

Court File No. CV-24-00715773-00CL

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.

FOURTH REPORT OF FTI CONSULTING CANADA INC., AS MONITOR

July 12, 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

**FOURTH REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS MONITOR**

A. INTRODUCTION

1. On February 28, 2024, BZAM Ltd. (“**BZAM**”), BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd., Medican Organic Inc. (“**Medican**”), High Road Holding Corp., and Final Bell Corp. doing business as BZAM Labs (collectively, the “**Applicants**”) sought and obtained an initial order (the “**Initial Order**”) under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Initial Order, *inter alia*, appointed FTI Consulting Canada Inc. as the monitor (the “**Monitor**”) of the Applicants in these CCAA proceedings and granted an initial stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties,¹ and their respective directors and officers until and including March 8, 2024.
2. This Court granted an amended and restated Initial Order (the “**ARIO**”) on March 8, 2024, at a comeback hearing. The ARIO, *inter alia*, granted an extension of the initial stay period

¹ The Non-Applicant Stay Parties are subsidiaries of BZAM and are listed in the Initial Order at Schedule “A”: 9430-6347 Québec Inc., The Green Organic Beverage Corp., TGOD Europe B.V., and The Green Organic Dutchman Germany GmbH.

to and including May 25, 2024 (the “**Stay Period**”). On May 17, 2024, this Court granted an extension of the Stay Period to and including July 15, 2024.

B. PURPOSE OF THIS REPORT

3. The purpose of this Fourth Report of the Monitor (the “**Fourth Report**”) is to provide information to this Court with respect to the Applicants’ motion returnable July 15, 2024, seeking an order of this Court:

(a) extending the Stay Period to and including August 28, 2024; and

(b) approving this Fourth Report and the activities of the Monitor described herein.

4. This Fourth Report is not intended to provide a comprehensive update on all aspects of this CCAA proceeding or all of the activities of the Monitor, including with respect to the motion brought by Final Bell Holdings International Ltd. (“**FBHI**”) on March 18, 2024, in these CCAA proceedings and which relates to BZAM’s acquisition of Final Bell Canada Inc. (“**FBC**”) from FBHI pursuant to a share exchange agreement dated December 5, 2023 (such motion, the “**Final Bell Motion**”). The Final Bell Motion was the principal subject of the Second Report of the Monitor dated April 17, 2024 (the “**Second Report**”). The Monitor has included only a brief update on the Final Bell Motion in this Fourth Report.

5. Updates on these CCAA proceedings are posted periodically on the website established by the Monitor at <http://cfcanada.fticonsulting.com/bzam/> (the “**Monitor’s Website**”). Court materials filed in these CCAA proceedings are also posted on the Monitor’s Website.

C. TERMS OF REFERENCE

6. In preparing this Fourth Report, the Monitor has relied upon various sources of information including, *inter alia*, audited and unaudited financial information of the Applicants’ books and records, certain financial information and forecasts prepared by the Applicants, and discussions with various parties, including senior management (“**Management**”) of, and advisors to, the Applicants (collectively, the “**Information**”).

7. Except as otherwise described in this Fourth Report:

- (a) the 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;
 - (b) the Monitor has not examined or reviewed the financial forecasts or projections referred to in this Fourth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook; and
 - (c) the Monitor's understanding of factual matters expressed in this Fourth Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.
8. Future-oriented financial information referred to or relied on in this Fourth Report is based on Management's assumptions regarding future events. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
9. The Monitor has prepared this Fourth Report in connection with the Applicants' motion seeking the relief set out in paragraph 3 above. This Fourth Report should not be relied on for any other purpose.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

D. UPDATE ON THE MONITOR'S ACTIVITIES

11. Since the Applicants' motion returnable May 17, 2024 (which sought an extension of the Stay Period to July 15, 2024), the Monitor has, *inter alia*:
- (a) regularly engaged in discussions and met with the Applicants' management team and their legal counsel regarding these CCAA proceedings;

