanding shares in 943 Québec in escrow until that condition precedent is met and the Company anticipates that the municipal approval will be obtained in the near future, at which point the acquisition will close.

TGOD Europe and TGOD Germany

33. TGOD Europe B.V. (“**TGOD Europe**”) is a company based in the Netherlands and wholly-owns The Green Organic Dutchman Germany GmbH (“**TGOD Germany**”), a dormant company based in Germany.
34. Neither company has any material assets or operations. However, both companies may have tax attributes which may be valuable to a potentially interested party in the Company’s business. The Applicants intend to market TGOD Europe and TGOD Germany in the Proposed SISP.

TGOB

35. The Green Organic Beverage Corp. (“**TGOB**”) is a dormant company based in Delaware and does not have any assets or operations.
36. TGOB also has tax attributes which the Applicants intend to market in the Proposed SISP.

Secured Creditors

Cortland

37. As referenced above, Cortland is the Company’s senior secured creditor. Pursuant to the terms of the Credit Agreement, Cortland provided the BZAM Group with a secured, interest-bearing term and revolving credit facility totalling the principal amount of \$34.0 million. As of February 28, 2024, the balance outstanding on the credit facility is approximately \$31.9 million (plus accrued interest of \$0.4 million) comprised of approximately \$20.6 million in term loan and \$11.3 million drawn on the revolving facility.

38. Cortland holds a first-ranking security interest over all the present and after-acquired Property of the BZAM Group, with the exception of: (a) 102 Saskatchewan, who is not a party to the Credit Agreement; and (b) the Edmonton Facility, which is described below.

Stone Pine

39. BZAM entered into a series of promissory notes with Stone Pine in the aggregate principal amount of \$8,515,000. Stone Pine is a company ultimately controlled by the BZAM's largest shareholder and current Chairman.
40. Under the Stone Pine Promissory Notes, Stone Pine has a second-ranking security interest over all the present and after-acquired Property of BZAM. No interest has been paid to-date in respect of the Stone Pine Promissory Notes.

Mortgage Lenders

41. At the time BZAM Cannabis was acquired by BZAM Holdings, it owed approximately \$5.0 million under the Mortgage Loan secured against the Edmonton Facility pursuant to a commitment letter dated May 19, 2021.
42. The lenders under the Mortgage Loan appear to have a first-ranking security interest over the Edmonton Facility by way of its first-ranking mortgage over the Edmonton Facility (the "**Edmonton Facility Charge**").

Unsecured Creditors

CRA

43. As described in greater detail below, the Applicants have approximately \$9.1 million pre-filing excise tax arrears with monthly excise tax obligations estimated to be approximately \$4.0 million.

FBHI

44. BZAM acquired High Road Holding from FBHI on January 8, 2024, and issued 90,000,000 common shares in BZAM at a deemed price of \$0.15 per share, representing approximately

one-third of the issued and outstanding shares of BZAM.

45. High Road Holding also provided an unsecured promissory note dated January 5, 2024 to FBHI in the amount of \$8.0 million.

F. THE BZAM GROUP’S CASH MANAGEMENT SYSTEM

46. The Proposed Monitor has reviewed the description of the Company's cash management system (the "**Cash Management System**") as described in Milich Affidavit and believes it to be accurate.
47. The BZAM Group maintains 19 operating accounts to collect receipts and process disbursements. The bank accounts are held with the Bank of Montreal (“**BMO**”) and Alterna Bank (“**Alterna**”). Two of these accounts are sweep accounts used to transfer funds as part of the Credit Agreement with Cortland. The chart below provides a summary of the BZAM Group’s operating banking facilities across the two banking institutions:

| Entity | BMO | Alterna | Type | Sweep [Y/N] |
|---------------------------------|------------|----------------|-------------|--------------------|
| The Green Organic Dutchman Ltd. | 2 | - | R&D | N |
| The Green Organic Dutchman Ltd. | 3 | - | I | N |
| The Green Organic Dutchman Ltd. | 1 | - | R | Y |
| Medican Organic Inc. | 2 | - | I | N |
| Medican Organic Inc. | 1 | - | D | N |
| BZAM Ltd. | 2 | - | R&D | N |
| BZAM Management Inc. | 1 | - | R&D | N |
| BZAM Management Inc. | 1 | - | R | Y |
| BZAM Management Inc. | 1 | - | D | N |
| 102172093 Saskatchewan Ltd. | 1 | - | R&D | N |
| BZAM Cannabis Corp. | 1 | - | R&D | N |
| Folium Life Science Inc. | 1 | - | R&D | N |
| BZAM Holdings Inc. | 1 | - | R&D | N |
| Final Bell Corp. | - | 1 | R&D | N |
| Total | 18 | 1 | | |

**R = Receipts; D = Disbursements; R&D = Receipts & Disbursements; I = Inactive*

48. The Company also holds 3 deposit accounts for Letters of Credit issued by Alterna and 1 deposit account as collateral for its business credit card with BMO.

49. The Cash Management System is primarily managed out of Toronto, Ontario. The Cash Management System allows for separate tracking of receipts and disbursements of the BZAM Group.
50. The BZAM Group currently tracks all intercompany transactions and will continue to monitor and record all intercompany transactions in its accounting system post-filing.
51. This Cash Management System is critical to the ongoing management of the Company's business and affairs. It is also a requirement under the DIP Term Sheet that the Cash Management System be either maintained or replaced only with another substantially similar cash management system. Replacement of the Cash Management System would be costly and time consuming. Accordingly, the Proposed Monitor supports the BZAM Group's request to continue to operate the Cash Management Systems on existing terms throughout the CCAA Proceedings.

G. COMMUNICATION PLAN

52. The BZAM Group and the Proposed Monitor, with input from their respective counsel, have prepared the detailed Communication Plan to inform stakeholders of the CCAA Proceedings following in order to ensure seamless continuation of the operations of the Company.
53. Individual, targeted communications are proposed to be sent to employees, suppliers, landlords, and customers, which communications include frequently asked questions (the "FAQs") explaining the general nature of the Initial Application and the CCAA Proceedings, the role of the Court and the Monitor, as well as the immediate implications of the Proposed Initial Order for each particular stakeholder group.
54. The Communication Plan is comprehensive and is consistent with the scope of other communication plans employed at the outset of similar CCAA proceedings.
55. The Communication Plan and Proposed Initial Order contemplate that the Monitor is to post materials in connection with the CCAA Proceedings on the Monitor's website at

<http://cfcanada.fticonsulting.com/bzam/> (the “**Monitor’s Website**”). If appointed as Monitor, FTI will also post the FAQs on the Monitor’s Website.

56. FTI will also make available a dedicated email address (b zam@fticonsulting.com) and hotline telephone numbers (1-833-446-7441 or 416-649-8065) to stakeholders who may have additional questions in respect of the CCAA Proceedings.

H. PAYMENT OF PRE-FILING AMOUNTS

57. The Proposed Initial Order provides the Applicants with the authority (but not the obligation) to pay certain expenses whether incurred prior to or following the commencement of the CCAA Proceedings. Specifically, the Applicants would retain the authority to pay, among other things, outstanding and future wages, salaries, and certain other employee-related payments.
58. The Proposed Monitor understands that the Applicants rely on certain vendors and third-party service providers to provide ongoing services in order to ensure operations continue as a going concern.
59. The Proposed Monitor also understands that certain of these suppliers are critical to the Applicants’ business and are either small, medium or very specialized product enterprises, which are dependent on continuous payment from the Applicants, such that it may be difficult to require them to comply with the terms of the Proposed Initial Order. Any interruption of service from these third parties, either because they are unable to continue to provide their services to the Applicants or refuse to do so on account of unpaid pre-filing amounts owed to them by Applicants, may prevent the Applicants from operating in the ordinary course and continuing to provide uninterrupted services to its customers.
60. In order to ensure the continuous supply of products and services and to avoid disruption to the business, the Applicants are requesting the authority (but not the obligation) to pay, partially or entirely, with the consent of the Monitor and the DIP Lender, amounts owing for goods and services actually supplied to the Applicants prior to the date of the Proposed Initial Order.

61. The Monitor intends to work closely with the Applicants to ensure only the most critical suppliers receive any payments in respect of their pre-filing amounts.

I. CASH FLOW PROJECTION

62. The Cash Flow Projection, together with Management’s report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix “A”**. The Cash Flow Projection covers the 13-week period ending May 25, 2024.

