

**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 CANNABIS CORP., FOLIUM LIFE  
SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC  
DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,  
FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**MOTION RECORD  
(Returnable May 15, 2025)**

May 9, 2025

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SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN  
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Applicants

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<b>B</b>	Exhibit "B" – Affidavit of Matthew Milich sworn March 1, 2024
<b>C</b>	Exhibit "C" – Amended and Restated Initial Order dated March 8, 2024
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<b>4</b>	Draft CCAA Termination Order

TAB 1

**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  
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FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**NOTICE OF MOTION  
(Returnable May 15, 2025)**

The Applicants will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Thursday, May 15, 2025 at 9:30 a.m. (EST) or as soon after that time as the motion can be heard.

**PROPOSED METHOD OF HEARING:** The motion is to be heard:

- ☐ In writing under subrule 37.12.1(1).
- ☐ In writing as an opposed motion under subrule 37.12.1(4).
- ☐ In person.
- ☐ By telephone conference.
- ☒ By video conference.

At a Zoom link to be provided by the Court in advance of the motion.

**THE MOTION IS FOR:**

1. An order (the "**Stalking Horse RVO**") substantially in the form attached hereto at Tab 3 of this motion record, among other things,
  - (a) abridging the time for service of the motion record returnable May 15, 2025 and dispensing with service on any person other than those served;
  - (b) approving an amended and restated share subscription agreement dated May 9, 2025 (the "**Subscription Agreement**") among BZAM Ltd. and 1000816625 Ontario Inc. (the "**Stalking Horse Purchaser**"), *nunc pro tunc*, and the transaction contemplated thereby (the "**Stalking Horse Transaction**"), inclusive of minor amendments the Applicants and the Stalking Horse Purchaser, with the consent of the Monitor (as defined below), may deem necessary;
  - (c) authorizing the BZAM Entities (as defined in the ARIO (as defined below)) to take such additional steps as may be necessary for the completion of the Stalking Horse Transaction and the conveyance of the shares of BZAM (the "**Subscribed Shares**") to the Stalking Horse Purchaser;
  - (d) terminating and cancelling all shares of BZAM Ltd. for no consideration;
  - (e) approving the addition of 1001105728 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**") and vesting all Excluded Assets, Excluded Contracts, and Excluded Liabilities out of BZAM and The Green Organic Dutchman Ltd. (together, the "**Surviving Entities**") and into ResidualCo, and discharging all Encumbrances against the Surviving Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Subscription Agreement);
  - (f) vesting in the Stalking Horse Purchaser all of the title and interest in and to the Subscribed Shares and Retained Assets, free and clear of any Encumbrances (as defined in the Stalking Horse RVO);

- (g) approving the assignment of all rights and obligations under the Assigned Contract (as defined below) to The Green Organic Dutchman Ltd. ("**TGOD**");
- (h) authorizing and directing the Applicants to distribute the Cash Consideration (as defined in the Subscription Agreement) to Cortland Credit Lending Corporation ("**Cortland**"), as full and final repayment of the indebtedness owing by the Applicants to Cortland; and
- (i) removing the Surviving Entities as Applicants in these CCAA Proceedings;

2. An order (the "**CCAA Termination Order**") substantially in the form attached hereto at Tab 4 of this motion record, among other things;

- (a) extending the stay of proceedings until the earlier of: (i) August 15, 2025, and (ii) the CCAA Termination Time (as defined below) (the "**Stay Extension**");
- (b) terminating the CCAA Proceedings and discharging FTI Consulting Canada Inc. ("**FTI**") as monitor (in such capacity, the "**Monitor**") in these CCAA Proceedings upon the Monitor's service of a certificate (the "**Termination Certificate**") on the service list (the "**CCAA Termination Time**");
- (c) approving the tenth report of the Monitor (the "**Tenth Report**"), to be filed, and the activities of the Monitor described therein;
- (d) approving the fees and disbursements of the Monitor and its counsel, along with the proposed Fee Accrual (as defined below);
- (e) releasing and discharging the Charges (as defined in the ARIO (as defined below)) and the Bid Protections Charge (as defined in the SISP Approval Order (as defined below)) effective as of the CCAA Termination Time;
- (f) approving certain releases (the "**Releases**") with respect to current and former directors, officers, employees, legal counsel and advisors of the Applicants, the Monitor and its legal counsel (the "**Released Parties**") and the Stalking Horse Purchaser and its legal counsel; and

- (g) authorizing each of the Applicants, except the Surviving Entities (collectively, the "**Remaining Applicants**"), to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, following the CCAA Termination Time, naming FTI as their licensed insolvency trustee; and

3. Such further and other relief as this Court deems just.

### **THE GROUNDS FOR THIS APPLICATION ARE:**

#### ***Introduction and Background***

4. BZAM Ltd. ("**BZAM**") is the ultimate parent company to several companies in the cannabis industry in Canada. Through its subsidiaries, its business and operations focus on the production and sale of various cannabis products.

5. Facing significant liquidity issues, the Applicants obtained protection under the CCAA on February 28, 2024, pursuant to an initial order (the "**Initial Order**"). The Initial Order, among other things:

- (a) appointed FTI as the Monitor;
- (b) granted an initial stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and their respective Directors and Officers (each as defined in the ARIO (as defined below)), until and including March 8, 2024 (the "**Initial Stay Period**");
- (c) approved TGOD's ability to borrow up to a principal amount of \$2,400,000 under a debtor-in-possession credit facility (the "**DIP Loan**") from the Applicants' existing senior secured creditor, Cortland (in such capacity, the "**DIP Lender**"), to finance the Applicants' critically required working capital requirements and other general corporate purposes, post-filing expenses and costs during the Initial Stay Period, with the other Applicants acting as guarantors under the DIP Loan; and
- (d) granted the Administration Charge, the DIP Lender's Charge and the Directors' Charge (each as defined in the ARIO).

6. At the comeback hearing on March 8, 2024, the Court granted the Amended and Restated Initial Order (the "**ARIO**"), which, among other things, granted an extension of the Initial Stay Period to and including May 25, 2024 (the "**Stay Period**") and increased the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41,000,000.

7. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on March 8, 2024, obtained (the "**SISP Approval Order**") an order which, among other things:

- (a) authorized and approved BZAM's execution of a share subscription agreement (the "**Stalking Horse Purchase Agreement**") between BZAM and 1000816625 Ontario Inc. dated March 1, 2024, *nunc pro tunc*, including certain bid protections;
- (b) approved a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement served as the Stalking Horse Bid (as defined in the SISP); and
- (c) authorized and directed the Applicants and the Monitor to perform their respective obligations and to do all things reasonably necessary to perform their obligations under the SISP.

8. As discussed in greater detail below, despite the Monitor and the Applicants implementing the SISP in accordance with the terms of the SISP Approval Order, it was ultimately determined that none of the letters of intent received prior to the LOI Deadline constituted a Qualified LOI (each as defined in the SISP). Accordingly, the SISP was terminated and the Stalking Horse Purchase Agreement was deemed the successful bid.

9. On October 15, 2024, the Applicants obtained two orders: (i) an approval and vesting order, which, among other things, approved the share purchase agreement dated August 23, 2024, among BZAM Holdings Inc., as vendor, BZAM Management Inc., as target, 1000912353 Ontario Inc. as purchaser, and Wyld Canada Inc., as an interested third-party, and the transaction contemplated thereby (the "**BMI Transaction**"), and (ii) an ancillary order, which, among other things, authorized and directed the Applicants to distribute the sale proceeds from the

BMI Transaction to Cortland as partial repayment of the indebtedness owing by the Applicants to Cortland under the DIP Loan.

10. The BMI Transaction has closed, and the sale proceeds have been distributed to Cortland.

11. The Applicants obtained an order on December 2, 2024, which, among other things, and authorized 9430-6347 Québec Inc. ("**9430 Quebec**") or the Monitor to file an assignment in bankruptcy for 9430 Quebec, as applicable (the "**Bankruptcy Assignment**"). The Applicants are working with FTI to effectuate the Bankruptcy Assignment with the understanding that it will occur prior to this upcoming hearing on May 15, 2025.

12. On January 13, 2025, the Court granted two orders: (i) an approval and vesting order (the "**Edmonton Property AVO**"), which, among other things, approved the agreement of purchase and sale dated January 6, 2025, between BZAM Cannabis Corp., as vendor, and 2627411 Alberta Ltd., as purchaser, and the transaction contemplated thereby (the "**Edmonton Property Transaction**"), and (ii) an ancillary order, which, among other things, extended the stay of proceedings to and including March 31, 2025.

13. The Edmonton Property Transaction closed on February 4, 2025, and the net sale proceeds were distributed to Avison Young Commercial Real Estate Services, LP and Cortland in accordance with the terms of the Edmonton Property AVO.

14. Most recently the Applicants sought and obtained an extension of the stay of proceedings on March 27, 2025, which extended the Stay Period to and until May 15, 2025.

### ***Conduct of the SISP***

15. Following the SISP Approval Order, the Monitor took steps to advance the SISP in accordance with the timelines contemplated therein and canvassed the market broadly for potential purchasers. The SISP was an efficient, fair, flexible and equitable process for soliciting interest from third parties with a view of maximizing opportunities for the sale of, or investment in, all or part of the Applicants' assets and/or business. The Applicants and the Monitor solicited interest from over 120 parties, 16 of which communicated interest in the opportunity.



16. The Applicants and the Monitor received three letters of intent (collectively, the "**LOIs**" and each a "**LOI**") by the LOI deadline (April 8, 2024). The Monitor and the Applicants considered each of the LOIs independently, and collectively in a liquidation scenario, and determined that the subscription price under the Stalking Horse Bid was higher than the aggregate purchase prices of the LOIs when considered together.