- (b) monitored the Applicants' receipts and disbursements, including reviewing and commenting on the Applicants' cash flow reporting requirements under the debtor-in-possession credit facility (the "**DIP Facility**") provided by Cortland Credit Lending Corporation ("**Cortland**");
- (c) participated in discussions with and assisted the Applicants in discussions with landlords, suppliers, other creditors and employees related to these CCAA proceedings and responded to requests for information from such parties;
- (d) participated in discussions with the parties involved in the Final Bell Motion;
- (e) attended a court hearing on June 4, 2024, with respect to motions for security for costs in connection with the Final Bell Motion;
- (f) engaged in matters related to the conclusion of the sale and investment solicitation process (the "**SISP**") approved by this Court pursuant to an order granted March 8, 2024, including discussions with the Stalking Horse Purchaser (as that term is defined below) and its legal counsel, and Cortland and its legal counsel;
- (g) engaged in discussions related to the notice of motion served on June 25, 2024, by Mr. Boisvert and Mr. Fontaine (the "**Disclaimer Motion**") objecting to the Notice by Debtor Company to Disclaim or Resiliate an Agreement sent by Medican on May 29, 2024 (such notice, the "**Disclaimer Notice**");
- (h) managed the service list for these CCAA proceedings as well as the Monitor's Website;
- (i) continued to operate and monitor telephone hotlines and email accounts for stakeholder enquiries;
- (j) communicated with Health Canada with respect to certain cannabis licences;
- (k) prepared this Fourth Report; and

- (l) engaged with the Monitor’s legal counsel, Stikeman Elliott LLP, in connection with the foregoing activities.

E. THE FINAL BELL MOTION

12. As detailed in the Monitor’s prior reports, the Final Bell Motion was commenced by a notice of motion dated March 18, 2024.² As a result of FBHI amending its notice of motion on May 6, 2024, FBHI is seeking (a) a declaration that BZAM and its affiliates are liable to FBHI for equitable damages in an amount to be determined by the Court at a reference; (b) a declaration that the equitable damages for which BZAM and its affiliates are liable to FBHI are subject to a constructive trust; and (c) costs of the Final Bell Motion.
13. The Final Bell Motion is scheduled to be adjudicated on September 18 and 19, 2024.
14. On April 24, 2024, BZAM and Cortland each served motions seeking orders that FBHI immediately pay into this Court security for the costs of the Final Bell Motion. This Court heard those motions on June 4, 2024. The Honourable Justice Osborne issued an endorsement dated June 30, 2024, that ordered FBHI to post security in the amounts of \$350,000 and \$147,000 in respect of the costs of BZAM and Cortland, respectively. FBHI was also ordered to pay to BZAM and Cortland costs in respect of the security for cost motions in the amounts of \$20,000 and \$8,500, respectively. As of the date of this report, the Monitor is not aware of FBHI posting the aforesaid security or paying the cost awards.
15. On June 3, 2024, Cortland delivered an aide mémoire seeking a threshold motion (the “**Threshold Motion**”) to determine whether FBHI’s constructive trust claim can take priority to the super-priority DIP Facility charge established in favour of Cortland by the ARIO. As set out in Cortland’s aide mémoire, Cortland believes that the ARIO grants it a super-priority charge that ranks in priority to trusts, meaning that the relief sought by FBHI is, practically speaking, moot because the proceeds from the transaction contemplated by

² The Second Report states that FBHI served its notice of motion commencing the Final Bell Motion on March 19, 2024. The Monitor wishes to clarify that counsel to FBHI served the notice of motion on counsel to the Monitor and counsel to BZAM on March 18, 2024. Counsel to FBHI subsequently served an aide mémoire appending the notice of motion on the Service List on March 18, 2024. Counsel to FBHI served a motion record on the Service List, which included the notice of motion at Tab A, on the Service List on March 19, 2024.

the Stalking Horse Agreement (as defined below) are not expected to be sufficient to pay any debts beyond the DIP Facility.