63. The Cash Flow Projection shows operating receipts of approximately \$34.8 million, and operational disbursements of approximately \$35.0 million, resulting in net cash outflow from operations of \$0.2 million, and professional fees of \$2.8 million for that period. The Cash Flow Projection is summarized below:

(SCAD in thousands)

| Forecast Week Starting (Sunday) | 13 Week |
|--|--------------------|
| Forecast Week | Total |
| Receipts | |
| Receipts from Operations | \$ 34,827 |
| Miscellaneous Receipts | - |
| <i>Total Receipts</i> | \$ 34,827 |
| Disbursements | |
| <i>Operating Disbursements</i> | |
| Production Costs | (10,036) |
| Insurance | (443) |
| Payroll | (11,363) |
| Rent | (903) |
| Taxes | (6,702) |
| Other Operating Expenses | (5,593) |
| <i>Total Operating Disbursements</i> | \$ (35,040) |
| Net Cash from Operations | \$ (213) |
| <i>Financing Disbursements</i> | |
| Loan Advances (Repayments) | (30,261) |
| Interest Expenses & Fees | (126) |
| <i>Restructuring Disbursements</i> | |
| Restructuring Legal and Professional Costs | (2,825) |
| Net Cash Flows | \$ (33,425) |
| Cash | |
| Beginning Balance | \$ 2,814 |
| Net Receipts/ (Disbursements) | (33,425) |
| DIP Advances/ (Repayments) | 31,989 |
| DIP Fees & Interest Payment | (382) |
| Ending Cash Balance | \$ 996 |

| | |
|---|------------------|
| DIP Facility | |
| Opening Balance | \$ - |
| Advances | 31,989 |
| Accrued Interest | 641 |
| DIP Fees & Interest Payment | (382) |
| Closing Balance (DIP & Interest) | \$ 32,248 |

64. As shown in the Cash Flow Projection, the BZAM Group will require additional funding totalling approximately \$32.0 million during the 13-week period ending May 25, 2024.
65. As described further below, pursuant to the DIP Facility and Cash Management System:
 - (a) all post-filing receipts of the Applicants will be applied to repay pre-filing obligations owing to Cortland; and
 - (b) all operating and other costs of the Company post-filing are to be funded as required by advances from the DIP Facility.
66. The Cash Flow Projection reflects that the forecasted balance under the DIP Facility at the end of the 13-week period is approximately \$32.3 million. The pre-filing obligations owing to Cortland are expected to be fully repaid by the end of the forecasted period.
67. The Cash Flow Forecast during the initial 10-day Stay of Proceedings expects post-filing receipts of \$3.2 million to be applied against the pre-filing obligations owed to Cortland. With proposed availability under the DIP Facility, the Company anticipates having adequate liquidity to make all required payments during the 10-day period.
68. The DIP Facility is described in greater detail below.
69. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports to the Court as follows:
 - (a) the Proposed Monitor has reviewed the Cash Flow Projection, which was prepared by Management for the purpose described in notes to the Cash Flow Projection (the “**Projection Notes**”), using the Probable Assumptions and Hypothetical Assumptions set out therein;
 - (b) the review consisted of inquiries, analytical procedures and discussion related to information provided by certain members of Management and employees of the BZAM Group. Since Hypothetical Assumptions need not be supported, the Proposed Monitor’s procedures with respect to the Hypothetical Assumptions were limited to evaluating whether the Hypothetical Assumptions were consistent with the purpose of the Cash Flow Projection. The Proposed Monitor has also reviewed

the support provided by Management for the Probable Assumptions and the preparation and presentation of the Cash Flow Projection;

- (c) based on that review, and as at the date of this Pre-Filing Report, nothing has come to the attention of the Proposed Monitor that causes it to believe that:
 - (i) the Hypothetical Assumptions are inconsistent with the purpose of the Cash Flow Projection;
 - (ii) the Probable Assumptions are not suitably supported or consistent with the plans of the BZAM Group or do not provide a reasonable basis for the Cash Flow Projection, given the Hypothetical Assumptions; or
 - (iii) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.
- (d) since the Cash Flow Projection is based on assumptions regarding future events, actual results will vary from the projection even if the Hypothetical Assumptions occur. Those variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Projection will be achieved. The Proposed Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Pre-Filing Report, or relied upon by the Proposed Monitor in preparing this Pre-Filing Report; and
- (e) the Cash Flow Projection has been prepared solely for the purpose described in the Projection Notes. The Cash Flow Projection should not be relied upon for any other purpose.

J. DIP FINANCING

70. Pursuant to the Proposed Initial Order, the Applicants are seeking authorization from this Court to enter into the DIP Facility on the terms set out in the DIP Term Sheet, a copy of which (without Schedules) is attached hereto as **Appendix “B”**. A copy of the full version of the DIP Term Sheet (with Schedules) is included as an Exhibit to the Milich Affidavit.

71. The terms of the DIP Facility are summarized below, which is not intended to be exhaustive. The Proposed Monitor recommends that readers carefully review the terms of the DIP Term Sheet. Capitalized terms not otherwise defined in this section have the meanings ascribed to them in the DIP Term Sheet.
72. The Proposed Monitor and Stikeman have reviewed the terms of the DIP Term Sheet. The DIP Term Sheet is the result of extensive negotiations between the Applicants, the DIP Lender, and their respective counsel and financial advisor, with input from the Proposed Monitor.
73. The Proposed Monitor makes the following observations in respect of certain terms of the DIP Term Sheet:
- (a) **DIP Facility:** non-revolving loan up to the maximum principal amount to not exceed, at any time, the lesser of (i) \$41.0 million; and (ii) the Revolving Facility Limit plus \$7.0 million, provided that at no point in time will be Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed \$41.0 million;
 - (b) **Use of Proceeds:** all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs and shall in no circumstances be used to fund any Pre-Filing Obligations;
 - (c) **Mandatory Repayments:** as set out above, all of the Company's post-filing receipts are swept and applied to the existing debt under the Credit Facility with Cortland. Subject to the priority of the Administration Charge, if any Credit Party sells any Collateral outside the ordinary course of business or sells the equity interests of any subsidiary of a Credit Party, the proceeds of sale, up to the total amount of the Borrower's indebtedness to the Lenders under the DIP Facility, is required to be applied against the indebtedness under the DIP Facility;

- (d) **Interest Rate and Fees:**
- (i) interest shall be the greater of: (A) the TD Prime Rate plus 8.05% per annum; and (B) 12% per annum and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Interest is calculated daily and not in advance on the basis of a 365-day year; and
 - (ii) a commitment fee of \$98,000 (the “**Commitment Fee**”);
- (e) **Maturity Date:** the earlier of (i) July 15, 2024; (ii) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and (iii) the date of a sale of all or substantially all of the Collateral.
- (f) **Conditions Precedent:** the obligation of the Lenders to fund each advance under the DIP Facility is subject to and conditional upon, among other things:
- (i) the Agent’s approval and satisfaction with the Budget;
 - (ii) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings must be in form and substance satisfactory to the Agent;
 - (iii) the Initial Order, in form and substance satisfactory to the Agent, approving the DIP Facility, the granting of the DIP Charge, and all related transactions must be obtained; and
 - (iv) no Event of Default shall exist;
- (g) **Cash Flow Covenant:** without the consent of the Agent, a negative variance in excess of 10%, with a minimum floor of \$0.5 million unless increased with the consent of the Agent, in respect of each of the actual cumulative net cash flow, cash receipts and disbursements, net sales and net excess availability compared to the forecasted amount in the Budget shall constitute an Event of Default;

(h) **Agent’s Remedies:** upon the occurrence and continuation of an Event of Default, the Agent shall be entitled to, among other things, terminate the DIP Facility and exercise any or all rights and remedies available to it.

74. Attached as **Appendix “C”** is a chart of the observed interest rates of DIP loans ranging in size from approximately \$9.8 million to \$36.3 million, for the period between May 2022 and December 2023 (the **“DIP Comparison Period”**), which are summarized in the table below:

| | Interest | DIP Fees as a % of DIP Loan |
|---------|-----------------|--|
| Maximum | 13.0% | 6.0% |
| Average | 10.3% | 2.5% |
| Minimum | 7.95% | 0.5% |

75. The Proposed Monitor notes that the proposed DIP Facility has an interest rate of approximately 15.25% based on the current TD Prime Rate and contains a Commitment Fee of \$98,000 (or 0.3% as a percentage of the maximum principal amount that may be borrowed under the DIP Facility).

76. Based on the experience of the Proposed Monitor and on the information available to it, the Proposed Monitor is of the view that while the interest rate under the DIP Facility is at the upper range of the market, the Commitment Fee as a percentage of the DIP Facility is significantly below-market. The Proposed Monitor notes that the interest rate charged is the same interest rate charged under the existing Credit Agreement with Cortland.

77. In the Proposed Monitor’s view, the financial terms of the DIP Facility are reasonable in the circumstances and represents the only current available alternative to the Applicants which will allow the Applicants the ability to continue their operations.

78. In advance of these proceedings, the Proposed Monitor instructed its legal counsel, Stikeman, to provide an opinion on the validity and enforceability of Cortland’s security. Stikeman’s opinions dated February 28, 2024 (collectively, the **“Security Opinion”**), which addresses the laws of Ontario, British Columbia, Alberta and Quebec, provides that, subject to the customary assumptions and qualifications contained therein, the personal

property security granted to Cortland is valid and enforceable and ranks in priority to other claims with respect to the personal property secured, against the Applicants or a trustee-in-bankruptcy in respect thereof.

