

**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.**

**THIRD REPORT OF FTI CONSULTING CANADA INC., AS MONITOR**

**May 14, 2024**

## Contents

<b>Section</b>	<b>Page</b>
A. Introduction.....	1
B. Purpose of this Report.....	2
C. Terms of Reference.....	3
D. Update on the Monitor’s Activities.....	4
E. The Final Bell Motion.....	5
F. Update on the SISP.....	6
G. Receipts and Disbursements for the Ten-Week Period Ended May 4, 2024.....	8
H. Stay Extension .....	9
I. Conclusion .....	11

**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

**THIRD 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., 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,<sup>1</sup> and their respective directors and officers until and including March 8, 2024.

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<sup>1</sup> 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., TGOB Europe B.V., and The Green Organic Dutchman Germany GmbH.

2. This Court granted an amended and restated Initial Order (the “**ARIO**”) on March 8, 2024, at a comeback hearing (the “**Comeback Hearing**”). The ARIO, *inter alia*, granted an extension of the initial stay period to and including May 25, 2024 (the “**Stay Period**”).

**B. PURPOSE OF THIS REPORT**

3. The purpose of this Third Report of the Monitor (the “**Third Report**”) is to provide information to this Court with respect to the Applicants’ motion returnable May 17, 2024, seeking an Order of this Court:

- (a) extending the Stay Period until and including July 15, 2024; and
- (b) approving this Third Report of the Monitor, the Second Report of the Monitor dated April 17, 2024 (the “**Second Report**”), the First Report of the Monitor dated March 6, 2024, and the Pre-Filing Report of the Proposed Monitor dated February 28, 2024.

4. This Third Report is not intended to provide a comprehensive update on all aspects of this CCAA proceedings or all of the activities of the Monitor, including with respect to:

- (a) 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 (the “**Share Exchange Agreement**”) (such motion, the “**Final Bell Motion**”); and
- (b) the sale and investment solicitation process (the “**SISP**”) approved by this Court pursuant to an Order granted March 8, 2024.

5. The Final Bell Motion was the principal subject of the Monitor’s Second Report. The Monitor has included only a brief update on the Final Bell Motion in this Third Report. The Monitor will address the SISP and the potential implementation of a transaction pursuant the terms of the Stalking Horse Agreement (as defined below) in greater detail in a future report, which will be prepared and filed with this Court in connection with any sale approval motion.

6. 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 in filed in these CCAA proceedings are also posted on the Monitor’s Website.

**C. TERMS OF REFERENCE**

7. In preparing this Third 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**”).
8. Except as otherwise described in this Third 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 Third 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 Third Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.
9. Future-oriented financial information reported in, or relied on, in preparing this Third Report is based on Management’s assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
10. The Monitor has prepared this Third Report in connection with the Applicants’ motion seeking the relief set out in paragraph 3 above. This Third Report should not be relied on for any other purpose.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

**D. UPDATE ON THE MONITOR'S ACTIVITIES**

12. Since the Comeback Hearing, 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) drafted materials for and attended various case conferences in connection with the Final Bell Motion,
  - (f) conducted extensive document review and analysis in connection with the Final Bell Motion, as set out in the Second Report;
  - (g) participated in discussions and negotiations on the terms of the SISP and the Stalking Horse Agreement with the Stalking Horse Purchaser (as those terms are defined below) and its legal counsel, and Cortland and its legal counsel;
  - (h) engaged with prospective bidders in the SISP and reviewed and analysed non-binding letters of intent ("**LOIs**") from certain of these prospective bidders under the SISP, as discussed further below;

- (i) managed the service list for these CCAA proceedings as well as the Monitor's Website;
- (j) continued to operate and monitor telephone hotlines and email accounts for stakeholder enquiries;
- (k) communicated with Health Canada with respect to certain cannabis licences;
- (l) communicated with certain provincial cannabis boards;
- (m) prepared the Second Report and this Third Report; and
- (n) engaged with the Monitor's legal counsel, Stikeman Elliott LLP, in connection with the foregoing activities.