17. None of the parties who submitted LOIs provided the Monitor with information demonstrating its financial wherewithal or were willing to materially increase their bids to make them more competitive. As a result, the Monitor and the Applicants determined that none of the letters of intent received constituted a Qualified LOI and the Stalking Horse Transaction was deemed successful.

#### ***Discussions with the CRA and Health Canada***

18. Prior to their last hearing on March 27, 2025, the Applicants had agreed not to seek approval of the Stalking Horse Transaction while certain tax and licensing matters with Canada Revenue Agency and Health Canada, respectively, remained outstanding. The Applicants have reached negotiated resolutions with both parties and are now prepared to proceed with seeking approval of the Stalking Horse Transaction.

#### ***The Stalking Horse Transaction***

19. The Stalking Horse Transaction represents the most advantageous option available to the Applicants and their stakeholders, as it will, among other things, preserve over 150 jobs and maintain valuable relationships with customers and suppliers.

20. Pursuant to the terms of the Subscription Agreement, as consideration for the Subscribed Shares, the Stalking Horse Purchaser is required to pay in cash an amount sufficient to satisfy all: (i) amounts owing in respect of the DIP Loan, and (ii) amounts owing by the Applicants to Cortland pursuant to its pre-filing secured indebtedness, plus certain closing payments as provided for in the Subscription Agreement. This consideration, in conjunction with the assumption of the Assumed Liabilities (as defined in the Subscription Agreement) constituted the greatest price achieved pursuant to the Court-approved SISP and represents a fair value for the business of the Applicants.

21. The Stalking Horse Transaction has a reverse vesting structure that will facilitate the transfer of liabilities and certain assets out of the Surviving Entities to ResidualCo, permitting the Stalking Horse Purchaser to acquire the Subscribed Shares as "cleansed" entities. The reverse vesting structure will allow The Green Organic Dutchman Ltd. to maintain its cannabis license and excise licenses, protect tax losses and keep material contracts in place, including valuable employment and supplier agreements which are vital to the ongoing operations of the business.

22. As part of the Stalking Horse Transaction, the Applicants are also seeking approval of the assignment of a license and service agreement with Dreamfields Canada Operations Inc. from Final Bell Corp. to TGOD (the "**Assigned Contract**"). The Applicants are not aware of any defaults, monetary or otherwise, committed by Final Bell Corp. under the Assigned Contract.

23. The proposed Stalking Horse RVO authorizes and directs the Applicants to distribute the Cash Consideration from the Stalking Horse Transaction to Cortland, in its capacity as DIP Lender and the Applicants' senior secured creditor, as satisfaction of all indebtedness owing free and clear of all claims (the "**Cash Distribution**"). I understand that the Monitor supports the Cash Distribution and does not believe that any stakeholder will be materially prejudiced.

24. The Stalking Horse Transaction will not result in any recovery for unsecured creditors or the public equity holders of BZAM. Accordingly, the Applicants do not propose to run a claims process in these CCAA Proceedings and do not have an exact quantification of these potential claims.

### ***Releases***

25. Pursuant to the proposed CCAA Termination Order, the Applicants are seeking Releases in favour of the Released Parties, the Stalking Horse Purchaser and its counsel effective upon the service of the Termination Certificate.

26. The Applicants believe that the Releases sought are appropriate in the circumstances and in the best interests of the Applicants and their stakeholders. The Released Parties have made significant contributions to these CCAA Proceedings, the SISP and the Stalking Horse Transaction.

27. The Releases release and discharge the Released Parties from all present and future liabilities and claims arising in connection with or relating to:

- (a) the CCAA Proceedings;
- (b) the Subscription Agreement;
- (c) the consummation of the Stalking Horse Transaction;
- (d) any closing document, agreement, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing; and/or
- (e) any matter relating to the Applicants' current or former cannabis excise licenses and/or GST/HST arrears owing by any of the Applicants for the period prior to the Initial Order.

28. The Applicants also seek Releases in favor of the Stalking Horse Purchaser and its counsel, from all present and future liabilities and claims relating to any act existing or taking place prior to the filing of the Termination Certificate that relate to the Subscription Agreement, the DIP Loan, the consummation of the Stalking Horse Transaction. The Releases pertaining to the Stalking Horse Purchaser do not include claims related to the Assumed Liabilities, which shall survive following the CCAA Termination Time.

29. As at the date of this affidavit, the Applicants are not aware of any claims that exist or may exist against the Released Parties. The Monitor believes that the Releases are fair and reasonable in the circumstances and therefore supports the relief sought.

### ***Termination and Discharge***

30. The Applicants believe that it is appropriate, following the closing of the Stalking Horse Transaction (if approved), to bring these CCAA Proceedings to an end. The proposed CCAA Termination Order provides that these CCAA Proceedings and the stay of proceedings will be terminated upon service of the Termination Certificate certifying that all matters to be attended to in connection with these CCAA Proceedings have been completed to the satisfaction of the Monitor (the "**Closing Time**").

31. At the Closing Time, FTI will be released and discharged as Monitor and each of the Charges and the Bid Protections Charge will be terminated, released and discharged.

### ***The Stay Extension***

32. The stay of proceedings is currently set to expire on May 15, 2025. The Applicants are seeking to extend the Stay Period until the earlier of: (i) August 15, 2025, and (ii) the CCAA Termination Time. The Stay Extension will provide the Applicants and the Stalking Horse Purchaser sufficient time to close the Stalking Horse Transaction and complete all remaining restructuring steps before certain of the Applicants will emerge from these CCAA Proceedings as going-concern entities.

33. The Stay Extension is necessary and in the best interests of the Applicants and their stakeholders. The Monitor and the DIP Lender are supportive of the proposed relief, and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the Stay Extension.

### ***Bankruptcy Relief***

34. Following the closing of the Stalking Horse Transaction, the proposed CCAA Termination Order authorizes, but does not require, FTI to make an assignment in bankruptcy for any of the Remaining Applicants. At this time, the Applicants do not intend to take any further actions with respect to the remaining Non-Applicant Stay Parties.

35. I understand that FTI intends to act as the licensed insolvency trustee for each of the Remaining Applicants and the Monitor has advised that it is supportive of the proposed assignments in bankruptcy.

### ***Approval of the Tenth Report and the Monitor's Activities and Fees***

36. The proposed CCAA Termination Order seeks approval of the Tenth Report and the fees and activities of the Monitor and its counsel described therein, as applicable.

37. The Applicants also seek the authorization and approval of the Monitor's and its counsel's fees for services that will be provided up until the CCAA Termination Time, up to the aggregate amount of \$130,000, plus tax (the "**Fee Accrual**").

**OTHER GROUNDS:**

38. The provisions of the CCAA and the inherent and equitable jurisdiction of this Court;

39. Rules 1.04, 2.03, 3.02, 14.05(2), 16, 38 and 39 of the Ontario *Rules of Civil Procedure*, R.R.O 1990, Reg. 194, as amended and sections 106 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43 as amended; and

40. Such further and other grounds as counsel may advise and this Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this motion:

- (a) the Affidavit of Matthew Milich sworn on May 9, 2025, and the exhibits attached thereto;
- (b) the Tenth Report and the appendices attached thereto; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

May 9, 2025

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Lawyers for the Applicants

**TO: THE SERVICE 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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN  
ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND  
1001028579 ONTARIO INC.**

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

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

Proceedings Commenced in Toronto

**NOTICE OF MOTION**  
**(Returnable May 15, 2025)**

**BENNETT JONES LLP**

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TAB 2

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

**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 CANNABIS CORP., FOLIUM LIFE  
SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC  
DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,  
FINAL BELL CORP., AND 1001028579 ONTARIO INC.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH  
(Sworn May 9, 2025)**



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**ONTARIO  
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE  
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DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,  
FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH  
(Sworn May 9, 2025)**

I, Matthew Milich, of the City of Long Beach, in the State of California, MAKE OATH  
AND SAY:

1. This affidavit is made in support of a motion by BZAM Ltd. ("**BZAM**"), BZAM Holdings Inc. ("**BZAM Holdings**"), BZAM Cannabis Corp. ("**BZAM Cannabis**"), Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd. ("**TGOD**"), Medican Organic Inc. ("**Medican**"), High Road Holding Corp., Final Bell Corp. doing business as BZAM Labs, and 1001028579 Ontario Inc. (each individually, an "**Applicant**", and collectively, the "**Applicants**").