79. The Security Opinion also provides that, based solely on Stikeman’s review of the subsearch of registered title only in respect of the Hamilton Facility and the debenture granted by TGOD in favour of Cortland (the “**Hamilton Mortgage**”), subject to the customary assumptions and qualifications contained therein, the Hamilton Mortgage constitutes a first-ranking good and valid charge of the Hamilton Facility.
80. The Security Opinion also provides that, based solely on Stikeman’s review of the title search of registered title only in respect of the Edmonton Facility and the general security agreement granted by BZAM Cannabis in favour of Cortland (the “**Edmonton GSA**”), Cortland has a floating charge over all of BZAM’s present and after-acquired real and immovable property, leasehold real and immovable property, and all easements, rights of way, road allowances, and other real property interests, which floating charge has not been registered against title to the Edmonton Facility. However, a “land charge” registration has been made by Cortland against BZAM Cannabis in the Personal Property Registry (Alberta).
81. The Security Opinion was prepared prior to the commencement of the CCAA Proceedings as the DIP Facility requires that the Company’s post-filing receipts are swept and applied against the existing debt under the Credit Facility with Cortland, in the Cash Management System or another substantially similar cash management system.
82. A copy of the Security Opinion can be made available to the Court upon request.
83. The Proposed Monitor notes that, due to the required timing of the commencement of these CCAA Proceedings, the Applicants’ liquidity situation, and the difficult financing conditions in the cannabis market, the Company’s options for alternative financing were limited. The DIP Term Sheet was heavily negotiated by the Applicants in an effort to obtain the best possible terms in the circumstances.

84. While the DIP Facility provides for the maximum amount of \$41.0 million of additional financing, the Proposed Monitor understands that the DIP Facility effectively provides for approximately \$7.0 million of new incremental liquidity in addition to the existing Credit Agreement with Cortland. Additional amounts to be drawn under the DIP Facility are needed given the requirement under the DIP Facility that all post-filing receipts be swept and applied against the existing debt under the Credit Agreement.
85. The Proposed Monitor notes that, while 102 Saskatchewan is not a party to the Credit Agreement, there are no meaningful post-filing receipts for this entity.

K. DIP LENDER'S CHARGE

86. The Proposed Initial Order seeks the granting of the DIP Lender's Charge with respect to the obligations under the DIP Facility.
87. The Applicants are not requesting this Court to prime any of the Applicants' existing secured creditors who were not served with the Applicants' materials in support of the Proposed Initial Order. However, the Proposed Monitor understands that it is the intention of the BZAM Group and the DIP Lender that after the Comeback Hearing, the DIP Lender's Charge (and the other Proposed CCAA Charges) be granted priority over all existing security interests, charges, and claims, including deemed trusts, in the assets of the Applicants, other than the Edmonton Facility Charge, which will rank in priority to all CCAA Charges over the Edmonton Facility except for the Administration Charge
88. The Proposed Monitor understands that counsel to the Applicants will be providing notice of the Comeback Hearing, upon issuance of the Proposed Initial Order (if issued), to those parties with lien filings against the assets of the Applicants with a view to giving those parties as much notice as reasonably possible of the Comeback Hearing.
89. The Proposed Monitor supports the Applicants' request for authority to enter into the DIP Term Sheet and the granting of the DIP Lender's Charge. The DIP Facility will provide the Applicants with access to financing within the necessary timeframe. The Proposed Monitor is of the view that there is likely no other viable alternative source of financing

available to the Applicants at this time due to the immediate nature of the financing required.

90. The Applicants' financial forecasts have identified a need for continued financing to maintain minimum cash balances and preserve ongoing business operations within the BZAM Group. The DIP Facility will, subject to the terms thereof, provide sufficient liquidity to the BZAM Group. The provision of the DIP financing will provide assurance to the BZAM Group's employees, suppliers and customers that there is sufficient liquidity to maintain ordinary course business operations while the Applicants pursue restructuring alternatives.
91. While the DIP Term Sheet contemplates a "creeping roll-up" structure wherein the Company's post-filing receipts are swept and applied against the existing debt under the Credit Facility, the BZAM Group would still require additional financing. As noted above, the DIP Facility effectively provides for approximately \$7.0 million of additional liquidity beyond the existing Credit Agreement. Moreover, as Cortland is the senior secured creditor of the Applicants, the Proposed Monitor is of the view that this structure will not materially prejudice the Applicants' creditors.
92. The DIP Lender's Charge is proposed to rank subordinate to the Administration Charge (and the Edmonton Facility Charge with respect to the Edmonton Facility) and ahead of the Directors' Charge in the Proposed Initial Order.
93. The Proposed Monitor has also considered the facts and circumstances giving rise to the CCAA Proceedings and section 11.2(4) of the CCAA. In particular:
 - (a) the term of the DIP Facility is sufficient to be available for the duration of the BZAM Group's intended restructuring process at this time;
 - (b) the financing to be provided is consistent with the forecast liquidity needs of the BZAM Group during that period;

- (c) the proposed restructuring process cannot move forward without the DIP Facility and, as a result, the DIP Facility enhances the prospects of a viable restructuring in the Proposed Monitor's view; and
- (d) any creditor of the BZAM Group that believes it may be prejudiced by the DIP Facility will have an opportunity to raise any objections at the Comeback Hearing to be scheduled by the Court.

L. ADMINISTRATION CHARGE

94. The Proposed Initial Order provides for an Administration Charge in the amount of \$500,000 on the BZAM Group's assets to secure the fees and disbursements incurred in connection with services provided to the BZAM Group both before and after the commencement of the CCAA Proceedings. The Administration Charge will secure services provided to the BZAM Group by:
- (a) counsel to the BZAM Group (Bennett Jones LLP); and
 - (b) the Monitor and its counsel.
95. The Administration Charge is proposed to rank in priority to the Directors' Charge, the Edmonton Facility Charge and the DIP Lender's Charge in the Proposed Initial Order.
96. The Proposed Monitor has worked with the beneficiaries of the Administration Charge to estimate their fees and costs, and the quantum of the proposed Administration Charge.
97. Given the anticipated amount of time it will take to complete the CCAA Proceedings, the Proposed Monitor is of the view that the size and scope of the Administration Charge is reasonable in the circumstances. The Proposed Monitor therefore supports the BZAM Group's request that the Court approve the Administration Charge.

M. DIRECTORS' CHARGE

98. As described in the Milich Affidavit, the BZAM Group maintains directors and officers' liability insurance policies (the "**D&O Insurance Policies**") for the benefit of the BZAM Group's directors and officers (the "**Directors and Officers**").
99. The Proposed Monitor has worked with the BZAM Group to estimate the potential liabilities that the Directors and Officers may be exposed to in their capacities as directors and officers during the CCAA Proceedings.
100. The Proposed Initial Order provides for a Directors' Charge in the amount of \$5.3 million over the assets of the BZAM Group to secure the indemnity provided to the Directors and Officers in respect of liabilities that may be incurred after the filing date with respect to any failure to pay wages and source deductions, vacation pay, other employee-related obligations, sales tax, and excise tax. The Directors' Charge is proposed to rank subordinate to the Administration Charge and the DIP Lender's Charge in the Proposed Initial Order.
101. The continued support and service of the Directors and Officers will be critical during the CCAA Proceedings and will enable the BZAM Group to preserve value and maximize recoveries for stakeholders.
102. In arriving at the quantum for the Directors' Charge, the Proposed Monitor, the BZAM Group and counsel to the BZAM Group, have taken into account (a) the scope and quantum of coverage provided by the D&O Insurance Policies; (b) the Directors and Officers' potential statutory liabilities for wages, vacation pay, unremitted source deductions, the jurisdictions in which the BZAM Group carries on business and the number of its employees in each jurisdiction; and (c) and tax obligations in light of the jurisdictions in which the BZAM Group carries on business and the number of its employees in each jurisdiction.
103. The quantum of the Directors' Charge is due, in part, to the significant sales and excise tax obligations of the Applicants. Each of the provinces and territories have signed a Coordinated Cannabis Taxation Agreement ("**CTTA**") for the imposition of excise

cannabis duty. The terms under all of the agreements with respect to the calculation of excise duties, with the exception of Manitoba (which the Company does not operate in), are:

- (a) the combined rate of all federal, provincial, and territorial cannabis-specific duties and taxes will not exceed the higher of \$1 per gram, or 10% of a producer's selling price; and
- (b) revenues from the excise duties on cannabis products will be shared as follows: (i) 75% to provincial and territorial governments; and (ii) 25% to the Federal Government.

- 104. The quantum of the Directors' Charge in the Proposed Initial Order reflects ten days worth of post-filing obligations, including \$1,361,290 in excise tax obligations during this time period. The Applicants' monthly excise tax obligations are estimated to be approximately \$4 million.
- 105. As of February 15, 2024, TGOD, BZAM Management, and BZAM Labs collectively have approximately \$9.1 million in excise tax arrears. For clarity, the D&O Charge is not proposed to secure any of the excise tax arrears.
- 106. The Proposed Monitor understands that the Directors' and Officers' continued involvement in the CCAA Proceedings is conditional on the Directors' Charge is granted. Accordingly, the Proposed Monitor is of the view that the granting of the Directors' Charge is necessary in the circumstances and that the quantum and scope of the charge is both fair and reasonable.