16. On June 3, 2024, FBHI delivered an aide mémoire setting out its opposition to the Threshold Motion. The Court has not yet determined whether (and if so, when) it will hear the Threshold Motion.
17. The Monitor is of the view that the Applicants' stakeholders would benefit from a determination of the issues raised on the Threshold Motion on an expedited basis as it may be dispositive of the Final Bell Motion and may allow the Applicants to emerge from creditor protection sooner.

F. THE NOTICE OF MOTION OF FRANCE BOISVERT AND DANIEL FONTAINE

18. On May 29, 2024, Medican sent France Boisvert and Daniel Fontaine the Disclaimer Notice that proposed to disclaim or resiliate:
 - (a) a share purchase agreement (the “SPA”) between Mr. Boisvert, Mr. Fontaine, and Medican, and to which intervenes 9430-6347 Québec Inc. (“9430 Québec”), dated November 11, 2022;
 - (b) a letter of intent by and between Medican, Mr. Boisvert, Mr. Fontaine, and 9317228 Canada Inc. and to which intervenes 9430 Québec; and
 - (c) a bring-down certificate from 9430 Québec, Mr. Boisvert, Mr. Fontaine to Medican and 9317228 Canada Inc., dated November 4, 2022

(collectively the “**Disclaimed Agreements**”).

19. The Monitor approved of Medican sending the Disclaimer Notice before it was sent to Mr. Boisvert and Mr. Fontaine.
20. Medican is an applicant in these CCAA proceedings. Pursuant to the SPA, Medican agreed to purchase all of the shares of 9430 Québec from Mr. Boisvert and Mr. Fontaine. The transaction contemplated by the SPA has not yet closed because a condition precedent (namely, the receipt of a municipal permit) is unsatisfied. The Disclaimed Agreements

have been held in escrow since their execution pending satisfaction of the conditions precedent.

21. The Monitor understands that Medican has no substantial business operations. Its intended business function is to hold the shares of 9430 Québec, which shares it currently holds in escrow pending the closing of the transaction contemplated by the SPA. Medican has had effective control of 9430 Québec since execution of the SPA. 9430 Québec has a leased property in Québec, and the Applicants have paid its rent on behalf of 9430 Québec.
22. 9430 Québec is not an applicant in these CCAA proceedings, but pursuant to the ARIO it is a beneficiary of the stay of proceedings granted by this Court. 9430 Québec had a licence issued by Health Canada in accordance with the *Cannabis Act* and the *Cannabis Regulations* that authorized it to engage in standard cultivation and standard processing, which was revoked by Health Canada upon request on July 4, 2024. The Monitor understands that 9430 Québec does not have any material business operations at this time and is not in possession of any cannabis.
23. The Monitor understands that the practical effect of Medican disclaiming and/or resiliating the Disclaimed Agreements is that, *inter alia*, the shares of 9430 Québec will be removed from escrow and returned to Mr. Boisvert and Mr. Fontaine.
24. On June 25, 2024, Mr. Boisvert and Mr. Fontaine filed the Disclaimer Motion seeking an order, *inter alia*, (a) dismissing or staying the Disclaimer Notice; (b) in the alternative, an order directing that the Disclaimed Agreements not be disclaimed or resiliated; and (c) in the further alternative, that an indemnity be provided for all corporate actions taken and any liabilities incurred by 9430 Québec from November 11, 2022.³ Mr. Boisvert and Mr. Fontaine claim in the Disclaimer Motion that, *inter alia*, they have not been consulted on any dealings involving 9430 Québec since the SPA was executed on November 11, 2022, that they have no knowledge of any of the actions taken by 9430 Québec since that time, and that Medican has neglected and/or refused to confirm what liabilities 9430 Québec has

³ Medican consented to Mr. Boisvert and Mr. Fontaine filing a motion to oppose the Disclaimer Notice more than 15 days after such notice was given.

incurred since November 11, 2022, while under the care and control of Medican. The Monitor understands that Medican disputes certain of these assertions.

25. The Monitor is in the process of engaging with counsel to Mr. Boisvert and Mr. Fontaine and counsel to Medican to determine how best to resolve the Disclaimer Motion. As of the date of this Fourth Report, no hearing date has been scheduled for the Disclaimer Motion.