2. I am the Chief Executive Officer of BZAM, which wholly-owns or has a controlling interest in each of the other Applicants and the non-Applicant subsidiaries (each subsidiary of

BZAM individually a "**Subsidiary**", and together the "**Subsidiaries**", and collectively with BZAM, the "**Company**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

3. I swear this affidavit in support of a motion by the Applicants for the following relief pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C36, as amended (the "**CCAA**"):

(a) an order (the "**Stalking Horse RVO**"), *inter alia*:

- (i) approving an amended and restated share subscription agreement dated May 9, 2025 (the "**Subscription Agreement**") among BZAM and 1000816625 Ontario Inc. (the "**Stalking Horse Purchaser**"), *nunc pro tunc*, and the transaction contemplated thereby (the "**Stalking Horse Transaction**"), inclusive of minor amendments the Applicants and the Stalking Horse Purchaser, with the consent of the Monitor (as defined below), may deem necessary;
- (ii) authorizing and directing the BZAM Entities (as defined in the ARIO (as defined below)) to perform their obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Stalking Horse Transaction and for the conveyance of the shares of BZAM (the "**Subscribed Shares**") to the Stalking Horse Purchaser;

- (iii) approving the addition of 1001105728 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA Proceedings (as defined below) and vesting all Excluded Assets, Excluded Contracts, and Excluded Liabilities out of BZAM and TGOD (together, the "**Surviving Entities**") and into ResidualCo, and discharging all Encumbrances against the Surviving Entities and the Retained Assets other than the Permitted Encumbrances (each as defined in the Subscription Agreement);
  - (iv) vesting in the Stalking Horse Purchaser all of the title and interest in and to the Subscribed Shares and Retained Assets, free and clear of any Encumbrances (as defined in the Stalking Horse RVO);
  - (v) approving the assignment of all rights and obligations under the Assigned Contract (as defined below) to TGOD;
  - (vi) authorizing and directing the Applicants to distribute the Cash Consideration (as defined below) to Cortland Credit Lending Corporation ("**Cortland**"), as full and final repayment of the indebtedness owing by the Applicants to Cortland; and
  - (vii) removing the Surviving Entities as Applicants in these CCAA Proceedings;  
and
- (b) an order (the "**CCAA Termination Order**"), *inter alia*:

- (i) extending the stay of proceedings until the earlier of: (i) August 15, 2025, and (ii) the CCAA Termination Time (as defined below) (the "**Stay Extension**");
- (ii) terminating the CCAA Proceedings and discharging FTI Consulting Canada Inc. ("**FTI**") as monitor (in such capacity, the "**Monitor**") in these CCAA Proceedings upon the Monitor's service of a certificate (the "**Termination Certificate**") on the service list (the "**CCAA Termination Time**");
- (iii) approving the tenth report of the Monitor (the "**Tenth Report**"), to be filed, and the activities of the Monitor described therein;
- (iv) approving the fees and disbursements of the Monitor and its counsel, along with the proposed Fee Accrual (as defined below), to fund the completion of the remaining activities of the Monitor and its counsel up to the CCAA Termination Time;
- (v) releasing and discharging the Charges and the Bid Protections Charge (each as defined below) effective as of the CCAA Termination Time;
- (vi) approving certain releases (the "**Releases**") in favour of the Released Parties (as defined below), the Stalking Horse Purchaser and its counsel; and
- (vii) authorizing each of the Applicants except the Surviving Entities (collectively, the "**Remaining Applicants**"), to make an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.

B-3, as amended, following the CCAA Termination Time, naming FTI as their licensed insolvency trustee.

4. This affidavit should be read in conjunction with the affidavits that I previously swore in these proceedings (the "**CCAA Proceedings**"). All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavits I swore on February 28, 2024 (the "**First Milich Affidavit**") and March 1, 2024 (the "**Second Milich Affidavit**") or the ARIО.

5. Copies of the First Milich Affidavit (without exhibits), the Second Milich Affidavit (without exhibits) and the ARIО are attached hereto as **Exhibits "A" - "C"**, respectively. All materials filed in these CCAA Proceedings are available on the Monitor's website at: <http://cfcanada.fticonsulting.com/bzam/>.

6. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. The Applicants do not waive or intend to waive any applicable privilege by any statement herein.

## **I. OVERVIEW**

### **A. Introduction and Background**

7. BZAM is the ultimate parent company to several companies in the cannabis industry in Canada. Through its sole remaining licensed and operational subsidiary, the Company produces and sells various cannabis products for the adult-use market.

8. Following significant liquidity challenges, the Applicants obtained protection under the CCAA pursuant to an initial order (the "**Initial Order**") on February 28, 2024. The facts

underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Milich Affidavit and are not repeated herein.

9. Among other things, the Initial Order:

- (a) appointed FTI as the Monitor;
- (b) granted an initial stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and their respective Directors and Officers, until and including March 8, 2024 (the "**Initial Stay Period**");
- (c) approved TGOD's ability to borrow up to a principal amount of \$2,400,000 (the "**DIP Loan**") from Cortland (in such capacity, the "**DIP Lender**") under a debtor-in-possession credit facility to finance the Company's working capital requirements and other general corporate purposes, post-filing expenses and costs during the Initial Stay Period with the other Applicants acting as guarantors under the DIP Loan; and
- (d) granted the Administration Charge, the DIP Lender's Charge and the Directors' Charge (collectively, the "**Charges**").

10. At the comeback hearing on March 8, 2024, the Court granted the ARIO which, among other things, granted an extension of the Initial Stay Period to and including May 25, 2024 (the "**Stay Period**").

11. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on March 8, 2024, obtained an order (the "**SISP Approval Order**") which, among other things:

- (a) authorized and approved BZAM's execution of a share subscription agreement (the "**Original Stalking Horse Agreement**") among BZAM and the Stalking Horse Purchaser dated March 1, 2024, *nunc pro tunc*, including certain bid protections;
- (b) granted a Court-ordered charge over the Property (as defined in the ARIO) in favour of the Stalking Horse Purchaser as security for payment of the bid protections (the "**Bid Protections Charge**"), with the priority set out in the ARIO;
- (c) approved a sale and investment solicitation process (the "**SISP**") in which the Original Stalking Horse Agreement served as the "**Stalking Horse Bid**"; and
- (d) authorized and directed the Applicants and the Monitor to perform their respective obligations and to do all things reasonably necessary to perform their obligations under the SISP.

12. A copy of the SISP Approval Order is attached hereto as **Exhibit "D"**.

13. As discussed in greater detail below, on April 16, 2024, the Monitor and the Applicants determined that none of the LOIs (as defined below) received by the applicable deadline constituted a Qualified LOI (as defined under the SISP). With the consent of the DIP Lender, the Applicants and the Monitor deemed the Stalking Horse Bid to be the successful bid and terminated the SISP.



14. Despite the Applicants wishing to proceed with seeking approval of the Stalking Horse Bid following the termination of the SISP, due to uncertainties revolving around the ongoing litigation (the "**Final Bell Litigation**") with Final Bell Holdings International Ltd. ("**Final Bell**"), the Applicants ultimately postponed seeking approval of the Stalking Horse Transaction until the parties' claims could be determined. All matters underlying the Final Bell Litigation were ultimately resolved on December 13, 2024, pursuant to a negotiated settlement agreement between the litigating parties.

15. Following the termination of the SISP, the Applicants implemented two discrete transactions, outside the purview of the Stalking Horse Transaction, to sell certain assets that the Stalking Horse Purchaser did not intend to acquire as part of its Stalking Horse Bid. The first transaction was approved by this Court on October 15, 2024, pursuant to an order (the "**BMI RVO**"), which, among other things,

- (a) approved the share purchase agreement (the "**BMI Purchase Agreement**") among BZAM Holdings, as vendor, BZAM Management Inc. ("**BZAM Management**"), as target, 1000912353 Ontario Inc., as purchaser ("**BMI Purchaser**"), and Wyld Canada Inc. ("**Wyld**"), as an interested third-party, and the transaction contemplated thereby (the "**BMI Transaction**");
- (b) approved the addition of 1001028579 Ontario Inc. as an Applicant in these CCAA Proceedings and vested all Excluded Assets, Excluded Contracts, and Excluded Liabilities out of BZAM Management and into 1001028579 Ontario Inc. (each as defined in the BMI Purchase Agreement);

- (c) vested in the BMI Purchaser all of BZAM Holdings' right, title and interest in and to the shares of BZAM Management, free and clear of any Encumbrances (as defined in the BMI RVO); and
- (d) approved the removal of BZAM Management as an Applicant in these CCAA Proceedings.

16. The BMI Transaction closed on December 13, 2024, and the net sale proceeds were distributed to Cortland. As discussed in my previous affidavits in these CCAA Proceedings, in connection with the BMI Transaction, Wyld, among other things, acquired the option to purchase 100% of the share capital of the BMI Purchaser. Although not actively involved, the Applicants understand that the second part of the transaction has now closed outside of these CCAA Proceedings.

17. On December 2, 2024, the Applicants obtained an order (the "**Bankruptcy Order**") which, among other things, authorized 9430-6347 Québec Inc. ("**9430 Quebec**") or the Monitor to file an assignment in bankruptcy for 9430 Quebec, as applicable (the "**Bankruptcy Assignment**").

18. The Court approved the second transaction pursuant to an order (the "**Edmonton Property AVO**") on January 13, 2025, which, among other things:

- (a) approved the agreement of purchase and sale between BZAM Cannabis, as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser (the "**Edmonton Purchase Agreement**"), *nunc pro tunc*, and the transaction contemplated thereby (the "**Edmonton Property Transaction**");

- (b) vested in the Purchaser all of BZAM Cannabis' right, title and interest in and to the assets described in the Edmonton Purchase Agreement, including the lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta, free and clear of any Encumbrances other than the Permitted Encumbrances (each as defined in the Edmonton Property AVO); and
- (c) authorized and directed the Applicants to distribute the net sale proceeds to: (i) Avison Young Commercial Real Estate Services, LP ("**Avison Young**"), as full satisfaction of its broker fee, and (ii) Cortland, as partial repayment of the Indebtedness (as defined below).

19. The Edmonton Property Transaction closed on February 4, 2025, and the net sale proceeds were distributed to Avison Young and Cortland in accordance with the terms of the Edmonton Property AVO.

20. Most recently, on March 27, 2025, the Applicants were granted an extension of the Stay Period to and including May 15, 2025, which was intended to provide the Applicants with additional time to attempt to resolve certain outstanding matters with the Canada Revenue Agency and Health Canada.

## **B. Conduct and Result of the SISP**

21. As discussed in my previous affidavits filed in these CCAA Proceedings, following the issuance of the SISP Approval Order, the Monitor took steps to advance the SISP in accordance with the timelines contemplated therein and canvassed the market broadly for potential purchasers. The SISP was purposefully designed to provide an efficient, fair, flexible and equitable process

for canvassing the market with a view of maximizing opportunities for the sale of, or investment in, all or part of the Applicants' assets and/or business (the "**Opportunity**").