N. OTHER RELIEF

Securities Filings

- 107. BZAM seeks to relieve itself from incurring further expenses in relation to the Securities Filings required by any federal, provincial or other law respecting securities or capital markets in Canada, and declaring that the directors, officers, employees and other

representatives of the Applicants or the Proposed Monitor shall not have any personal liability for failure to make any Securities Filings.

108. Further, BZAM seeks to relieve itself of any obligations to call and hold an annual meeting of its shareholders until further Order of the Court.
109. The Proposed Monitor understands that the Applicants intend to serve and provide notice to the relevant government authorities whose rights may be impacted by such relief.
110. In the circumstances, the Proposed Monitor is of the view that the relief with respect to the Securities Filings is reasonable and ought to be granted by the Court.

Preservation of Licenses

111. The Applicants seek to have their licenses with Health Canada and cannabis excise stamps with the CRA preserved and maintained during the Stay of Proceedings, including their ability to sell cannabis inventory in the ordinary course under those licenses and stamps.
112. Certain entities in the BZAM Group hold licenses with Health Canada which permit them to undertake, among other things: (a) standard cultivation activities; (b) standard processing activities; (c) activities relating to the sale of cannabis; and (d) research activities on possession and production of cannabis.
113. As noted above, each of the provinces and territories have signed a CTTA for the imposition of excise cannabis duty. Cannabis producers in Canada who are packaging cannabis products for sale are required to affix a cannabis excise stamp issued by the CRA prior to delivery to a purchaser. The cannabis excise stamp indicates that the cannabis product was intended for the excise duty-paid market and that the excise duty has been paid.
114. While there is no immediate concern that any of the licenses will expire during the Stay of Proceedings, the term of these licenses must continue for the duration of the Stay of Proceedings to ensure these entities continue to operate as a going concern.

115. On the other hand, BZAM Management’s cannabis license with the CRA with respect to excise stamps is set to expire imminently on February 29, 2024. If this license is permitted to expire, or to be cancelled or revoked, BZAM Management would not be able to use its existing stock of cannabis excise stamps or continue obtaining an ongoing supply of cannabis excise stamps, which would destroy its ability to operate as a going concern.
116. The Proposed Monitor understands that the Applicants intend to serve and provide notice to the CRA of the relief sought in the Proposed Initial Order.
117. In the circumstances, the Proposed Monitor is of the view that such relief is reasonable and ought to be granted by the Court.

Binding Non-Applicant Stay Parties to Proposed Initial Order

118. The Proposed Monitor understands that the Applicants are seeking to extend the Stay of Proceedings and other benefits provided for in the Proposed Initial Order, to the Non-Applicant Stay Parties.
119. As set out above, the acquisition of 943 Québec is expected to close in the near future. 943 Québec has an active business, holds a license with Health Canada for its operations at the Québec Facility, and will be highly integrated with the Company’s business and operations.
120. The Proposed Monitor understands that courts have, on several occasions, found it just and reasonable to extend the benefit of a stay of proceedings to non-applicants who were deeply integrated with a CCAA debtor’s business and operations.
121. While TGOD Europe, TGOD Germany, and TGOB do not have any material assets or ongoing operations, each of these Non-Applicant Stay Parties may have tax attributes which may be valuable to a potentially interested party in the Company’s business. As a result, the Applicants intend to market these companies in the Proposed SISP.
122. The Proposed Monitor is of the view that the relief sought by the Applicants is appropriate in the circumstances, as the Non-Applicant Stay Parties are highly integrated with the Applicants and a stay in respect of them will likely maximize value and certainty for the entire Company.

O. ANTICIPATED NEXT STEPS IN THE CCAA PROCEEDINGS

Comeback Hearing

123. The Proposed Monitor understands that the BZAM Group will be requesting the Comeback Hearing to be scheduled on March 8, 2024, which is the last business day before the expiration of the initial 10-day stay period. At the Comeback Hearing, it is expected that the BZAM Group will request:
- (a) amendments to the amounts of the Proposed CCAA Charges;
 - (b) approval of the Proposed SISP in which the Stalking Horse Agreement will serve as the Stalking Horse Bid;
 - (c) an increase in the amount that may be borrowed under the DIP Facility; and
 - (d) an extension of the Stay of Proceedings.
124. The Proposed Monitor understands that, if the Initial Order is granted, the BZAM Group intends to immediately engage with its key stakeholders, including Cortland, Stone Pine, the lenders under the Mortgage Loan, Health Canada, the CRA, and the Company's employees and customers, to discuss and obtain their input on the restructuring steps the Applicants need to undertake to maximize value for all stakeholders.
125. If appointed, FTI as Monitor intends to file a further report prior to the Comeback Hearing providing recommendations in respect of such relief.

The Proposed Stalking Horse Agreement

126. The Proposed Monitor understands that the BZAM Group intends at the Comeback Hearing to seek this Court's approval of the Stalking Horse Agreement to serve as the Stalking Horse Bid in the Proposed SISP.
127. The Stalking Horse Agreement will provide certainty for the BZAM Group and its stakeholders during the CCAA Proceedings. Approval of the Stalking Horse Agreement would be solely for the purposes of constituting the Stalking Horse Bid in the SISP.

The Proposed SISP

128. The Proposed Monitor understands that the BZAM Group intends at the Comeback Hearing to seek this Court's approval of the Proposed SISP to be conducted by the Proposed Monitor (if appointed).

129. In order to provide as much time as possible for interested parties to evaluate the Company's business, the Proposed Monitor (if appointed) intends, prior to the Comeback Hearing, to assist the Applicants in commencing solicitation of interest in preparation for the approval of the Proposed SISP. The Proposed Monitor anticipates this will include preparation of a non-disclosure agreement, teaser letter, confidential information package, data room, and a list of potential bidders, sending the teaser letter to potential bidders and facilitating access to confidential information for interested parties.

P. RECOMMENDATIONS

130. The Proposed Monitor is of the view that the Applicants are insolvent and believes it is appropriate for the Applicants to be granted protection under the CCAA and respectfully requests that this Court grant the Proposed Initial Order.

All of which is respectfully submitted this 28th day of February, 2024.

FTI Consulting Canada Inc.

In its capacity as Proposed Monitor of

BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc. BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd., Medican Organic Inc., High Road Holding Corp., and Final Bell Corp.



Jeffrey Rosenberg
Senior Managing Director

APPENDIX “A”

[ATTACHED]

BZAM Ltd.

Consolidated Cash Flow Forecast

(\$CAD in thousands)