G. UPDATE ON THE SISP

26. The Court granted an order (the “**SISP Approval Order**”) on March 8, 2024, that, *inter alia*, approved the SISP in which the share subscription agreement (the “**Stalking Horse Agreement**”) dated March 1, 2024, with 1000816625 Ontario Inc.⁴ (in its capacity as a purchaser under the Stalking Horse Agreement, the “**Stalking Horse Purchaser**”) would serve as a stalking horse bid.
27. On April 16, 2024, the SISP was terminated after the Monitor, along with the Applicants, concluded that no letters of intent constituted a “Qualified Bid” for the purposes of the SISP.
28. As reported in the Third Report of the Monitor dated May 14, 2024 (the “**Third Report**”), the Monitor expects the Applicants to bring a motion at a future date seeking an order approving a sale transaction in accordance with the Stalking Horse Agreement. It is, however, unclear when the Applicants will bring such a motion. The SISP Approval Order specifies that the Applicants, with the assistance of the Monitor, are to apply to this Court for an order (or orders) approving a sale transaction by no later than May 21, 2024, subject to Court availability. As reported by the Monitor in its Third Report, this milestone was extended by Cortland and the Stalking Horse Purchaser to June 21, 2024. The Monitor understands that Cortland and the Stalking Horse Purchaser have further extended that milestone by an additional 30 days to July 21, 2024.
29. The Monitor will address the SISP and the potential implementation of a transaction pursuant the terms of the Stalking Horse Agreement in greater detail in a future report,

⁴ 1000816625 Ontario Inc. is a corporation related to Bassam Alghanim, who is BZAM’s largest shareholder, current chairman, and the individual that ultimately controls Stone Pine Capital Ltd., a secured creditor of BZAM.

which will be prepared and filed with this Court in connection with any sale approval motion.

30. The Monitor repeats its observations first made in the Third Report that section 8.1 of the Stalking Horse Agreement provides that it may be terminated:
- (a) by the Stalking Horse Purchaser, on the one hand, or BZAM (with the consent of the Monitor), on the other hand, at any time following 5:00 p.m. on July 21, 2024, if the transaction contemplated by the Stalking Horse Agreement has not been completed; or
 - (b) by the Stalking Horse Purchaser if there has been a material violation or breach that would prevent the satisfaction of, or compliance with, any condition set forth in section 7.1 (conditions in favour of the Stalking Horse Purchaser) – one of which is a “Material Adverse Effect” occurring prior to closing.
31. The Monitor understands that the Applicants are working in good faith to complete the transaction contemplated by the Stalking Horse Agreement by no later than July 21, 2024, in accordance with s. 8.1 of the Stalking Horse Agreement, but it is not certain that this milestone will be met. The Monitor is also aware that there is a risk that the Final Bell Motion constitutes a “Material Adverse Effect” under the Stalking Horse Agreement.

H. RECEIPTS AND DISBURSEMENTS FOR THE EIGHT-WEEK PERIOD ENDED JUNE 29, 2024

32. BZAM’s actual net cash flow from operations on a consolidated basis for the eight-week period ended June 29, 2024, was approximately \$4.0 million. This is compared to a forecasted net cash flow of approximately \$1.0 million as noted in the cash flow projection attached as Appendix “A” to the Third Report, representing a positive variance of approximately \$3.0 million as summarized in the following chart:

(\$CAD in thousands)