22. The Monitor, with the assistance of the Applicants, prepared a list of potential bidders, which included parties who had previously expressed interest in the Applicants' business and/or assets, and other domestic and international third parties that may have been interested in the Opportunity. The Monitor prepared a teaser letter and other marketing materials that were disseminated into the market broadly. During this solicitation period, approximately 127 parties were contacted, 16 of which communicated initial interest in the Opportunity to the Monitor and/or the Applicants. Non-disclosure agreements were executed by 10 prospective bidders, which were made available to interested parties upon request.

23. The Applicants and the Monitor received three letters of intent (collectively, the "**LOIs**" and each a "**LOI**") by the LOI deadline (April 8, 2024). As part of their evaluation, the Monitor and the Applicants considered each of the LOIs independently, and collectively in a liquidation scenario, to determine whether the Stalking Horse Bid was the superior bid. The combined consideration of all LOIs, other than the Stalking Horse Bid, was less than the current amount owing to Cortland under the DIP Loan and the Second Amended and Restated Credit Agreement dated January 8, 2024 (collectively, the "**Indebtedness**") (where cash equal to the Indebtedness is one of the components of the purchase price under the Subscription Agreement). Accordingly, the Stalking Horse Bid contemplated the highest compensation value.

24. The Monitor and the Applicants also had concerns regarding the viability of some or all the submitted LOIs, as none of the bidders who submitted LOIs provided information demonstrating their financial wherewithal – a requirement under the SISP – or were willing to

materially increase their bids to make them more competitive. The economic terms and a summary of the LOIs received by the Applicants and the Monitor are set out in greater detail in the Confidential Supplement to the Second Report of the Monitor dated April 16, 2024.

25. Following certain discussions between the Monitor and potential bidders, on April 16, 2024, the Monitor and the Applicants determined that none of the LOIs constituted a Qualified LOI. Accordingly, with the consent of the DIP Lender, the SISP was terminated and the Stalking Horse Bid was deemed the successful bid.

### **C. The Subscription Agreement**

26. Following further negotiations, on May 9, 2025, BZAM and the Stalking Horse Purchaser, in consultation with the Monitor, executed the Subscription Agreement. Among other things, the Subscription Agreement has completed schedules that were not populated at the time the Original Stalking Horse Agreement was executed and includes additional closing conditions in favour of the Company, including that the following items be satisfied and/or completed at or before Closing (as defined in the Subscription Agreement):

- (a) up to four new employment contracts for key management employees (the "**Management Employees**") shall have been executed;
- (b) the Management Employees shall have entered into a shareholders' agreement in respect of BZAM; and
- (c) the Releases shall have been approved.

27. In addition, the Stalking Horse Purchaser will no longer assume the outstanding debt owing to Stone Pine Capital Ltd. ("**Stone Pine**" and the "**Stone Pine Debt**") under the Subscription Agreement. The Applicants understand that Stone Pine is supportive of this amendment. Further, notwithstanding the foregoing and as previously mentioned, as the only bid in the SISP that contemplated the repayment of Cortland's obligations in full, the Stalking Horse Transaction contemplates the greatest value for the Applicants and their stakeholders even without the assumption of the Stone Pine Debt.

28. The Original Stalking Horse Agreement was amended on October 11, 2024 (the "**Stalking Horse Amendment**") to add an additional deposit in the amount of \$2,250,000. This second deposit was paid by the Stalking Horse Purchaser to BZAM on October 29, 2024 and has been held by the Monitor in escrow on behalf of the Applicants. A copy of the Stalking Horse Amendment is attached hereto as **Exhibit "E"**.

29. A copy of the Subscription Agreement is attached hereto as **Exhibit "F"**, and a redline to the Original Stalking Horse Agreement is attached hereto as **Exhibit "G"**.

30. As discussed in previous affidavits sworn in these CCAA Proceedings, the Stalking Horse Purchaser is a related party to the BZAM Entities and is 100% owned and controlled by Mr. Bassam Alghanim – BZAM's largest shareholder and current Chairman. Mr. Alghanim is also the same individual who indirectly and temporarily purchased BZAM Management (as part of the first step of the BMI Transaction).

31. The principal terms of the Subscription Agreement, much of which were previously summarized in the Second Milich Affidavit, are summarized below for ease of reference:

Term	Details <sup>1</sup>
1.1 "Assumed Liabilities"	<p>"<b>Assumed Liabilities</b>" means:</p> <ul style="list-style-type: none"> <li>(a) All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables). To the extent any trade payables or Tax obligations are identified after Closing, which were incurred by a CCAA Applicant following the date of the Initial Order but prior to the Closing Date, and such amounts are finally determined to be legitimate and owing, the Purchaser shall assume such obligations and liabilities.</li> <li>(b) All mortgages registered on title to the real property owned by the Surviving Entities as at the Closing Date.</li> <li>(c) All of the Applicants' obligations and liabilities owing under (i) the settlement agreement entered into among certain Applicants and Health Canada on April 25, 2025, and (ii) the memorandum of understanding entered into among the Minister of National Revenue, Final Bell Corp. and TGOD dated May 9, 2025.</li> <li>(d) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after Closing.</li> <li>(e) Any Tax Liabilities and Transaction Taxes referred to in Section 3.1(c) and Section 3.2(c) of the Subscription Agreement.</li> </ul>
1.1 "Cash Consideration"	<p>"<b>Cash Consideration</b>" means an amount sufficient to pay in full in cash all (i) amounts owing in respect of the DIP Loan; (ii) amounts owing by the Applicants to Cortland pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024 (the "<b>Second ARCA</b>"); and (iii) amounts in respect of the Closing Payments to the extent paid in accordance with Sections 2.3 and 6.2(b) of the Subscription Agreement.</p>
2.1 Deposit	<p>The Stalking Horse Purchaser paid to the Monitor, by wire transfer of immediately available funds, two deposits, each in the amount of \$2,250,000 (the "<b>Cash Deposits</b>"). The Cash Deposits have been and shall be held in escrow by the Monitor in a non-interest-bearing account on behalf of the Company.</p>

<sup>1</sup> All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the Subscription Agreement.

	<p>If the Closing does not occur for any reason and the Subscription Agreement is terminated, the Cash Deposits will be forthwith refunded in full to the Stalking Horse Purchaser (without interest, offset or deduction) except:</p> <ul style="list-style-type: none"> <li>(a) if the Subscription Agreement is terminated by the Company pursuant to Section 8.1(a)(v); or</li> <li>(b) if the Subscription Agreement is terminated by the Company pursuant to Section 8.1(a)(iv), except if (i) at the time of such termination the condition in Section 7.1(k) has not been satisfied and (ii) the Stalking Horse Purchaser has requested an extension of the Outside Date and has not received consent to such extension, in which case the Cash Deposits will be forthwith refunded in full to the Stalking Horse Purchaser (without interest, offset or deduction).</li> </ul> <p>If the Subscription Agreement is terminated by the Company in the circumstances set forth above, the Cash Deposits shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Stalking Horse Transaction.</p>
<p>2.2 Subscription Price</p>	<p>The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following:</p> <ul style="list-style-type: none"> <li>(a) <u>Cash Consideration</u>: On the Closing Date and in accordance with the Closing Sequence, the Stalking Horse Purchaser shall pay the Cash Consideration as follows: (A) by the release of the Cash Deposits by the Monitor to the Company, and (B) by wire transfer, at the direction of the Company, to either (1) an account designated by the Monitor, on behalf of the Company, or (2) an account designated by Cortland, of immediately available funds in the amount of the balance of the Cash Consideration.</li> <li>(b) <u>Assumption of Assumed Liabilities</u>: On the Closing Date and in accordance with the Closing Sequence, the Company Group Members shall retain the Assumed Liabilities. For greater certainty, all Assumed Liabilities, including, but not limited to, the Statement of Trade Payables amounts, will be assumed and retained by the Company and paid on the later of (a) Closing, and (b) when such Assumed Liabilities become due and owing in accordance with their current payment terms and conditions, absent any acceleration that may be asserted to be caused by or associated with the Company Group Members' insolvency or the CCAA Proceedings.</li> </ul>
<p>8.1 The Stalking Horse Purchaser's Conditions</p>	<p>The Stalking Horse Purchaser's closing conditions include, among others:</p>



	<p>(a) <u>Court Approval</u>. The Stalking Horse RVO shall have been issued by the Court, and shall not have been vacated, set aside or stayed.</p> <p>...</p> <p>(e) <u>No Material Adverse Effect</u>. During the Interim Period, there shall have been no Material Adverse Effect.</p> <p>...</p> <p>(h) <u>The Terminated Employees</u>. The Company Group Members shall have terminated the employment of the Terminated Employees, as requested by the Stalking Horse Purchaser in its sole discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Stalking Horse RVO, subject to any amounts that rank in priority to the DIP Facility.</p> <p>(i) <u>ResidualCo</u>. Pursuant to the Stalking Horse RVO: (x) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; and (y) the Company Group Members, their businesses and properties shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities, if any); such that, from and after Closing the businesses and properties of the Company Group Members shall exclude the Excluded Assets and the Excluded Contracts, and shall not be subject to any Excluded Liabilities.</p> <p>...</p> <p>(k) <u>Cannabis Licenses</u>. (i) The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension; and (ii) all required Authorizations from Health Canada in connection with the Closing of the Transactions shall have been obtained.</p>
<p>8.2 The Company's Conditions</p>	<p>The Company's closing conditions include, among others:</p> <p>(g) <u>Court Approval</u>. The Initial Order, the SISP Order and the Stalking Horse RVO shall have been issued by the Court, and shall not have been vacated, set aside or stayed.</p> <p>...</p> <p>(h) <u>Closing Cash Amount</u>. On the Closing Date, prior to Closing, the Company shall have cash in an amount</p>

	<p>sufficient to satisfy the following payments in full on Closing (the "<b>Closing Cash Amount</b>") and such payments shall have been made on or before the Closing:</p> <ul style="list-style-type: none"> <li>(i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;</li> <li>(ii) the reasonable and documented outstanding legal and financial advisor fees and expenses up to and including Closing of the DIP Lender; and</li> <li>(iii) the Wind-Up Reserve of \$430,000 payable to the Monitor.</li> </ul> <ul style="list-style-type: none"> <li>(i) <u>New Employee Contracts</u>. Prior to Closing, the Purchaser shall have entered into new employment agreements with myself and up to three other key management employees to be identified by the Company.</li> <li>(j) <u>Shareholders Agreement</u>. Prior to Closing, the Purchaser and the Management Employees shall have entered into a shareholders' agreement in respect of the Company which shall be effective as of Closing, in form satisfactory to both the Stalking Horse Purchaser and the Management Employees.</li> <li>(k) <u>Releases</u>. Prior to Closing, releases in favour of the directors and officers of the Company shall be approved by the Court, in form and substance satisfactory to the Company.</li> </ul>
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#### **D. The Bankruptcy Assignment of 9430 Quebec**

32. The details of the dispute between Ms. France Boisvert, Mr. Daniel Fontaine (together, the "**Disclaimer Motion Parties**") and the Applicants are set out in greater detail in the affidavit I swore on November 25, 2024 and are not repeated herein.