| Forecast Week Starting (Sunday) | | 25-Feb-24 | 03-Mar-24 | 10-Mar-24 | 17-Mar-24 | 24-Mar-24 | 31-Mar-24 | 07-Apr-24 | 14-Apr-24 | 21-Apr-24 | 28-Apr-24 | 05-May-24 | 12-May-24 | 19-May-24 | 13 Week |
|--|------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|-------------|
| Forecast Week | [1] | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | Total |
| Receipts | | | | | | | | | | | | | | | |
| Receipts from Operations | [2] | \$ 694 | \$ 2,521 | \$ 1,973 | \$ 1,578 | \$ 2,351 | \$ 3,492 | \$ 2,440 | \$ 2,476 | \$ 3,996 | \$ 3,508 | \$ 3,933 | \$ 2,686 | \$ 3,179 | \$ 34,827 |
| Total Receipts | | \$ 694 | \$ 2,521 | \$ 1,973 | \$ 1,578 | \$ 2,351 | \$ 3,492 | \$ 2,440 | \$ 2,476 | \$ 3,996 | \$ 3,508 | \$ 3,933 | \$ 2,686 | \$ 3,179 | \$ 34,827 |
| Disbursements | | | | | | | | | | | | | | | |
| <i>Operating Disbursements</i> | | | | | | | | | | | | | | | |
| Production Costs | [3] | (779) | (1,005) | (1,160) | (1,005) | (1,340) | (774) | (505) | (405) | (535) | (584) | (874) | (535) | (535) | (10,036) |
| Insurance | | (175) | - | - | - | (134) | - | - | - | - | (134) | - | - | - | (443) |
| Payroll | [4] | (690) | (1,520) | (458) | (1,035) | (1,222) | (1,090) | (518) | (1,153) | (458) | (1,090) | (518) | (1,153) | (458) | (11,363) |
| Rent | [5] | (301) | - | - | - | - | (301) | - | - | - | (301) | - | - | - | (903) |
| Taxes | [6] | (574) | - | - | - | (1,018) | (340) | - | - | - | (4,220) | (550) | - | - | (6,702) |
| Other Operating Expenses | [7] | (659) | (408) | (836) | (217) | (368) | (264) | (787) | (337) | (311) | (383) | (304) | (373) | (346) | (5,593) |
| Total Operating Disbursements | | \$ (3,178) | \$ (2,933) | \$ (2,454) | \$ (2,257) | \$ (4,082) | \$ (2,769) | \$ (1,810) | \$ (1,895) | \$ (1,304) | \$ (6,712) | \$ (2,246) | \$ (2,061) | \$ (1,339) | \$ (35,040) |
| Net Cash from Operations | | \$ (2,484) | \$ (412) | \$ (481) | \$ (679) | \$ (1,731) | \$ 723 | \$ 630 | \$ 581 | \$ 2,692 | \$ (3,204) | \$ 1,687 | \$ 625 | \$ 1,840 | \$ (213) |
| <i>Financing Disbursements</i> | | | | | | | | | | | | | | | |
| Loan Advances (Repayments) | [8] | 2,165 | (2,521) | (1,973) | (1,578) | (2,351) | (3,492) | (2,440) | (2,476) | (3,996) | (3,508) | (3,933) | (2,686) | (1,472) | (30,261) |
| Interest Expenses & Fees | [9] | (42) | - | - | - | - | (42) | - | - | - | (42) | - | - | - | (126) |
| <i>Restructuring Disbursements</i> | | | | | | | | | | | | | | | |
| Restructuring Legal and Professional Costs | [10] | (605) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (185) | (2,825) |
| Net Cash Flows | | \$ (966) | \$ (3,118) | \$ (2,639) | \$ (2,442) | \$ (4,267) | \$ (2,996) | \$ (1,995) | \$ (2,080) | \$ (1,489) | \$ (6,939) | \$ (2,431) | \$ (2,246) | \$ 183 | \$ (33,425) |
| Cash | | | | | | | | | | | | | | | |
| Beginning Balance | | \$ 2,814 | \$ 1,848 | \$ 999 | \$ 999 | \$ 998 | \$ 998 | \$ 997 | \$ 997 | \$ 998 | \$ 998 | \$ 998 | \$ 997 | \$ 997 | \$ 2,814 |
| Net Receipts/ (Disbursements) | | (966) | (3,118) | (2,639) | (2,442) | (4,267) | (2,996) | (1,995) | (2,080) | (1,489) | (6,939) | (2,431) | (2,246) | 183 | (33,425) |
| DIP Advances/ (Repayments) | [11] | - | 2,367 | 2,639 | 2,441 | 4,267 | 3,072 | 1,995 | 2,081 | 1,489 | 7,136 | 2,440 | 2,246 | (184) | 31,989 |
| DIP Fees & Interest Payment | [12] | - | (98) | - | - | - | (77) | - | - | - | (207) | - | - | - | (382) |
| Ending Balance | | \$ 1,848 | \$ 999 | \$ 999 | \$ 998 | \$ 998 | \$ 997 | \$ 997 | \$ 998 | \$ 998 | \$ 998 | \$ 997 | \$ 997 | \$ 996 | \$ 996 |

Notes to the Consolidated Cash Flow Forecast:

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of BZAM Ltd. and its subsidiaries ("BZAM" or the "Company"). The forecast above is presented in Canadian Dollars. The forecast 13-week Cash Flow Forecast is on a cash-basis only and does not include timing differences for cash in transit.

[2] Receipts from Operations are based on management's current expectations regarding sales and collections. Receipts from operations have been forecast based on current payment terms, historical trends in collections, and expected demand.

[3] Production Costs includes the cost of operating the growing facilities as well as the purchase of cannabis from other Licensed Producers ("LPs").

[4] Forecast Payroll is based on historical payroll amounts and future forecast amounts based on planned headcount reductions.

[5] Forecast Rent includes payments to landlords in various provinces for leased cultivation facilities and office spaces.

[6] Forecast Taxes include payments for sales tax (GST, HST, and QST) to various taxing authorities across Canada as well as the post-filing Excise Tax in accordance with the Excise Tax Act.

[7] Forecast Other Operating Expenses include selling, general, and administrative payments.

[8] Forecast Loan Advances (Repayments) reflect the repayment of the Cortland Secured Pre-Filing Obligations from post-filing receipts in accordance with the DIP Term Sheet.

[9] Forecast Interest Expenses & Fees include an interest-only payment on a mortgaged property.

[10] Forecast Restructuring Legal and Professional Costs include legal and professional fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

[11] Forecast DIP Advances/Repayments are based on funding requirements and maintaining a minimum cash balance of around \$1.0 million.

[12] Forecast DIP Accrued Interest reflects interest of 15.25% accrued on the DIP Advances under the DIP Facility during the forecast period. Interest is payable on the first of the month. A \$0.1M commitment fee is payable upon the initial DIP advance.

APPENDIX “B”

[ATTACHED]

DIP FACILITY AGREEMENT

2024. **THIS AGREEMENT** (the "**Agreement**") is made this 28th day of February,

A M O N G:

Cortland Credit Lending Corporation, in its capacity as administrative agent (the "Agent") for and on behalf of the lenders party hereto from time to time (the "Lenders")

-and-

The Green Organic Dutchman Ltd. (the "Borrower")

-and-

BZAM Ltd. ("BZAM")

-and-

BZAM Holdings Inc. ("BZAM Holdings")

-and-

BZAM Management Inc. ("BZAM Management")

-and-

BZAM Cannabis Corp. ("BZAM Cannabis")

-and-

Folium Life Science Inc. ("Folium Life")

-and-

102172093 Saskatchewan Ltd. ("102")

-and-

Medican Organic Inc. ("Medican")

-and-

High Road Holding Corp. (f/k/a Final Bell Canada Inc., "High Road")

-and-

Final Bell Corp. ("**Final Bell**", and, together with BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life, 102, Medican and High Road, collectively, the "**Guarantors**" and the Guarantors, together with the Borrower, collectively, the "**Credit Parties**")

RECITALS:

WHEREAS the Agent and certain of the Credit Parties are either parties to or obligors under, as applicable, a Credit Agreement made as of March 31, 2020, as amended by a first amendment dated May 27, 2020, a second amendment dated October 1, 2020 and a third amendment dated July 30, 2021 (as amended, the "**Original Credit Agreement**");

AND WHEREAS the Agent and certain of the Credit Parties amended and restated the Original Credit Agreement in its entirety by way of an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022, a third amendment dated April 29, 2022, a fourth amendment dated November 3, 2022, a fifth amendment dated June 30, 2023, and a sixth amendment dated August 30, 2023 (as amended, the "**First ARCA**");

AND WHEREAS the Borrower and the Lenders amended and restated the First ARCA in its entirety by way of a second amended and restated credit agreement (the "**Second ARCA**") dated January 8, 2024;

AND WHEREAS to secure the obligations of the applicable Credit Parties to the Agent under the Second ARCA and the other Transaction Documents, the applicable Credit Parties granted Security Agreements in favour of the Agent;

AND WHEREAS the Credit Parties have advised the Agent that they intend to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on a date to be set (the "**Filing Date**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to seek, among other things, the granting of an initial order (the "**Initial Order**") and the appointment of FTI Consulting Canada Inc. as monitor (if appointed, the "**Monitor**");

AND WHEREAS the obligations of certain of the Credit Parties pursuant to or in connection with the Second ARCA (including without limitation, all outstanding Loan Advances and all interest and fees thereon or in connection therewith) are hereinafter referred to collectively as the "**Cortland Pre-Filing Obligations**";

AND WHEREAS commencement of the CCAA Proceedings will constitute an Event of Default (as defined in the Second ARCA) (the "**CCAA Event of Default**") under the Second ARCA;

AND WHEREAS the Credit Parties have requested, and the Agent has agreed, to provide certain debtor-in-possession ("**DIP**") financing to the Credit Parties pursuant to a DIP facility (the "**DIP Facility**") during the CCAA Proceedings on the terms and conditions contained herein;

NOW THEREFORE in consideration of the respective covenants of the parties hereto herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Second ARCA and not otherwise defined herein shall have the respective meanings ascribed to them in the Second ARCA.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into sections and the insertion of headings, articles, sections and clauses are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Transaction Documents and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all of the parties hereto. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all of the parties hereto, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and federal the laws of Canada applicable therein.

1.7 Currency

Unless otherwise stated, all dollar amounts referenced are in Canadian dollars.

1.8 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.9 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Transaction Documents, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict, in any way, the rights and remedies of the Agent under this Agreement, the Transaction Documents, the CCAA, the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the PPSA, other applicable law, or otherwise, other than as may be specifically contemplated herein.

1.10 Discretion and Consent

Any reference herein to the exercise of discretion by the Agent (including phrases such as "in the discretion of", "in the opinion of", "to the satisfaction of" and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

Any consent made or to be given by the Agent hereunder must be made or given expressly in writing. For greater certainty no consent on the part of the Agent shall be implied solely by receipt by the Agent of an updated Budget and/or Variance Report (each as defined below), as applicable.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Each of the Credit Parties hereby represents and warrants to the Agent as follows:

- 2.1** The facts set out in the recitals to this Agreement are true and accurate in substance and in fact.
- 2.2** Each Credit Party is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.
- 2.3** Subject to Court approval, each Credit Party has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business, and (ii) enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party.