	8 Weeks Ending June 29, 2024			
	Actual 6/29/2024	Forecast 6/29/2024	Variance (\$)	Variance (%)
Receipts				
Receipts from Operations	\$ 19,990	\$ 17,750	\$ 2,240	12.6%
Miscellaneous Receipts	-	-	-	0.0%
Total Receipts	\$ 19,990	\$ 17,750	\$ 2,240	12.6%
Disbursements				
<i>Operating Disbursements</i>				
Production Costs	(6,376)	(5,136)	(1,240)	-24.1%
Insurance	-	(126)	126	100.0%
Payroll	(5,037)	(5,059)	22	0.4%
Rent	(106)	(127)	21	16.5%
Taxes	(2,854)	(4,315)	1,461	33.9%
Other Operating Expenses	(1,646)	(2,000)	354	17.7%
Total Operating Disbursements	\$ (16,019)	\$ (16,763)	\$ 744	4.4%
Net Cash from Operations	\$ 3,971	\$ 987	\$ 2,984	302.3%
<i>Financing Disbursements</i>				
Loan Advances (Repayments)	(11,259)	(9,028)	(2,231)	24.7%
Interest Expenses & Fees	(290)	(347)	57	16.4%
<i>Restructuring Disbursements</i>				
Restructuring Legal and Professional Costs	(1,092)	(1,904)	812	42.6%
Net Cash Flows	\$ (8,670)	\$ (10,292)	\$ 1,622	15.8%
Beginning Balance	1,043	\$ 1,043	(0)	0.0%
Net Receipts/ (Disbursements)	(8,670)	(10,292)	1,622	15.8%
DIP Advances/ (Repayments)	9,354	10,829	(1,475)	13.6%
DIP Fees & Interest Payment	(664)	(580)	(84)	-14.4%
Ending Balance	\$ 1,063	\$ 1,000	\$ 63	6.3%

33. Explanations for key variances are as follows:

- (a) positive variance in *Total Receipts* of approximately \$2.2 million is primarily due to faster than forecasted collections of previously delivered goods. A portion of this variance may reverse in future weeks as some future receipts were collected earlier than anticipated;
- (b) *Production Costs* and *Other Operating Expenses* should be viewed together as the expenditures are incurred in the production and cultivation of cannabis. The combined negative variance of approximately \$0.9 million is due to faster than forecasted payments made to certain vendors to ensure uninterrupted supply of inputs. A portion of this variance may reverse in future weeks as previously purchased goods are delivered;

- (c) positive variance in *Insurance* of approximately \$0.1 million is due to slower than forecasted outflows. This variance is expected to reverse in future weeks as the insurance premiums are paid;
- (d) positive variance in *Taxes* of approximately \$1.5 million is primarily due to lower than forecasted outflows of excise taxes as a greater portion of BZAM's sales were business-to-business over the forecast period than had been initially anticipated. A small portion of this variance is also due to lower than forecasted outflows of payroll taxes. A portion of this variance is expected to reverse in the coming weeks as tax payments are remitted to the relevant taxation authorities;
- (e) variance in *Loan Advances (Repayments)* of approximately \$2.2 million is primarily due to faster than forecasted repayment of the Cortland Pre-Filing Obligations.⁵ This was accomplished due to the higher collection of receipts from operations. This variance is not expected to reverse as the Cortland Pre-Filing Obligations have been repaid in full;
- (f) positive variance in *Restructuring Legal and Professional Costs* of approximately \$0.8 million is primarily due to timing of invoices issued by professional firms. This variance is expected to reverse as professional fees are processed for payment; and
- (g) positive variance in *DIP Advances (Repayments)* of approximately \$1.4 million is primarily due to lower than forecasted cash outflows due to proactive cash management resulting in lower financing needs than initially anticipated.

I. STAY EXTENSION

34. The Stay Period is set to expire on July 15, 2024.

⁵ The "Cortland Pre-Filing Obligations" are defined in the DIP Facility agreement dated February 28, 2024 (the "**DIP Agreement**"), and include the obligations of certain of the Applicants in connection with a second amended and restated credit agreement dated January 8, 2024, between The Green Organic Dutchman Ltd. (as borrower) and Cortland, in its capacity as administrative agent for and on behalf of the lenders party to the agreement.