33. At a high-level, the Disclaimer Motion Parties and Medican, among others, entered into certain agreements whereby Medican agreed to purchase from the Disclaimer Motion Parties all outstanding and issued shares of 9430 Quebec, subject to the satisfaction of certain conditions

precedent (the "**Share Purchase Transaction**"). Due to unresolved issues with 9430 Quebec's septic system, certain conditions were never satisfied and the Share Purchase Transaction never closed.

34. As part of the Applicants' restructuring efforts, Medican sent a Notice by Debtor Company to Disclaim or Resiliate an Agreement (the "**Notice**") on May 29, 2024 to disclaim certain agreements related to the Share Purchase Transaction. Following the issuance of the Notice, on June 25, 2024, the Disclaimer Motion Parties served a Notice of Motion on the Applicants (the "**Disclaimer Objection Notice of Motion**") objecting to the Notice.

35. In accordance with the terms of settlement between Medican and the Disclaimer Motion Parties (the "**Quebec Settlement Agreement**"), which are set out in the Supplement to the Seventh Report of the Monitor dated December 2, 2025, the Bankruptcy Assignment is expected to take place on May 12, 2025. At which time, the remaining steps under the Quebec Settlement Agreement will be completed and the matter will be fully resolved between the parties.

36. FTI has consented to act as the licensed insolvency trustee of 9430 Quebec in accordance with the Bankruptcy Order, and has been working with counsel to the Applicants to effectuate the Bankruptcy Assignment.

#### **E. Discussions with the CRA and Health Canada**

37. As set out in greater detail in the affidavit I swore on March 20, 2025, the Applicants had previously been in discussions with the Department of Justice, on behalf of the Canada Revenue Agency ("**CRA**") and Health Canada, regarding certain outstanding tax and licensing fee

liabilities, which needed to be settled prior to seeking approval of the Stalking Horse RVO and the CCAA Termination Order.

38. In both matters, the parties have reached a comprehensive negotiated resolution. On April 25, 2025, certain Applicants entered into a settlement agreement with Health Canada, and on May 9, 2025, Final Bell Corp. and TGOD entered into a memorandum of understanding with the Minister of National Revenue. The Applicants understand that in light of these negotiated resolutions, neither the CRA nor Health Canada intend to oppose the relief being sought pursuant to this Motion, including the proposed Releases. Any obligations which arise or survive as a result of these agreements will be assumed by TGOD as an "Assumed Liability" under the Subscription Agreement.

#### **F. DIP Amendment**

39. The DIP Loan has been amended six times during the pendency of these CCAA Proceedings. Most recently, the DIP Loan was amended to, among other things, extend the maturity date under the DIP Loan to May 15, 2025.

40. Pursuant to a seventh amending agreement (the "**DIP Amendment**"), Cortland is prepared to extend the maturity date of the DIP Loan to August 15, 2025. I understand from the Monitor that the DIP Amendment will be attached to the Tenth Report.

#### **G. Approval of the Fees and Activities**

41. Pursuant to the proposed CCAA Termination Order, the Applicants are seeking approval of the fees and activities of the Monitor as summarized in the Tenth Report.

42. The total fees and disbursements of the Monitor from the period of August 1, 2024 to April 30, 2025 amount to \$566,376.42, excluding HST, and the total fees and disbursements of Stikeman Elliott LLP ("**Monitor's Counsel**"), the Monitor's counsel, from the period of August 1, 2024 to May 7, 2025 amount to \$163,046.83, including HST.

43. The Applicants understand from the Monitor that the fees and disbursements of the Monitor and the Monitor's Counsel for the remainder of these CCAA Proceedings are not anticipated to exceed \$130,000, plus tax (the "**Fee Accrual**"). In order to avoid the time and added costs associated with having these remaining fees approved by the Court, the proposed CCAA Termination Order seeks the authorization and approval of the Monitor's and the Monitor's Counsel's fees for services that will be provided up until the CCAA Termination Time, up to the aggregate amount of the Fee Accrual.

## **II. THE APPROVAL AND REVERSE VESTING ORDER**

### **A. The Subscription Agreement**

44. As noted above, no Qualified LOIs (aside from the Original Stalking Horse Agreement) were received as part of the SISP. As such, notwithstanding an extensive marketing of the Applicants' business, the Stalking Horse Transaction is the most profitable option available for the Company and its stakeholders.

45. The Stalking Horse Transaction is generally beneficial to the Applicants' stakeholders and will result in: (i) the preservation of approximately 155 jobs; (ii) customers maintaining their ongoing relationships with the Applicants; and (iii) suppliers of goods and services maintaining their business relationships with the Applicants. Given that the SISP did not result in the

submission of any other Qualified LOIs, the alternative to the Stalking Horse Transaction would be a liquidation process, which would be a worse result for the Applicants and their stakeholders.

46. Pursuant to the terms of the Subscription Agreement, the Stalking Horse Purchaser is required to pay in cash an amount sufficient to satisfy all: (i) amounts owing in respect of the DIP Loan, and (ii) amounts owing by the Applicants to Cortland pursuant to its pre-filing secured indebtedness, plus certain closing payments as provided for in the Subscription Agreement. This consideration, in conjunction with the assumption of the Assumed Liabilities (as defined in the Subscription Agreement) constituted the greatest price achieved pursuant to the Court-approved SISP and represents a fair value for the business of the Applicants.

47. The Stalking Horse Transaction will not result in any recovery for unsecured creditors or the public equity holders of BZAM. The Company's unsecured debt is discussed in detail in the First Milich Affidavit and includes an unsecured promissory note in favour of Final Bell in the amount of \$8,000,000 and certain amounts owed to trade creditors and other parties. Given that the Stalking Horse Transaction will not result in a recovery for unsecured claimants, the Applicants do not propose to run a claims process in these CCAA Proceedings and do not have an exact quantification of these potential claims.

#### **B. The Stalking Horse Transaction's Reverse Vesting Structure**

48. The Subscription Agreement provides that the Stalking Horse Transaction is conditional on this Court granting the Stalking Horse RVO. The proposed Stalking Horse RVO is a "reverse vesting order" that approves the reverse vesting structure of the Stalking Horse Transaction – i.e., the transfer of liabilities and certain assets out of the BZAM Entities to ResidualCo and the subsequent purchase of the Subscribed Shares as "cleansed" entities. The Stalking Horse RVO

contemplates that all claims and encumbrances will be vested out of TGOD and BZAM and, as part of the closing steps, will attach to the proceeds of the Stalking Horse Transaction.

49. As discussed in greater detail in the First Milich Affidavit, the Applicants' business is subject to onerous cannabis-related regulations and requires certain licenses (the "**Licenses**") to operate. Specifically, TGOD holds: (i) a license with Health Canada that permits it to undertake standard processing and cultivation activities, as well as medical purpose activities; and (ii) a license with the Canada Revenue Agency requiring it to apply cannabis excise stamps to its cannabis products in accordance with the *Excise Act, 2001*, S.C. 2002, c. 22. Notably, TGOD would not be able to continue to operate in the cannabis industry without the Licenses.

50. The primary purpose of the Stalking Horse Transaction's reverse vesting structure is to preserve the Licenses by facilitating an efficient operational transfer of TGOD's business following the closing of the Stalking Horse Transaction. In a traditional asset sale, the Licenses would need to be re-issued to the new owner, which would increase the costs and risks associated with closing. Furthermore, the reverse vesting structure will allow the Stalking Horse Purchaser to keep material contracts in place, including valuable employment and supplier agreements which are vital to the ongoing operations of the business.

51. Based on the above, I understand that the Stalking Horse Purchaser is not prepared to proceed with an asset purchase structure. The reverse vesting structure is therefore the only commercially reasonable means by which the value of the business can be maximized, and the Applicants can avoid liquidation. In addition, the Stalking Horse Transaction is the only transaction available to the Applicants that would result in complete payment of all Cortland's obligations.

**C. Assignment Approval**

52. In an effort to consolidate the business operations of the Company upon the closing of the Stalking Horse Transaction, Final Bell Corp. intends to assign its rights and obligations under a license and services agreement with Dreamfields Canada Operations Inc. (the "**Assigned Contract**") to TGOD (the "**Assignment**"). The Assigned Contract is essential to the Applicants' going-concern business and will help ensure the Company's operations continue in the ordinary course outside of these CCAA Proceedings.

53. TGOD is both willing and able to perform all of the covenants and obligations under the Assigned Contract and is operating the same business as Final Bell Corp. The Applicants are not aware of any defaults, monetary or otherwise, committed by Final Bell Corp. under the Assigned Contract.