- 2.4** The execution and delivery by each Credit Party of this Agreement and each other Transaction Document to which it is a party and the performance by each of them of their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and, other than Court approval, no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge (as defined below).
- 2.5** This Agreement and each of the other Transaction Documents to which it is a party has been duly executed and delivered by it and, subject to Court approval, constitutes a legal, valid and binding obligation of each Credit Party, enforceable against it in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the discretion that a court may exercise in the granting of equitable remedies; (iii) the Initial Order (as may be amended and restated from time to time) and any other Order of the Court.
- 2.6** The Collateral (i) is owned by or licensed to the Credit Parties and is only located at the locations disclosed in writing to the Agent; (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business; and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances and the CCAA Charges (as defined below).
- 2.7** The execution and delivery by each Credit Party of this Agreement and the other Transaction Documents to which it is a party and the performance by each Credit Party of their respective obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; or (ii) subject to Court approval, any applicable law.
- 2.8** The business operations of each Credit Party has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on.
- 2.9** Each Credit Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Credit Parties, threatened to revoke or amend any of such licenses or permits.
- 2.10** Except as set out in Schedule "C", the Collateral is not subject to any Lien except for the Permitted Encumbrances and each Credit Party has made all source deductions required by Applicable Law.
- 2.11** Except as set out in Schedule "D", each Credit Party has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained.

- 2.12** Except as set out in Schedule "E", other than the CCAA Proceedings, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Credit Party, threatened against or affecting any Credit Party.
- 2.13** (i) Each Credit Party is and has been in compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Credit Party is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Credit Party is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Credit Parties, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no Lien in favour of any Governmental Authority securing, in whole or in part, environmental liabilities has attached to any property of the Credit Parties and no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such property, (iv) no Credit Party has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to result in a Material Adverse Change, (v) no Credit Party has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Credit Party has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control.
- 2.14** Each Credit Party maintains insurance policies and coverage which (i) is sufficient for compliance with Applicable Law and all Material Agreements to which a Credit Party is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Credit Parties.
- 2.15** All information provided by or on behalf of the Credit Parties to the Agent for the purposes of or in connection with this Agreement, the other Transaction Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

ARTICLE 3 THE DIP FACILITY

In reliance upon the Acknowledgement and the acknowledgements, representations, warranties, confirmations, covenants and agreements of the Credit Parties contained in this Agreement and

subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Agent agrees to make the DIP Facility available to the Borrower during the CCAA Proceedings on the following terms and conditions.

3.1 The DIP Facility

Notwithstanding any other term or condition of the Second ARCA, and subject to satisfaction of the terms and conditions of this Agreement, the Agent, on behalf of the Lenders, agrees to provide the Borrower with the DIP Facility as set forth in this section:

- (a) The maximum principal amount under the DIP Facility shall not, at any time, exceed the lesser of (i) \$41,000,000 (the "**Facility Limit**"), and (ii) the Revolving Facility Limit plus \$7,000,000; provided that at no point in time will the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed the Facility Limit;
- (b) all amounts advanced by the Agent on behalf of the Lenders following the Filing Date shall be in respect of the DIP Facility;
- (c) all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs (including restructuring expenses and any pre-filing obligations permitted by Court order and approved by the Agent) during the CCAA Proceedings and shall in no circumstances be used to fund any Cortland Pre-Filing Obligations; and
- (d) the Borrower may request advances from time to time under the DIP Facility by delivering an advance request certificate, in the form attached as Schedule "B" (each such request, an "**Advance Request**" and each such certificate, an "**Advance Request Certificate**"), not less than one Business Day before the date of the requested advance; provided that the initial advance request certificate need not be required one Business Day before the date of the requested advance.

Notwithstanding the foregoing, the Borrower hereby authorizes and directs the Agent and the Lenders to make one or more advances under this Agreement (for greater certainty, without the requirement for the Borrower to deliver an Advance Request Certificate) in order to pay or otherwise satisfy any liens or other payables which rank (or are reasonably likely to rank) in priority to the Agent's Liens.

3.2 Interest Rate and Fees

- (a) The applicable Interest Rate on all amounts advanced under the DIP Facility shall be the greater of: (i) the TD Prime Rate plus 8.05% per annum; and (ii) 12% per annum, and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus

calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

- (b) The Borrower shall pay to the Agent a commitment fee equal to \$98,000, which fee shall be payable by the Borrower to the Agent upon issuance of the Initial Order. Such fee will be paid from the initial advance.

3.3 Mandatory Repayments

Following the Filing Date, all Post-Filing Collections (as defined below) will be applied against the Cortland Pre-Filing Obligations of the Credit Parties to the Agent, for and on behalf of the Lenders, unless otherwise directed by the Agent.

Subject to the priority of the Administration Charge, if a Credit Party (a) disposes, transfers or sells any Collateral outside the ordinary course of business, or (b) sells the shares/equity interests of any wholly owned or non-wholly owned subsidiary of a Credit Party, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Credit Parties' indebtedness to the Agent and the Lenders under the DIP Facility and the Second ARCA, shall be paid to the Agent and applied by the Agent against the indebtedness owing to the Lenders under the DIP Facility. Any such repayment by a Credit Party shall constitute a permanent reduction of the availability and commitment under the DIP Facility.

3.4 Conditions Precedent

The obligation of the Lenders to make the DIP Facility available to the Borrower and to fund each advance under the DIP Facility is subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent shall have received a copy of this Agreement executed by each of the Credit Parties;
- (b) the Agent shall have received and be satisfied with the Budget, and all such other information (financial or otherwise) reasonably requested by the Agent;
- (c) no Event of Default (as defined herein) shall exist, and no event or circumstance which could reasonably be expected to result in a Material Adverse Change shall have occurred;
- (d) there shall not be pending any litigation or other proceeding, other than the CCAA Proceedings, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Change or form the basis for an appeal of the Initial Order;

- (e) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, including any service list shall be in form and substance satisfactory to the Agent;
- (f) the Initial Order shall be in form and substance satisfactory to the Agent;
- (g) the Initial Order (or any amended and restated Initial Order) approving the DIP Facility, the granting of the DIP Charge, and all related transactions shall have been issued and entered and be in full force and effect and shall not have been reversed, vacated, or stayed, subject to appeal or modified or superseded or negatively impacted in any way without the Agent's prior written consent, and all necessary consents and approvals to the transaction contemplated in this Agreement and in the Initial Order shall have been obtained to the satisfaction of the Agent;
- (h) payment by the Credit Parties to the Agent of all reasonable and documented expenses incurred by the Agent or the Lenders in connection with the DIP Facility (including the negotiation, ongoing monitoring and any costs of enforcement);
- (i) the Agent shall have received a Borrowing Base Certificate;
- (j) in connection with an Advance Request, the Agent shall have received an Advance Request Certificate accompanied by a Borrowing Base Certificate;
- (k) each of the representations and warranties made by the Credit Parties to the Agent in this Agreement shall be true and correct in all material respects; and
- (l) approval by the Agent of the Credit Parties' most recent cash flow forecast, prepared in the form of the Budget.

3.5 Terms of Initial Order

The Initial Order shall be in form and substance satisfactory to the Agent, including provisions addressing (among other things) the following:

- (a) approval of the financing provided for in this Agreement (including the DIP Facility);
- (b) the continuation of the Credit Parties' existing cash management arrangements;
- (c) authorization and direction for the Borrower and the other Credit Parties to make all payments of principal, interest, fees, and expenses under this Agreement to the Agent for and on behalf of the Lenders;
- (d) the DIP Charge;
- (e) an administration charge in the amount of \$500,000 (which shall increase to \$1,000,000 under the amended and restated Initial Order) which ranks prior to the

DIP Charge and the Agent's security pursuant to the Transaction Documents (the "**Administration Charge**");

- (f) a directors' and officers' charge in the amount of \$5,300,000 (which shall increase to \$12,900,000 under the amended and restated Initial Order) which ranks subsequent to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations (the "**D&O Charge**"); and
- (g) that the Agent shall be treated as unaffected in any plan of arrangement or compromise filed by or in respect of the Credit Parties under the CCAA, or under any proposal filed by or in respect of the Credit Parties under the BIA, with respect to any Post-Filing Obligations (as defined below).

3.6 Budget

The Borrower shall provide the Agent with a thirteen (13) week cash-flow forecast reviewed by the Monitor and in form and substance satisfactory to the Agent (the "**Initial Budget**"). The Initial Budget shall reflect on a line-item basis, among other things, a borrowing base calculation reflecting the amount of availability, anticipated cash flow, cash receipts and disbursements, and sales. The Initial Budget and the proposed use of funds provided for therein shall be in substance satisfactory to the Agent. The Initial Budget and any subsequent Budget may only be amended and modified with the prior written consent of the Agent (the Initial Budget, as so amended and modified from time to time with the prior written consent of the Agent, is referred to herein as the "**Budget**"). The Initial Budget to May 25, 2024 is attached hereto as Schedule "A".