#### **E. THE FINAL BELL MOTION**

13. The Final Bell Motion was commenced by a notice of motion dated March 18, 2024.<sup>2</sup> The notice of motion requests an order rescinding the Share Exchange Agreement, or in the alternative, if rescission is not possible, an order directing a further hearing to determine an appropriate alternative remedy for FBHI.
14. FBHI amended its notice of motion on April 16, 2024, and further amended its notice of motion on May 6, 2024. Following the most recent amendment, the notice of motion now seeks a declaration that the equitable damages for which BZAM and its affiliates are liable to FBHI are subject to a constructive trust. FBHI is no longer seeking an order rescinding the Share Exchange Agreement.
15. The Final Bell Motion was scheduled to be heard by this Court on April 22 and 23, 2024, but an adjournment of the hearing was granted at FBHI's request on April 19, 2024. The Final Bell Motion is now scheduled to be adjudicated on September 18 and 19, 2024.

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<sup>2</sup> 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.

16. 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. At a case conference on May 6, 2024, this Court scheduled a half-day hearing for June 4, 2024, with respect to the motions for security of costs.

**F. UPDATE ON THE SISP**

17. On March 8, 2024, the Court granted an Order (the “**SISP Approval Order**”) that, *inter alia*:

(a) authorized and approved BZAM’s execution of the share subscription agreement (the “**Stalking Horse Agreement**”) dated March 1, 2024, with 1000816625 Ontario Inc.<sup>3</sup> (in its capacity as a purchaser under the Stalking Horse Agreement, the “**Stalking Horse Purchaser**”); and

(b) approved the SISP in which the Stalking Horse Agreement would serve as a stalking horse bid and authorized the Applicants and the Monitor to implement the SISP pursuant to its terms.

18. The Monitor took steps to advance the SISP in accordance with the timelines contemplated therein. As a result of these efforts, the Monitor and the Applicants received multiple LOIs by the applicable deadline on April 8, 2024. The Monitor engaged in discussions with the potential bidders that submitted these LOIs, but concluded, along with the Applicants, that none of the LOIs constituted a “Qualified Bid” for the purposes of the SISP. On April 16, 2024, the SISP was terminated.

19. 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. The Stalking Horse Agreement contemplates that the Stalking Horse Purchaser will subscribe for all of the common shares of BZAM, the parent company of the Applicants, through a reverse vesting transaction, pursuant to which the Stalking Horse Purchaser will be the sole

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<sup>3</sup> 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.

parent of BZAM and will own all of the business and operating assets of the Applicants, including FBC.

20. The SISP Approval Order specified that the Applicants, with the assistance of the Monitor, would apply to this Court for an order (or orders) approving a sale transaction by no later than May 21, 2024, subject to Court availability. The Monitor understands that Cortland and the Stalking Horse Purchaser have agreed to extend the May 21, 2024 milestone to June 21, 2024, given that a sale transaction will not be approved by May 21, 2024.
21. 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 June 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.
22. 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 June 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. The Monitor is not aware of any amendments to the Stalking Horse Agreement that mitigate these risks.
23. The Monitor plans to provide a more detailed summary of the conduct and status of the SISP in a future report in connection with any sale approval motion.

**G. RECEIPTS AND DISBURSEMENTS FOR THE TEN-WEEK PERIOD ENDED MAY 4, 2024**

24. BZAM’s actual negative net cash flow from operations on a consolidated basis for the ten-week period ended May 4, 2024, was approximately \$4.7 million. This is compared to a forecasted negative net cash flow of approximately \$4.4 million as noted in the cash flow projection attached as Appendix “A” to the Pre-Filing Report, representing a negative variance of approximately \$0.3 million as summarized in the following chart:

(\$CAD in thousands)