54. The Applicants understand that the Monitor supports the Assignment and believes it is reasonable in the circumstances. The counterparty to the Assigned Contract was provided advanced informal notice of the proposed Assignment and will be served with this Motion Record. The Applicants are not aware of any opposition to the Assignment.

**D. Distribution to Cortland**

55. The proposed Stalking Horse RVO authorizes and directs the Applicants to distribute the Cash Consideration from the Stalking Horse Transaction to Cortland, in its capacity as DIP Lender and the Applicants' senior secured creditor, as satisfaction of the Indebtedness free and clear of all claims (the "**Cash Distribution**").



56. The distribution of the Cash Consideration to Cortland is a material component of the Subscription Agreement and has always been of critical importance to the Applicants. Even under the Original Stalking Horse Agreement, it was always contemplated that Cortland would be repaid in full for all amounts outstanding under both the DIP Loan and the Second ARCA. The proposed Cash Distribution is consistent with the objectives of the SISP and the original terms of the Stalking Horse Bid.

57. I understand that the Monitor supports the Cash Distribution and does not believe that any stakeholder will be materially prejudiced.

#### **E. Conclusion**

58. The Applicants are of the view that the extensive Court-approved SISP led by the Applicants and the Monitor was conducted in a fair and impartial manner. Notwithstanding the foregoing, the SISP did not result in any additional Qualified LOIs (other than the Stalking Horse Bid). Moreover, none of the potential bidders were able to demonstrate their financial ability to execute their proposed transactions.

59. Although the Stalking Horse Transaction will not result in recoveries for unsecured creditors or equity holders, given the extensive canvassing of the market and the robust sales process, it is clear that the value of the business and the assets is insufficient to satisfy (even partially) the claims of such stakeholders.

60. In summary, the Applicants believe that the Stalking Horse Transaction and its reverse vesting structure are reasonable and appropriate in the circumstances, and represent the best available option for the Applicants and their stakeholders for the following reasons (among others):

- (a) no Qualified LOIs were received, and the Stalking Horse Transaction is the only viable alternative. The contemplated consideration under the Stalking Horse Bid was the highest amount offered under the SISP and is fair and reasonable in the circumstances;
- (b) the Stalking Horse Transaction preserves the value of the Applicants' business, which have significant benefits, including the ongoing employment of several of the Applicants' employees and the Company maintaining business relationships with various third-party customers and suppliers – none of which would be the case in a liquidation process and bankruptcy filing;
- (c) the Applicants operate in the highly-regulated cannabis industry, and through the reverse vesting structure, will be able to preserve the Licenses and certain tax losses to ensure the continued operation of the business after the closing of the Stalking Horse Transaction;
- (d) I understand the Stalking Horse Transaction, including the Stalking Horse Transaction's proposed reverse vesting order structure, is supported by the Monitor and the DIP Lender; and
- (e) I am not aware of any opposition to the proposed Stalking Horse RVO.

### **III. THE CCAA TERMINATION ORDER**

61. At this point in the CCAA Proceedings, all outstanding matters that were preventing the Applicants from seeking sale approval have been resolved. The Applicants have been able to restructure their business through implementing multiple value maximizing transactions, reducing

operating costs and disclaiming unprofitable contracts – all of which will benefit the stakeholders of the going-concern Company upon exiting these CCAA Proceedings. Following the closing of the Stalking Horse Transaction, the Remaining Applicants will have no material assets or an operating business. Accordingly, the Applicants believe that it is appropriate, following the closing of the Stalking Horse Transaction (if approved), to bring these CCAA Proceedings to an end.

62. The proposed CCAA Termination Order provides that these CCAA Proceedings and the Stay of Proceedings will be terminated upon service of the Termination Certificate certifying that all matters to be attended to in connection with these CCAA Proceedings have been completed to the satisfaction of the Monitor. At such time, FTI will be released and discharged as Monitor and each of the Charges and the Bid Protections Charge will be terminated, released and discharged.

63. The remaining material features of the proposed CCAA Termination Order, which will effectuate the orderly conclusion of these CCAA Proceedings, are discussed below.

#### **A. Stay Extension**

64. The Stay Period is currently set to expire on May 15, 2025. Pursuant to the proposed CCAA Termination Order, the Applicants are seeking to extend the Stay Period until the earlier of: (i) August 15, 2025, and (ii) the CCAA Termination Time. The Stay Extension will provide the Applicants and the Stalking Horse Purchaser sufficient time to close the Stalking Horse Transaction and complete all remaining restructuring steps before certain of the Applicants will emerge from these CCAA Proceedings as going-concern entities. It is both necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended to allow the Applicants to continue to operate without disruption in the ordinary course and work towards terminating these CCAA Proceedings.

65. The Applicants have acted, and continue to act, in good faith and with due diligence. Since the granting of the previous stay extension on March 27, 2025, the Applicants have diligently, among other things:

- (a) negotiated and finalized the terms of the Stalking Horse Transaction and executed the definitive documents related to same;
- (b) finalized and executed a settlement agreement and memorandum of understanding with Health Canada and the CRA, respectively;
- (c) assisted FTI in preparing for the Bankruptcy Assignment; and
- (d) made preparations, with the assistance of the Monitor, to exit these CCAA Proceedings in the near term.

66. In connection with the proposed Stay Extension, the Applicants, with the assistance of the Monitor, prepared a revised cash flow analysis (the "**Revised Cash Flow Forecast**") to determine their funding requirements up to and including August 15, 2025. I understand that a copy of the Revised Cash Flow Forecast will be attached to the Tenth Report. As the Revised Cash Flow Forecast illustrates, the Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the extended Stay Period.

67. I also understand that the Monitor, the DIP Lender and the Stalking Horse Purchaser believe that the Stay Extension is appropriate in the circumstances, and that the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the Stay Extension.

**B. Releases**

68. Pursuant to the proposed CCAA Termination Order, the Applicants seek approval of the Releases in favour of the Released Parties and the Stalking Horse Purchaser effective upon the service of the Termination Certificate. The "**Released Parties**" include, among others, the current directors, officers and legal counsel of the Applicants and ResidualCo, the Monitor and its legal counsel, and the Monitor's respective current directors, officers, partners, employees and advisors.

69. The Releases release and discharge the Released Parties from all present and future liabilities and claims arising in connection with or relating to:

- (a) the CCAA Proceedings;
- (b) the Subscription Agreement;
- (c) the consummation of the Stalking Horse Transaction;
- (d) any closing document, agreement, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing; and/or
- (e) any matter relating to the Applicants' current or former cannabis excise licenses and/or GST/HST arrears owing by any of the Applicants for the period prior to the Initial Order (collectively, the "**Released Claims**").

70. The proposed Releases, if approved, will provide the Released Parties with greater certainty and finality regarding the Stalking Horse Transaction and these CCAA Proceedings. The Released Claims do not include any claim (i) for fraud or wilful misconduct or (ii) that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

71. The Applicants believe that the Releases sought are appropriate in the circumstances and in the best interests of the Applicants and their stakeholders. The Released Parties have made significant contributions to these CCAA Proceedings, the SISP and the Stalking Horse Transaction, which collectively have facilitated a going-concern result for certain of the Applicants following the termination of these CCAA Proceedings. In particular, the Directors and Officers provided important direction and support leading up to and throughout the filing and administration of the CCAA Proceedings, including by:

- (a) assisting with the preparation of the CCAA application and the subsequent motions in these CCAA Proceedings;
- (b) assisting with the development of the SISP and the negotiation of the Subscription Agreement;
- (c) facilitating the Edmonton Property Transaction and the BMI Transaction;
- (d) negotiating various settlement agreements or other arrangements between third-party stakeholders to preserve value for the going-concern business;
- (e) maintaining key supplier, employee and customer relationships throughout the proceedings; and
- (f) otherwise managing day-to-day operations of the Company prior to and during the CCAA Proceedings.

72. The professionals benefiting from the Releases were involved in providing advice and direction to the Applicants in connection with each of the above and were critical to the successful

restructuring of the Company. The Releases benefit not just the Released Parties, but the Applicants and their stakeholders, as the Releases will ensure that the Released Parties remain focused on closing the Stalking Horse Transaction and emerging from these CCAA Proceedings. The Releases are also a condition to closing in the Subscription Agreement.

73. The Applicants also seek Releases in favour of the Stalking Horse Purchaser and its counsel, effective as of the CCAA Termination Time, from all present and future liabilities and claims relating to any act existing or taking place prior to the filing of the Termination Certificate that relate to the Subscription Agreement, the DIP Loan, the consummation of the Stalking Horse Transaction and/or any closing document, agreement, document, instrument, matter or transaction involving the Surviving Entities arising in connection with any of the foregoing. The Releases pertaining to the Stalking Horse Purchaser include a carve out for liabilities and claims related to the Assumed Liabilities, which shall survive following the CCAA Termination Time.

74. As at the date of this affidavit, the Applicants are not aware of any claims that exist or may exist against the Released Parties, the Stalking Horse Purchaser and its counsel. I understand that the Monitor believes that the Releases are fair and reasonable in the circumstances and therefore supports the relief sought. As of the date of this affidavit, the Applicants are not aware of any opposition to the Releases.

### **C. Bankruptcy Relief**

75. Following the closing of the Stalking Horse Transaction, the proposed CCAA Termination Order authorizes, but does not require, the Monitor to make an assignment in bankruptcy for any of the Remaining Applicants. To facilitate the orderly and efficient winddown of their estates, each of the Remaining Applicants, as well as ResidualCo, will be assigned into bankruptcy following

the closing of the Stalking Horse Transaction. At this time, the Applicants do not intend to take any further actions with respect to the remaining Non-Applicant Stay Parties.