3.7 DIP Charge

- (a) All advances made by the Agent and the Lenders to the Borrower under the DIP Facility, and all obligations, indebtedness, fees (including professional fees), costs, and expenses of the Agent and the Lenders under this Agreement and the DIP Facility (collectively, the "**Post-Filing Obligations**") shall constitute obligations and shall be secured by:
 - (i) a super-priority DIP charge (the "**DIP Charge**") on all of the existing and after-acquired real and personal property of the Credit Parties as provided for herein and in the Initial Order; and
 - (ii) the existing security and guarantees in favour of the Agent under the Transaction Documents;

provided that with respect to the BZAM Edmonton Property, the DIP Charge shall rank subordinate to the Existing BZAM Edmonton Property Charge.

- (b) For certainty, the DIP Charge shall not secure any Cortland Pre-Filing Obligations.

3.8 Existing Cash Management System/Cash Receipts to the Agent

The Initial Order shall, among other things, authorize and direct the Credit Parties to continue to use the central cash management system currently in place or replace it with another substantially similar central cash management system. Each of the Credit Parties will provide evidence to the Agent that it has directed each financial institution with which it maintains a deposit account into which payments are received from its Account Debtors (collectively, "**Post-Filing Collections**") to transfer on a weekly basis, at the Credit Parties' cost and expense, all such Post-Filing Collections to an account maintained by the Agent. The Agent shall apply the Post-Filing Collections to repay the Cortland Pre-Filing Obligations.

3.9 Additional Reporting

In addition to all other existing reporting requirements set out in the Second ARCA (to the extent not otherwise dealt with in this Agreement), the Borrower shall provide to the Agent:

- (a) on a weekly basis within four (4) Business Days after the end of each week during the CCAA Proceedings an executed Borrowing Base Certificate duly completed in all material respects consistent with past practice, plus all backup information requested by the Agent; and
- (b) on a bi-weekly basis within six (6) Business Days after the end of each bi-weekly period during the CCAA Proceedings:
 - (i) a report comparing the Credit Parties' actual performance to that projected in the Budget for the given bi-weekly period (each, a "**Variance Report**"), specifically identifying any negative variances in excess of ten percent (10%), with a minimum floor variance of \$500,000 (unless otherwise agreed to by the Agent), in respect of the actual cumulative net cash flow against the forecasted cumulative net cash flow in the Budget (an "**Adverse Negative Variance**") and providing a detailed explanation for same; provided, however, that the calculation of an Adverse Negative Variance shall not take into account Professional Expenses in excess of what is forecasted in the Initial Budget or the Budget, as applicable.
 - (ii) updating the Budget to account for actual performance by the Credit Parties for the previous week and rolling forward by two (2) additional weeks cash flow projections set forth in the last updated Budget; and
 - (iii) such other information as the Agent may reasonably request.

3.10 Status Calls

During the CCAA Proceedings, upon request from the Agent from time to time, the Borrower shall arrange and participate in conference calls with the Agent and the Monitor to discuss the performance of the Borrower and the other Credit Parties, any updated Budgets, Variance Reports

(including any Adverse Negative Variances), updates for future weeks, and any other matters the Agent may reasonably raise.

3.11 CCAA Proceedings and Other Materials to be Provided to Agent

The Borrower shall deliver to the Agent drafts of all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, and shall provide the Agent with a reasonable opportunity to comment thereon prior to filing and ensure the same are acceptable to the Agent, acting reasonably.

3.12 Compliance with Transaction Documents

Each of the Credit Parties shall strictly adhere to all of the terms, conditions and covenants of this Agreement and the Transaction Documents (to the extent not otherwise dealt with in this Agreement), including, without limitation, terms requiring prompt payment of principal, interest, fees, and other amounts when due.

3.13 Covenants

Each Credit Party covenants and agrees with the Agent that it shall:

- (a) pay all sums of money when due under the terms of this Agreement;
- (b) immediately advise the Agent of any event which constitutes an Event of Default;
- (c) file all tax returns which are or will be required to be filed by it;
- (d) pay or make provision for the payment of all taxes and source deductions (including interest and penalties) which will become due and payable after the commencement of the CCAA Proceedings;
- (e) comply in all respects with all Applicable Laws, including all environmental laws;
- (f) immediately advise the Agent of any material action requests or material violation notices and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existing now or in the future with respect to it;
- (g) immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- (h) keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent (including any potential assignee, participant or

lender) is permitted to do the following at any time and without notice, subject to the Initial Order) permit the Agent (including any potential assignee, participant or lender) or its representatives, during normal business hours, subject to any Applicable Laws governing the Credit Parties' business, (i) to visit and inspect a Credit Party's premises, properties and assets and examine and obtain copies of such Credit Party's records or other information, and (ii) to discuss such Credit Party's affairs with the auditors (if any) of such Credit Party (in the presence of such Credit Party's representatives as it may designate). Each Credit Party hereby authorizes and directs any such third party to provide to the Agent (including any potential assignee, participant or lender) or its representatives all such information, records or documentation reasonably requested by the Agent;

- (j) except for Permitted Encumbrances and the CCAA Charges, not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any Lien or other encumbrance affecting any of its properties, assets or other rights;
- (k) not incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings other than in the ordinary course of business and on arm's-length, commercially reasonable terms; provided that, for greater certainty, no Credit Party shall enter into any sale (or similar) transaction pursuant to a sale and investment solicitation process or otherwise without that prior written consent of the Agent, save and except for a transaction that provides for payment in cash on closing of the Cortland Pre-Filing Obligations and the Post-Filing Obligations in full;
- (m) not, without the prior written consent of the Agent, sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of any Credit Party;
- (n) not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, other than Permitted Indebtedness;
- (o) not, without giving the Agent fifteen (15) days' prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person. In the event the Agent gives its consent, it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require;
- (p) not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, or make any disbursement of any kind other than as contemplated by the Budget;
- (q) not acquire or move any Collateral to any jurisdiction outside the Province of Ontario or any other jurisdiction where the Agent has perfected its security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in

favour of the Agent a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;

- (r) notify the Agent within three (3) Business Days of any Account Debtor notifying such Credit Party that they are contesting any invoice;
- (s) fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all reasonable and documented costs associated with any appraisals;
- (t) pay only those expenditures set out in the Budget, or such other expenditures the Agent and Monitor consent to in writing;
- (u) provide to the Agent, on a weekly basis, a list of payments, disbursements and transfers of money proposed to be made by each of the Credit Parties during the following week and will make only those payments, disbursements and transfers that are set out in the Budget or otherwise consented to by the Agent;
- (v) not create or grant any security (other than the DIP Charge, the Administration Charge, the D&O Charge and any charge (which shall rank subordinate to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations) to secure a break fee and expense reimbursement in favour of a stalking horse bidder in any sale and investment solicitation process approved by the Court (collectively, the "**CCAA Charges**") over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the DIP Charge, without the prior consent of the Agent;
- (w) provide the Agent with any financial or other information reasonably requested by the Agent;
- (x) within two (2) Business Days of the receipt by any Credit Party of the same, deliver to the Agent a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge; and
- (y) prevent the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, from exceeding the Facility Limit

3.14 Events of Default

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (collectively, the "**Events of Default**"):

- (a) Any Credit Party fails to make payment of any amount, whether on account of principal, interest or otherwise, when due pursuant to the terms of this Agreement;

- (b) without the consent of the Agent, the occurrence of any Adverse Negative Variance;
- (c) entry of an order which stays, modifies (other than extensions of the Initial Order), or reverses the Initial Order or which otherwise materially adversely affects the effectiveness of the Initial Order without the express written consent of the Agent;
- (d) the entry of any order without the prior written consent of the Agent which provides relief from the automatic stay made under the Initial Order or the CCAA which permits any creditor to realize upon, or to exercise any right or remedy with respect to, any asset of any Credit Party or to terminate any license, franchise, or similar agreement, where the exercise of such right or remedy or such realization or termination would reasonably be likely to result in a Material Adverse Change as determined by the Agent;
- (e) the filing of any application, motion or other request by any Credit Party without the express prior written consent of the Agent for the approval of any super-priority claim or debtor in possession financing in the CCAA Proceedings which is *pari passu* with or senior to the priority of the DIP Charge (other than the Administration Charge and the D&O Charge), or there shall arise any such super-priority claim under the CCAA;
- (f) the payment or other discharge by any Credit Party of any pre-filing indebtedness, except as expressly permitted hereunder, or generally permitted within the category and range in the Budget or by order in the CCAA Proceedings, to which payment or discharge the Agent has not provided its written prior consent;
- (g) the failure of any Credit Party (i) to materially comply with each and all of the terms and conditions of the Initial Order, or (ii) to materially comply with any other order entered in the CCAA Proceedings, if such failure would reasonably likely result in a Material Adverse Change as determined by the Agent;
- (h) (i) the filing of any motion by any Credit Party or the entry of any order in the CCAA Proceedings: (A) permitting any financing (other than ordinary course trade credit or unsecured debt) for any Credit Party from any Person other than the Agent, (B) granting a Lien on, or security interest in any of the Collateral of any Credit Party equal or superior status to that of the DIP Charge, other than with respect to this Agreement or as otherwise permitted herein, or (C) dismissing the CCAA Proceedings, or (ii) the filing of any motion by any Person (other than a Credit Party) regarding matters specified in the foregoing clause (i) that is not immediately stayed and dismissed or denied within thirty (30) days of the date of the filing of such motion, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a “**Claim**”) that is not being contested by any Credit Party, the purpose of which is to seek or the result of which would be to

obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of any Credit Party under this agreement, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the Agent, the Lender or the Collateral, or (iii) preventing, hindering or otherwise delaying the exercise by the Agent of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Agent against any of its collateral, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;