	10 Weeks Ending May 4, 2024			
	Actual	Forecast	Variance (\$)	Variance (%)
<b>Receipts</b>				
Receipts from Operations	\$ 21,802	\$ 25,029	\$ (3,227)	-12.9%
Miscellaneous Receipts	46	-	46	0.0%
<b>Total Receipts</b>	\$ 21,848	\$ 25,029	\$ (3,181)	-12.7%
<b>Disbursements</b>				
<i>Operating Disbursements</i>				
Production Costs	(10,211)	(8,092)	(2,119)	-26.2%
Insurance	(418)	(443)	25	5.6%
Payroll	(8,108)	(9,234)	1,126	12.2%
Rent	(878)	(903)	25	2.8%
Taxes	(4,277)	(6,152)	1,875	30.5%
Other Operating Expenses	(2,629)	(4,570)	1,941	42.5%
<b>Total Operating Disbursements</b>	\$ (26,521)	\$ (29,394)	\$ 2,873	9.8%
<b>Net Cash from Operations</b>	\$ (4,673)	\$ (4,365)	\$ (308)	-7.1%
<i>Financing Disbursements</i>				
Loan Advances (Repayments)	(19,939)	(22,170)	2,231	-10.1%
Interest Expenses & Fees	(125)	(126)	1	1.1%
<i>Restructuring Disbursements</i>				
Restructuring Legal and Professional Costs	(1,980)	(2,270)	290	12.8%
<b>Net Cash Flows</b>	\$ (26,717)	\$ (28,931)	\$ 2,214	7.7%
Beginning Balance	2,814	\$ 2,814	-	0.0%
Net Receipts/ (Disbursements)	(26,717)	(28,931)	2,214	7.7%
DIP Advances/ (Repayments)	25,113	27,487	(2,374)	8.6%
DIP Fees & Interest Payment	(166)	(382)	216	56.5%
<b>Ending Balance</b>	\$ 1,043	\$ 988	\$ 56	5.7%

25. Explanations for key variances are as follows:

- (a) negative variance in *Total Receipts* of approximately \$3.2 million is primarily due to lower-than-expected shipments in the first few weeks post-filing. This negative variance has also resulted in lower repayments of the Cortland Pre-Filing Obligations,<sup>4</sup> as reflected in *Loan Advances (Repayments)*. A portion of this

<sup>4</sup> 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.

variance may reverse in future weeks as products are shipped and receivables are collected and used to repay the remaining outstanding Cortland Pre-Filing Obligations in accordance with the DIP Agreement;

- (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 \$0.2 million is due to small positive and negative variances from different vendors;
- (c) positive variance in *Payroll* of approximately \$1.1 million is primarily due to lower than forecasted outflows from restructuring initiatives;
- (d) positive variance in *Taxes* of approximately \$1.9 million is primarily due to lower than forecasted outflows of excise taxes collected in the month of February, which were stayed upon filing; and
- (e) positive variance in *DIP Advances (Repayments)* of approximately \$2.4 million is primarily due to lower than forecasted cash outflows in the first few weeks after filing due to proactive cash management resulting in lower financing needs than initially anticipated.

## H. STAY EXTENSION

- 26. The Stay Period is set to expire on May 25, 2024.
- 27. As is demonstrated in the cash flow projection attached to this Third 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 July 15, 2024, by accessing the DIP Facility. The Revised and Extended Cash Flow Projections are summarized below:

(\$CAD in thousands)

	<b>11 Weeks</b>
	<b>Total</b>
Receipts	
Receipts from Operations	\$ 27,610
<b>Total Receipts</b>	<b>\$ 27,610</b>
Disbursements	
<i>Operating Disbursements</i>	
Production Costs	(7,009)
Insurance	(252)
Payroll	(6,365)
Rent	(187)
Taxes	(8,765)
Other Operating Expenses	(2,750)
<b>Total Operating Disbursements</b>	<b>\$ (25,328)</b>
<b>Net Cash from Operations</b>	<b>\$ 2,282</b>
<i>Financing Disbursements</i>	
Loan Advances (Repayments)	(9,028)
Interest Expenses & Fees	(389)
<i>Restructuring Disbursements</i>	
Restructuring Legal and Professional Costs	(2,204)
<b>Net Cash Flows</b>	<b>\$ (9,339)</b>
Cash	
Beginning Balance	\$ 1,043
Net Receipts/ (Disbursements)	(9,339)
DIP Advances/ (Repayments)	10,436
DIP Fees & Interest Payment	(1,140)
<b>Ending Cash Balance</b>	<b>\$ 1,000</b>
<b>DIP Facility</b>	
Opening Balance	\$ 25,318
(+ Additional DIP Draws (Repayments))	10,436
(+ Accrued Interest)	1,151
(-) Fees & Interest Payment	(1,140)
<b>Closing Balance (DIP &amp; Interest)</b>	<b>\$ 35,765</b>

28. The Monitor recommends that the Stay Period be extended to July 15, 2024, for the following reasons, amongst others:
- (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 July 15, 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; and

- (ii) take certain restructuring steps related to the FBC business, which steps were largely paused or deferred pending the outcome of FBHI's claim for rescission in the Final Bell Motion<sup>5</sup> but which can now be resumed or started and which are, in the Monitor's view, in the best interests of the Applicants and their stakeholders;

and

- (d) As of the date of this Third Report, the Monitor is not aware of any party opposed to the requested extension of the Stay Period.