76. I understand that FTI intends to act as the licensed insolvency trustee for each of the Remaining Applicants. As an experienced licensed insolvency trustee, FTI has the requisite expertise, experience and qualifications to oversee the bankruptcy assignments.

77. The Monitor has advised that it is supportive of the proposed assignments in bankruptcy prior to the CCAA Termination Time and believes that it is in the best interests of the Remaining Applicants and their stakeholders.

#### **D. Approval of the Fees and Report**

78. The proposed CCAA Termination Order seeks approval of the Tenth Report, and the activities of the Monitor and its counsel described therein. Throughout these CCAA Proceedings, the Monitor and its counsel have provided valuable assistance to the Applicants, the Court and its stakeholders. As such, the Applicants believe that it is fair and reasonable in the circumstances to approve the Tenth Report.

79. The Applicants also believe that the fees and expenses of the Monitor and the Monitor's Counsel (collectively, the "**Fees and Disbursements**") are reasonable and appropriate in the circumstances. The Fees and Disbursements were validly incurred in accordance with the ARIO and all other Orders in these CCAA Proceedings. Further, the Applicants are not aware of any opposition to the Fees and Disbursements.

80. The Applicants also believes that the Fee Accrual is reasonable and will allow the Monitor and the Monitor's Counsel to conduct any necessary incidental duties prior to the termination of



these CCAA Proceedings (as discussed in greater detail in the Tenth Report), including assisting with the closing of the Stalking Horse Transaction, if approved, and making preparations for the bankruptcy assignments of the Remaining Applicants.

#### **IV. CONCLUSION**

81. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. Substantially all outstanding matters in these CCAA Proceedings have now been addressed and/or resolved. The natural next step is to implement the Stalking Horse Transaction and terminate these CCAA Proceedings.

82. The granting of the Stalking Horse RVO provides the Applicants with a value-maximizing solution for their stakeholders and allows certain Applicants to continue their businesses as going-concern entities. I believe that the proposed Stay Extension is necessary to, among other things, provide the Applicants with sufficient time to close the Stalking Horse Transaction and distribute the Cash Distribution to Cortland. Further, the proposed Stay Extension allows the Applicants to continue their operations in the ordinary course while they prepare to exit these CCAA Proceedings.

83. Accordingly, I submit that the proposed relief is appropriate and reasonable in the circumstances. I swear this affidavit in support of the Applicants' motion for the proposed Stalking Horse RVO and the CCAA Termination Order and for no other or improper purpose.

A Commissioner for Taking Affidavits in  
and for the Province of Ontario

MATTHEW MILICH

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



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**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

Court File No.: \_\_\_\_\_

**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

**AFFIDAVIT OF MATTHEW MILICH  
(Sworn February 28, 2024)**

I, Matthew Milich, of the City of Long Beach, in the State of California, **MAKE OATH**  
**AND SAY:**

1. This affidavit is made in support of an Application by 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**") (each individually, an "**Applicant**", and collectively, the "**Applicants**").

2. I am the Chief Executive Officer of BZAM, which wholly-owns or has a controlling interest in each of the other Applicants and which, directly or indirectly, wholly-owns four other

non-Applicant subsidiaries<sup>1</sup> (each subsidiary of BZAM individually a "**Subsidiary**" and together the "**Subsidiaries**", and collectively with BZAM, the "**Company**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

3. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

## **I. RELIEF REQUESTED**

4. I swear this affidavit in support of an urgent Application brought by the Applicants for an Order (the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), among other things:

- (a) declaring that the Applicants are parties to which the CCAA applies;
- (b) appointing FTI Consulting Canada Inc. ("**FTI**" or the "**Proposed Monitor**") as an officer of the Court to monitor the assets, business, and affairs of the Applicants (once appointed in such capacity, the "**Monitor**");
- (c) approving TGOD's ability to borrow up to a principal amount of \$2,400,000 under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Loan**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing expenses and costs over the next ten (10) days with TGOD, BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium

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<sup>1</sup> The non-Applicant subsidiaries are: (1) 9430-6347 Québec Inc.; (2) The Green Organic Beverage Corp., a dormant company based in Delaware; (3) TGOD Europe B.V., a company based in the Netherlands, and (4) The Green Organic Dutchman Germany GmbH, a dormant company based in Germany (collectively, the "**Non-Applicant Stay Parties**").

Life Science, 102 Saskatchewan, Medican Organic, High Road Holding and BZAM Labs acting as guarantors under the DIP Loan;

- (d) staying, for an initial period of not more than ten (10) days, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor or the Directors and Officers (as defined below), or affecting the Applicants' business or the Property (as defined below), except with the written consent of the Applicants and the Monitor, or with leave of the Court (the "**Stay of Proceedings**");
- (e) extending the benefit of the Stay of Proceedings and other aspects of the Initial Order to the Non-Applicant Stay Parties and their respective Directors and Officers;
- (f) seeking relief from certain securities reporting obligations under federal, provincial or other laws until further Order of this Court; and
- (g) granting the Administration Charge, the DIP Lender's Charge, and the Directors' Charge (as each are defined below and, collectively, the "**Charges**") in the following priorities:
  - (i) with respect to the Applicants' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Property**") other than the Edmonton Property (as defined below):

First – the Administration Charge up to a maximum amount of \$500,000;

Second – the DIP Lender's Charge up to a maximum amount of \$2,400,000 plus accrued and unpaid interest, fees and expenses; and

Third – the Directors' Charge up to a maximum amount of \$5,300,000;

(ii) with respect to the Edmonton Property:

First – the Administration Charge up to a maximum amount of \$500,000;

Second – the Edmonton Property Charge in favour of the lenders under the Mortgage Loan (as defined below);

Third – the DIP Lender's Charge up to a maximum amount of \$2,400,000 plus accrued and unpaid interest, fees and expenses; and

Fourth – the Directors' Charge up to a maximum amount of \$5,300,000.

5. If the proposed Initial Order is granted, the Applicants intend to return to Court within ten (10) days (the "**Comeback Hearing**") to seek approval of an Amended and Restated Initial Order (the "**ARIO**"), which, among other things, would:

- (a) extend the Stay of Proceedings;
- (b) increase the maximum principal amount that the Applicants can borrow under the DIP Loan;
- (c) increase the quantum of each of the Administration Charge (to a maximum amount of \$1,000,000), the DIP Lender's Charge (to a principal amount of \$41,000,000 plus

accrued and unpaid interest, fees and expenses), and the Directors' Charge (to a maximum amount of \$12,900,000); and

- (d) seek such other customary relief as may be required to advance the Applicants' restructuring.

6. In addition, the Applicants also intend to seek an Order at the Comeback Hearing (the "**SISP Approval Order**") which, among other things, would:

- (a) authorize and approve BZAM's execution of a share subscription agreement (the "**Stalking Horse Purchase Agreement**") among BZAM and a corporation (the "**Stalking Horse Purchaser**") related to Bassam Alghanim, who is BZAM's largest shareholder, current Chairman, and the individual that ultimately controls Stone Pine Capital Ltd. ("**Stone Pine**"), a secured creditor of BZAM, *nunc pro tunc*, including the Bid Protections (as defined below);
- (b) grant a Court-ordered charge (the "**Bid Protections Charge**") over the Property in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections, with the priority set out therein;
- (c) approve a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**", and authorizing the Applicants and the Monitor to implement the SISP pursuant to its terms; and



- (d) authorize and direct the Applicants and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the SISP.

## **II. OVERVIEW**

7. 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”. It is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on production and sale of various cannabis products. The Company owns cannabis cultivation and processing facilities in Ontario and Alberta, leases production facilities in Ontario, British Columbia and Québec, leases a retail store in Saskatchewan, and has its corporate offices in Ontario and British Columbia.

8. The Applicants are in a dire liquidity crisis and, absent the approval of the additional financing proposed to be made available under the DIP Loan, will not be able to meet their obligations as they become due. Accordingly, there is significant urgency to this CCAA application and the relief sought pursuant to the Initial Order.

9. As a result, the Applicants are seeking protection under the CCAA to, among other things, obtain additional financing in order to continue operations and to implement the SISP that would see the Company restructured and/or all or a portion of the Applicants’ business and assets sold as a going concern.

10. The Company's existing senior secured creditor, Cortland Credit Lending Corporation ("**Cortland**"), has agreed to provide additional financing through the DIP Loan (in its capacity as lender, the "**DIP Lender**") to, among other things, provide the Applicants with the immediate access to funding needed to continue to operate and preserve the value of their operations while the SISP is conducted subject to certain conditions, including Court approval. As noted above, the relief in respect of the SISP is intended to be sought at the Comeback Hearing; no relief related to the SISP is being sought at this time.

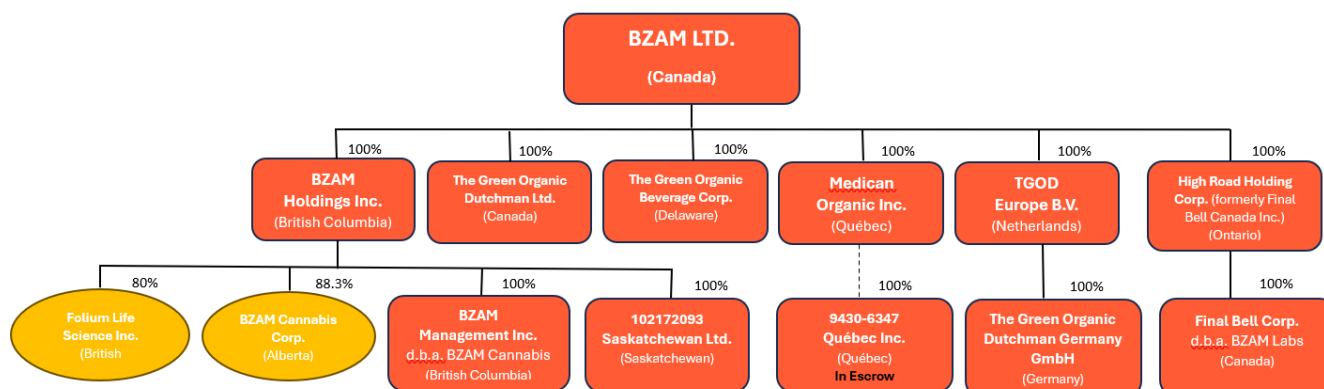
11. The CCAA filing and the proposed SISP are intended to benefit all of the Company's stakeholders in Canada and internationally, including the Company's many employees, customers, suppliers, secured creditors, other contracting parties, Health Canada, and the relevant provincial cannabis regulators.