- (j) the filing of any proposal, plan of arrangement, plan of reorganization or other similar document (a “**Plan**”) or the acceptance of any transaction (a “**Transaction**”), or the filing of a motion seeking approval of the Court to accept any such Transaction or Plan, unless the total Cortland Pre-Filing Obligations and the Post-Filing Obligations hereunder are to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Plan or Transaction or if the terms of the Plan or the Transaction have otherwise been approved by the Agent;
- (k) the breach of any term, covenant or agreement by any Credit Party in this Agreement;
- (l) any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower, any other Credit Party herein, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made;
- (m) if any material contract or license (including, for greater certainty, any contract or license entered into in connection with the use of any intellectual property or the production, cultivation and/or manufacturing of cannabis and/or cannabis-related products) is terminated or amended in any manner without the prior consent of the Agent;
- (n) without the consent of the Agent, the occurrence of a Change of Control; and
- (o) the occurrence of a default or an event of default under the Second ARCA (other than the CCAA Event of Default).

3.15 Cooperation

Each of the Credit Parties shall cooperate fully with the Agent and its respective agents and employees by providing all information requested by the Agent, and by providing access to its books, records, property, assets, and personnel as requested by the Agent wherever they may be situated in whatever medium they may be recorded, except for confidential or privileged information, at the request of and at times convenient to the Agent, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

3.16 Professional Expenses

Each of the Credit Parties hereby covenants and agrees with the Agent to reimburse the Agent for all reasonable and documented expenses incurred in connection with this Agreement and the CCAA Proceedings, including, without limitation, legal fees, financial advisor fees and other professional expenses that the Agent has incurred or will incur arising out of its dealings with the Credit Parties in the CCAA Proceedings (collectively, the "**Professional Expenses**"). The Borrower shall ensure that the Professional Expenses are provided for in the Budget. Nothing in this Agreement, shall derogate from the Credit Parties' obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses. Notwithstanding the foregoing, the Agent shall add all of the Professional Expenses to the Post-Filing Obligations if the same are not paid when due. Each of the Credit Parties hereby acknowledges, confirms and agrees that the Professional Expenses which are added to the Post-Filing Obligations shall be secured and covered by the Transaction Documents and the DIP Charge.

3.17 Remedies Upon Event of Default and on Termination Date

If any Event of Default occurs and is continuing, or upon the Termination Date, the Agent may take any or all of the following actions, subject to the terms of the Initial Order:

- (a) declare the DIP Facility to be terminated, whereupon the DIP Facility shall be terminated;
- (b) declare the Post-Filing Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Credit Parties; and
- (c) exercise any or all of its rights and remedies available to it under this Agreement, the other Transaction Documents, the BIA, the PPSA, other applicable law, or otherwise.

3.18 Termination

The term of the DIP Facility will be the earlier of (a) July 15, 2024 (the "**Maturity Date**"), and (b) any other Termination Date.

The Agent shall have the right to terminate the DIP Facility upon the occurrence of an Event of Default in accordance with the terms of this Agreement, subject to the terms of the Initial Order.

The DIP Facility may be terminated with the consent of both the Agent and the Borrower, at which time, all accrued interest, principal, fees and expenses owing shall be paid in cash to the Agent on such Termination Date.

The date on which all outstanding principal and interest under the DIP Facility shall become due and payable will be termed the "**Termination Date**" and will be the date which is the earliest to occur of the following:

- (a) the Maturity Date;

- (b) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and
- (c) the date of a sale of all or substantially all of the Collateral.

ARTICLE 4 GENERAL PROVISIONS

4.1 Effect of this Agreement

Except as expressly modified pursuant hereto, no other changes or modifications to the terms of the Transaction Documents are intended or implied.

4.2 Transaction Document

This Agreement is a Transaction Document.

4.3 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable by the Agent to give effect to the provisions and purposes of this Agreement and the DIP Charge all at the sole expense of the Credit Parties.

4.4 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

4.5 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Agent or any closing shall affect the representations and warranties or the rights of the Agent to rely upon such representations and warranties.

4.6 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Transaction Documents but the same shall remain in full force and effect save to the extent amended by this Agreement.

4.7 Assignments

The Agent may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder or act as an agent for one or more lenders hereunder at any time and from time to time, on the condition that the Monitor is satisfied that the potential

assignee or party granted or to be granted a participation right has the financial wherewithal to, and is an appropriate party to participate in, the Agreement.

Each of the Credit Parties acknowledges and agrees that, in accordance with Applicable Laws, the Agent may, in its discretion, provide any potential assignee, participant or lender with, on a confidential basis, all such information required by such assignee, participant or lender to complete its financial and legal due diligence in connection with assessing such assignment, participation or lending.

Neither this Agreement nor any right hereunder may be assigned by any of the Credit Parties.

4.8 Amendments

This Agreement may not be amended nor waived except by an instrument in writing signed by each of the Credit Parties and the Agent.

4.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or portable document format ("**PDF**") form and the parties adopt any signatures received by a receiving fax machine or by emailed PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so faxed or emailed.


[REMINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.


CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

By: _____
Name:
Title:


102172093 SASKATCHEWAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM HOLDINGS INC.

By:  _____
Name: Matt Milich
Title: President


BZAM MANAGEMENT INC.

By:  _____
Name: Matt Milich
Title: CEO


BZAM CANNABIS CORP.

By:  _____
Name: Matt Milich
Title: President


FOLIUM LIFE SCIENCE INC.

By:  _____
Name: Matt Milich
Title: President


THE GREEN ORGANIC DUTCHMAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


MEDICAN ORGANIC INC.

By:  _____
Name: Matt Milich
Title: CEO

HIGH ROAD HOLDING CORP.


By:  _____
Name: Matt Milich
Title: Director

FINAL BELL CORP.

By:  _____
Name: Matt Milich
Title: President

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

Signed by:
By: 
Name: Sean Register
Title: CEO

102172093 SASKATCHEWAN LTD.

By: _____
Name: _____
Title: _____

BZAM LTD.

By: _____
Name: _____
Title: _____

BZAM MANAGEMENT INC.

By: _____
Name: _____
Title: _____

FOLIUM LIFE SCIENCE INC.

By: _____
Name: _____
Title: _____

MEDICAN ORGANIC INC.

By: _____
Name: _____
Title: _____

FINAL BELL CORP.

By: _____
Name: _____
Title: _____

BZAM HOLDINGS INC.

By: _____
Name: _____
Title: _____

BZAM CANNABIS CORP.

By: _____
Name: _____
Title: _____

THE GREEN ORGANIC DUTCHMAN LTD.

By: _____
Name: _____
Title: _____

HIGH ROAD HOLDING CORP.

By: _____
Name: _____
Title: _____

APPENDIX “C”

Overview of Comparable DIP Facilities Granted in Canada During the DIP Comparison Period

| Debtor | DIP Lender | Filing Date | Jurisdiction | Industry | DIP Loan (C\$MM) | DIP Interest | DIP Fees as a % of DIP Loan |
|----------------------------------|---|--------------------|---------------------|-----------------------|-----------------------------|---------------------|--|
| Duvaltex Inc. | Wells Fargo | 14-Dec-23 | Quebec | Manufacturing | \$14 | 9.7% | 0.5% |
| Mastermind GP Inc. | CIBC | 23-Nov-23 | Ontario | Retail | \$36.25 | 7.95% | N/A |
| Simply Green Home Services Inc. | Peoples Trust Company | 9-Nov-23 | Ontario | Professional Services | \$15 | 9.5% | 1.0% |
| South Shore Seafoods Ltd. et al. | TD Bank | 21-Sep-23 | New Brunswick | Distribution | \$10 | 8.2% | N/A |
| NextPoint Financial | BP Commercial Funding Trust and Drake Enterprises | 25-Jul-23 | British Columbia | Financial Services | \$25 | 11.8% | 1% |

| | | | | | | | |
|------------------------------|--|-----------|------------------|----------------------|-------|-------|------|
| Fire & Flower Holdings Corp. | 2707031 Ontario Inc. | 5-Jun-23 | Ontario | Cannabis | \$9.8 | 12.0% | 4.1% |
| Groupe Selection Inc. | National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance, and Fiera | 21-Nov-22 | Quebec | Food & Accommodation | \$20 | N/A | N/A |
| Freshlocal Solutions Inc. | Third Eye Asset Management | 16-May-22 | British Columbia | Retail | \$10 | 12.7% | 6.0% |