35. As is demonstrated in the cash flow projection attached to this Fourth Report as **Appendix “A”** (the “**Revised and Extended Cash Flow Projections**”), the Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA proceedings through to the end of the extended Stay Period on August 28, 2024, by accessing the DIP Facility.
36. The DIP Facility is presently set to expire on July 15, 2024. Cortland and the Applicants have agreed to extend its maturity date to and including August 28, 2024. A copy of the executed extension agreement is attached to this Fourth Report as **Appendix “B”**.
37. The Revised and Extended Cash Flow Projections for the 9-week period from June 30, 2024 through August 31, 2024 are summarized below:

(\$CAD in thousands)

	9 Weeks
	Total
Receipts	
Receipts from Operations	\$ 18,223
Total Receipts	\$ 18,223
Disbursements	
<i>Operating Disbursements</i>	
Production Costs	(5,111)
Insurance	(252)
Payroll	(5,032)
Rent	(100)
Taxes	(7,595)
Other Operating Expenses	(1,793)
Total Operating Disbursements	\$ (19,883)
Net Cash from Operations	\$ (1,660)
<i>Financing Disbursements</i>	
Loan Advances (Repayments)	-
Interest Expenses & Fees	(84)
<i>Restructuring Disbursements</i>	
Restructuring Legal and Professional Costs	(879)
Net Cash Flows	\$ (2,623)
Cash	
Beginning Balance	\$ 1,063
Net Receipts/ (Disbursements)	(2,623)
DIP Advances/ (Repayments)	3,389
DIP Fees & Interest Payment	(830)
Ending Cash Balance	\$ 1,000

38. The Monitor recommends that the Stay Period be extended to August 28, 2024, for the following reasons, *inter alia*:

- (a) The Monitor does not believe that any creditor will be materially prejudiced by the extension of the Stay Period;
- (b) The Applicants have acted and continue to act in good faith and with due diligence to advance their restructuring;
- (c) Extending the Stay Period to August 28, 2024, allows the Applicants to:
 - (i) prepare for and potentially complete the transaction contemplated by the Stalking Horse Agreement (including by seeking this Court's approval of the transaction), which in the Monitor's view, is in the best interests of the Applicants and their stakeholders;
 - (ii) continue efforts to resolve the Disclaimer Motion; and
 - (iii) continue the process of restructuring the FBC business, which restructuring was largely paused or deferred pending the outcome of FBHI's claim for rescission in the Final Bell Motion⁶ but which was resumed or started following FBHI amending its relief, and which restructuring is, in the Monitor's view, in the best interests of the Applicants and their stakeholders; and
- (d) As of the date of this Fourth Report, the Monitor is not aware of any party opposed to the requested extension of the Stay Period.

⁶ FBHI's claim was initially for rescission, which if successful could have resulted in the Applicants losing ownership of the FBC business. Accordingly, the Applicants paused or deferred certain restructuring workstreams related to the FBC business that could be impacted by rescission.

J. CONCLUSION

39. Based on the foregoing, the Monitor respectfully recommends that this Court grant the relief set out in paragraph 3 above.

All of which is respectfully submitted this 12th day of July, 2024.

FTI Consulting Canada Inc.

In its capacity as 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

(SCAD in thousands)