## **I. CONCLUSION**

- 29. 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 14<sup>th</sup> day of May, 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

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<sup>5</sup> 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.

**APPENDIX “A”**

**[ATTACHED]**

## BZAM Ltd.

### Consolidated Cash Flow Forecast

(\$CAD in thousands)

Forecast Week Starting (Sunday)	05-May-24	12-May-24	19-May-24	26-May-24	02-Jun-24	09-Jun-24	16-Jun-24	23-Jun-24	30-Jun-24	07-Jul-24	14-Jul-24	11 Weeks	
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	Total
<b>Receipts</b>													
Receipts from Operations	[2]	\$ 3,006	\$ 1,405	\$ 1,981	\$ 1,782	\$ 1,799	\$ 2,181	\$ 2,572	\$ 3,024	\$ 2,962	\$ 3,434	\$ 3,464	\$ 27,610
<b>Total Receipts</b>		\$ 3,006	\$ 1,405	\$ 1,981	\$ 1,782	\$ 1,799	\$ 2,181	\$ 2,572	\$ 3,024	\$ 2,962	\$ 3,434	\$ 3,464	\$ 27,610
<b>Disbursements</b>													
<i>Operating Disbursements</i>													
Production Costs	[3]	(704)	(758)	(631)	(585)	(585)	(703)	(585)	(585)	(585)	(585)	(703)	(7,009)
Insurance		-	-	-	(126)	-	-	-	-	(126)	-	-	(252)
Payroll	[4]	(823)	(797)	(510)	(797)	(400)	(726)	(300)	(706)	(300)	(706)	(300)	(6,365)
Rent	[5]	-	-	-	(127)	-	-	-	-	(60)	-	-	(187)
Taxes	[6]	-	-	-	(4,315)	-	-	-	-	(4,450)	-	-	(8,765)
Other Operating Expenses	[7]	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(250)	(2,750)
<b>Total Operating Disbursements</b>		\$ (1,777)	\$ (1,805)	\$ (1,391)	\$ (6,200)	\$ (1,235)	\$ (1,679)	\$ (1,135)	\$ (1,541)	\$ (5,771)	\$ (1,541)	\$ (1,253)	\$ (25,328)
<b>Net Cash from Operations</b>		\$ 1,229	\$ (400)	\$ 590	\$ (4,418)	\$ 564	\$ 502	\$ 1,437	\$ 1,483	\$ (2,809)	\$ 1,893	\$ 2,211	\$ 2,282
<i>Financing Disbursements</i>													
Loan Advances (Repayments)	[8]	(3,006)	(1,405)	(1,981)	(1,782)	(854)	-	-	-	-	-	-	(9,028)
Interest Expenses & Fees	[9]	-	(205)	-	(42)	(100)	-	-	-	(42)	-	-	(389)
<i>Restructuring Disbursements</i>													
Restructuring Legal and Professional Costs	[10]	(854)	(200)	(150)	(150)	(150)	(150)	(150)	(100)	(100)	(100)	(100)	(2,204)
<b>Net Cash Flows</b>		\$ (2,631)	\$ (2,210)	\$ (1,541)	\$ (6,392)	\$ (540)	\$ 352	\$ 1,287	\$ 1,383	\$ (2,951)	\$ 1,793	\$ 2,111	\$ (9,339)
<b>Cash</b>													
Beginning Balance		\$ 1,043	\$ 852	\$ 993	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,043
Net Receipts/ (Disbursements)		(2,631)	(2,210)	(1,541)	(6,392)	(540)	352	1,287	1,383	(2,951)	1,793	2,111	(9,339)
DIP Advances/ (Repayments)	[11]	2,440	2,556	1,548	6,392	915	(352)	(1,287)	(1,383)	2,951	(1,234)	(2,111)	10,436
DIP Fees & Interest Payment	[12]	-	(205)	-	-	(375)	-	-	-	-	(559)	-	(1,140)
<b>Ending Balance</b>		\$ 852	\$ 993	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000

#### 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 11-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.

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c. C-36, AS AMENDED**

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

Proceeding commenced at Toronto

**THIRD REPORT OF  
THE MONITOR  
(May 14, 2024)**

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