Forecast Week Starting (Sunday)	30-Jun-24	07-Jul-24	14-Jul-24	21-Jul-24	28-Jul-24	04-Aug-24	11-Aug-24	18-Aug-24	25-Aug-24	9 Weeks	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	Total
Receipts											
Receipts from Operations	[2]	\$ 2,850	\$ 2,308	\$ 2,022	\$ 1,775	\$ 1,766	\$ 1,527	\$ 1,566	\$ 1,924	\$ 2,486	\$ 18,223
Total Receipts		\$ 2,850	\$ 2,308	\$ 2,022	\$ 1,775	\$ 1,766	\$ 1,527	\$ 1,566	\$ 1,924	\$ 2,486	\$ 18,223
Disbursements											
<i>Operating Disbursements</i>											
Production Costs	[3]	(535)	(518)	(626)	(518)	(626)	(518)	(626)	(518)	(626)	(5,111)
Insurance		(126)	-	-	-	-	(126)	-	-	-	(252)
Payroll	[4]	(80)	(788)	(450)	(788)	(450)	(788)	(450)	(788)	(450)	(5,032)
Rent	[5]	-	-	-	-	(50)	-	-	-	(50)	(100)
Taxes	[6]	(3,945)	-	-	-	-	(3,650)	-	-	-	(7,595)
Other Operating Expenses	[7]	(93)	(225)	(200)	(225)	(200)	(225)	(200)	(225)	(200)	(1,793)
Total Operating Disbursements		\$ (4,779)	\$ (1,531)	\$ (1,276)	\$ (1,531)	\$ (1,326)	\$ (5,307)	\$ (1,276)	\$ (1,531)	\$ (1,326)	\$ (19,883)
Net Cash from Operations		\$ (1,929)	\$ 777	\$ 746	\$ 244	\$ 440	\$ (3,780)	\$ 290	\$ 393	\$ 1,160	\$ (1,660)
<i>Financing Disbursements</i>											
Loan Advances (Repayments)		-	-	-	-	-	-	-	-	-	-
Interest Expenses & Fees	[8]	-	-	-	-	(42)	-	-	-	(42)	(84)
<i>Restructuring Disbursements</i>											
Restructuring Legal and Professional Costs	[9]	(79)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(100)	(879)
Net Cash Flows		\$ (2,008)	\$ 677	\$ 646	\$ 144	\$ 298	\$ (3,880)	\$ 190	\$ 293	\$ 1,018	\$ (2,623)
Cash											
Beginning Balance		\$ 1,063	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,063
Net Receipts/ (Disbursements)		(2,008)	677	646	144	298	(3,880)	190	293	1,018	(2,623)
DIP Advances/ (Repayments)	[10]	1,945	(327)	(646)	(144)	(298)	4,360	(190)	(293)	(1,018)	3,389
DIP Fees & Interest Payment	[11]	-	(350)	-	-	-	(480)	-	-	-	(830)
Ending Balance		\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
DIP Facility											
Opening Balance		\$ 31,649	\$ 33,692	\$ 33,113	\$ 32,562	\$ 32,513	\$ 32,309	\$ 36,296	\$ 36,212	\$ 36,024	\$ 31,649
(+) Additional DIP Draws (Repayments)		1,945	(327)	(646)	(144)	(298)	4,360	(190)	(293)	(1,018)	3,389
(+) Accrued Interest		98	98	95	95	94	107	106	105	102	900
(-) Fees & Interest Payment		-	(350)	-	-	-	(480)	-	-	-	(830)
Closing Balance (DIP & Interest)		\$ 33,692	\$ 33,113	\$ 32,562	\$ 32,513	\$ 32,309	\$ 36,296	\$ 36,212	\$ 36,024	\$ 35,109	\$ 35,109

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 9-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,

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

[9] 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.

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

[11] 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.

APPENDIX “B”

[ATTACHED]

FIRST AMENDMENT
dated as of July 12, 2024
to
DIP FACILITY AGREEMENT

THIS FIRST AMENDMENT dated as of July 12, 2024 (this “**Amendment**”) is entered into among The Green Organic Dutchman Ltd. (the “**Borrower**”), each of the other signatories party hereto (collectively, the “**Guarantors**” and together with the Borrower, collectively, the “**Credit Parties**”), and Cortland Credit Lending Corporation, in its capacity as administrative agent for and on behalf of certain lenders (the “**DIP Lender**”).

WHEREAS the Credit Parties and the DIP Lender are parties to a DIP facility agreement dated February 28, 2024, made effective pursuant to the Initial Order (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**DIP Facility Agreement**”).

AND WHEREAS capitalized terms used herein but not otherwise defined shall have the meanings given to such terms in the DIP Facility Agreement.

AND WHEREAS the ongoing litigation brought by Final Bell Holdings International Ltd. against the Credit Parties before the Court (the “**FBC Litigation**”) constitutes an Event of Default under the DIP Facility Agreement.

AND WHEREAS the Credit Parties and the DIP Lender have agreed to amend the DIP Facility Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and conditions more particularly described herein.

NOW THEREFORE, in consideration of the premises and mutual agreements contained herein and in the DIP Facility Agreement, the parties hereto agree as follows:

ARTICLE 1 – AMENDMENTS

- 1.1 As of the Amendment Effective Date, Section 3.18 of the DIP Facility Agreement is hereby amended by replacing the date “July 15, 2024” with the date “August 28, 2024”.
- 1.2 As of the Amendment Effective Date, the following actions, suits and/or proceedings are hereby added to Schedule “E” of the DIP Facility Agreement:
 - “8. In the Matter of BZAM LTD. et al, Final Bell Holdings International Ltd. served a further amended notice of motion (Order Re Share Exchange Agreement) on May 6, 2024, Ontario Superior Court of Justice (Commercial List), File No. CV-24-00715773-00CL.
 9. Jacquelyn Simpson v. BZAM LTD, a former BZAM Ltd. employee filed a notice of application on May 24 with the Human Rights Tribunal of Ontario in respect to her termination, File No. 2024-56823-I.
 10. In the Matter of BZAM LTD. et al, France Boisvert and Daniel Fontaine served a notice of motion on June 25, 2024, objecting to a Notice by Debtor Company to Disclaim or Resiliate an Agreement sent by Medican Biologique Inc./ Medican Organic Inc. on May 29, 2024, Ontario Superior Court of Justice (Commercial List), File No. CV-24-00715773-00CL.”

ARTICLE 2 – REPRESENTATIONS AND WARRANTIES

- 2.1 Each Credit Party hereby represents and warrants that:
- (a) the representations and warranties made by it in the DIP Facility Agreement and any other Transaction Document to which it is a party, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (b) no Event of Default has occurred which is continuing (other than the FBC Litigation and the other actions, suits and/or proceedings identified in item numbers 9 and 10 of Schedule “E” of the DIP Facility Agreement (as amended hereby)) on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

ARTICLE 3 – MISCELLANEOUS

- 3.1 Effectiveness. Article 1 of this Amendment shall become effective as of the date upon which the Court shall have approved of this Amendment (the “**Amendment Effective Date**”).
- 3.2 References to DIP Facility Agreement. Upon the effectiveness of this Amendment, each reference in the DIP Facility Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the DIP Facility Agreement as amended by this Amendment, and each reference to the DIP Facility Agreement in any other document, instrument or agreement executed and/or delivered in connection with the DIP Facility Agreement shall mean and be a reference to the DIP Facility Agreement as amended by this Amendment.
- 3.3 Effect on DIP Facility Agreement. The DIP Facility Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 3.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of the DIP Lender under the DIP Facility Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein. Without limiting the foregoing, the Credit Parties acknowledge and agree that the DIP Lender has not waived any Event of Default that may exist under the DIP Facility Agreement, including any Event of Default arising from or relating to the FBC Litigation or the other actions, suits and/or proceedings identified in item numbers 9 and 10 of Schedule “E” of the DIP Facility Agreement (as amended hereby).
- 3.5 Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 3.6 Successors and Assigns. This Amendment shall enure to the benefit of the parties hereto and their respective successors and assigns and be binding upon the parties hereto and their respective successors and assigns in accordance with the DIP Facility Agreement.
- 3.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 3.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the

same agreement. Delivery by email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

By: 
Name: Matt Milich
Title: Director

GUARANTORS:

BZAM LTD.

By: 
Name: Matt Milich
Title: Director


BZAM HOLDINGS INC.

By: 
Name: Matt Milich
Title: Director

BZAM MANAGEMENT INC.

By: 
Name: Matt Milich
Title: Director


BZAM CANNABIS CORP.

By: 
Name: Matt Milich
Title: Director

FOLIUM LIFE SCIENCE INC.

By: 
Name: Matt Milich
Title: Director

102172093 SASKATCHEWAN LTD.

By: 
Name: Matt Milich
Title: Director

MEDICAN ORGANIC INC.

By: 
Name: Matt Milich
Title: Director

HIGH ROAD HOLDING CORP.

By: 
Name: Matt Milich
Title: Director

FINAL BELL CORP.

By: 
Name: Matt Milich
Title: Director

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

Court File No: CV-24-00715773-00CL

**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.**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

**FOURTH REPORT OF
THE MONITOR
(July 12, 2024)**

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Barristers & Solicitors

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Lawyers for the Monitor