### III. CORPORATE STRUCTURE OF THE COMPANY

12. A copy of the Company's current corporate structure is attached hereto as **Exhibit "A"** and is reproduced below for ease of reference:

BZAM Ltd. Corporate Org Chart

As of February 20, 2024, Issued/Outstanding Shares of BZAM Ltd: 273,578,952 common [shares](#)



13. 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.

14. For the purpose of this affidavit and for greater certainty, all references to the Applicants include each of their predecessor entities.

**A. BZAM**

15. BZAM was incorporated under the name "The Green Organic Dutchman Holdings Ltd." ("**TGOD Holdings**") under the *Canada Business Corporations Act*, RSC 1985, c C-44 (the "**CBCA**") by articles of incorporation dated November 11, 2016, and it later amended its articles on February 23, 2023 to change its name to "BZAM Ltd.". BZAM's registered head office is located in Pitt Meadows, British Columbia. BZAM wholly-owns five of the other Applicants: BZAM Holdings, BZAM Management, TGOD, Medican Organic and High Road Holding. A copy of BZAM's corporate profile report is attached hereto as **Exhibit "B"**.

16. BZAM's name change resulted from a transaction between TGOD Holdings and BZAM Holdings. On November 3, 2022, TGOD Holdings acquired all of the issued and outstanding common shares of BZAM Holdings from BZAM Holdings' sole shareholder in exchange for common shares of TGOD Holdings. This transaction resulted in BZAM Holdings' then-sole shareholder holding approximately 49.5% of the issued and outstanding shares in TGOD Holdings.

17. On January 8, 2024, BZAM acquired all of the issued and outstanding common shares of Final Bell Canada Inc. (now known as High Road Holding) from Final Bell Holdings International

Ltd. ("**FBHI**"). This transaction combined BZAM's cultivation, production, and sales infrastructure with the portfolio of brands that FBHI is bringing to market in Canada.

## **B. The Applicant Subsidiaries**

### **1. BZAM Holdings**

18. BZAM Holdings was incorporated under the *Business Corporations Act*, SBC 2002, c 57 (the "**BCBCA**") on January 17, 2019 to act 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. A copy of BZAM Holdings' corporate profile report is attached hereto as **Exhibit "C"**.

### **2. BZAM Management**

19. BZAM Management was incorporated under the BCBCA on March 12, 2019 and currently does business as "BZAM Cannabis". BZAM Management is a licensed entity with Health Canada that operates out of a leased facility located at Units 517-519, 19100 Airport Way, Pitt Meadows, British Columbia (the "**Pitt Meadows Facility**"). A copy of BZAM Management's corporate profile report is attached hereto as **Exhibit "D"**.

### **3. BZAM Cannabis**

20. BZAM Cannabis was incorporated under the name "1771277 Alberta Inc." under the *Business Corporations Act*, RSA 2000, c B-9 (the "**ABCA**") by articles of incorporation dated September 10, 2013 and later renamed "BZAM Cannabis Corp." following an amalgamation with Sweetgrass Inc. BZAM Cannabis is a licensed entity with Health Canada that operated out of a

facility that it owns located at 8770 24th Street, Sherwood Park, Alberta (the "**Edmonton Property**"). The Edmonton Property is currently listed for sale. There is some cultivation equipment on the grounds of the Edmonton Property, but BZAM Cannabis does not have any active operations or inventory at the Edmonton Property. A copy of BZAM Cannabis' corporate profile report is attached hereto as **Exhibit "E"**.

#### **4. Folium Life Science**

21. Folium Life Science was incorporated under the BCBCA on April 29, 2013. Folium Life Science is a licensed entity with Health Canada that operates out of a leased facility located at #107-109, 1761 Sean Heights, Saanichton, British Columbia (the "**Saanichton Facility**"). The Saanichton Facility currently holds various cultivation equipment and inventory. A copy of Folium Life Science's corporate profile report is attached hereto as **Exhibit "F"**.

#### **5. 102 Saskatchewan**

22. 102 Saskatchewan was incorporated on June 15, 2023 under *The Business Corporations Act, 2021*, SS 2021, c 6 and sells cannabis products direct to customers under a retail sales license through a leased store located at 40 Great Plains Road, Emerald Park, Saskatchewan (the "**Regina Store**"). A copy of 102 Saskatchewan's corporate profile report is attached hereto as **Exhibit "G"**.

#### **6. TGOD**

23. TGOD was incorporated under the CBCA on January 10, 2013. TGOD is a licensed entity with Health Canada that operates out of a facility that it owns located at 1915 Jerseyville Road West, Jerseyville, Ontario (the "**Hamilton Facility**"). A copy of TGOD's corporate profile report is attached hereto as **Exhibit "H"**.

## **7. Medican Organic**

24. Medican Organic was incorporated under the *Business Corporations Act*, SQ 2009, c 52 (the "**QCBCA**") on September 19, 2017 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). A copy of Medican Organic's corporate profile report is attached hereto as **Exhibit "I"**.

## **8. High Road Holding**

25. High Road Holding was incorporated under the name "Final Bell Canada Inc." under the *Business Corporations Act*, RSO 1990, c B.16 (the "**OBCA**") by articles of incorporation dated January 18, 2021. As described above, Final Bell Canada Inc. amended its articles on January 8, 2024 to change its name to "High Road Holding Corp." after its acquisition by BZAM. High Road Holding wholly-owns BZAM Labs, another Applicant. A copy of High Road Holding's corporate profile report is attached hereto as **Exhibit "J"**.

## **9. BZAM Labs**

26. BZAM Labs was incorporated under the name "Mettrum (Bennett North) Ltd." under the CBCA by articles of incorporation dated March 3, 2016, later renamed "Starseed Medicinal Inc." on June 21, 2019, and then later renamed "Final Bell Corp." on June 15, 2021. BZAM Labs is a licensed entity with Health Canada that currently does business as "BZAM Labs" and operates out of a leased facility located at 1100 Bennett Road, Bowmanville, Ontario (the "**Bowmanville Facility**"). A copy of BZAM Labs' corporate profile report is attached hereto as **Exhibit "K"**.

**C. The Non-Applicant Stay Parties**

27. There are four direct and indirect Subsidiaries of BZAM that are not Applicants in these proceedings:

(a) 943 Québec;

(b) The Green Organic Beverage Corp. ("**TGOB**"), a dormant company based in Delaware;

(c) TGOB Europe B.V. ("**TGOB Europe**"), a company based in the Netherlands; and

(d) The Green Organic Dutchman Germany GmbH ("**TGOB Germany**"), a dormant company based in Germany.

28. 943 Québec was incorporated on December 7, 2020 under the QCBCA and is a licensed entity with Health Canada that operates out of a leased facility located at 5000 Chemin Murphy, Vaudreuil-Dorion, Québec (the "**Québec Facility**"). A copy of 943 Québec's corporate profile report is attached hereto as **Exhibit "L"**.

29. On November 11, 2022, Medican Organic entered into a Share Purchase Agreement, Lease Agreement and Letter of Intent to acquire 943 Québec. Those agreements are currently being held in escrow until certain condition precedents listed in the Letter of Intent are met, and the only condition precedent remaining is that the landlord for the Québec Facility obtain municipal approval over certain improvements that it made to the building. Copies of the Share Purchase Agreement, Lease Agreement and Letter of Intent are attached hereto as **Exhibits "M", "N", and "O"**, respectively.

30. Medican Organic currently holds all the issued and outstanding shares in 943 Québec in escrow until the municipal approval is issued. The Company anticipates that the acquisition of 943 Québec will close in the near future, potentially during the pendency of these CCAA Proceedings. The landlord improvements are now complete and the parties agreed that the commencement date under the lease would start in December 2023. As of the date of this affidavit, 943 Québec has paid two instalments of rent at \$12,647.25 per month (inclusive of QST) while the application for municipal approval of the improvements remains pending. The Applicants intend to serve the landlord of the Québec Facility with notice of the CCAA Proceedings for the Comeback Hearing.

31. TGOD Europe wholly-owns TGOD Germany. Neither company has any material assets or operations.

32. TGOB similarly has no assets or operations. A copy of TGOB's corporate profile report is attached hereto as **Exhibit "P"**.

33. Notwithstanding that these parties are not Applicants the Applicants believe that it is critical to the best interests of the Applicants and their stakeholders to extend the benefits of the Stay of Proceedings to the Non-Applicant Stay Parties. The Non-Applicant Stay Parties are highly integrated with the Applicants and will benefit from the CCAA Proceedings and will maximize value and certainty for the entire Company.

34. In particular, 943 Québec has an active business and holds a license with Health Canada for its operations at the Québec Facility and it requires the benefit of the Stay of Proceedings to prevent the landlord of the Québec Facility from exercising its option to terminate the Lease Agreement. In contrast, TGOD Europe, TGOD Germany and TGOB may have tax attributes of some value to the Stalking Horse Purchaser or any potential purchaser in the SISF. The assets and



liabilities of the Non-Applicant Stay Parties would be compromised if these entities did not benefit from the Stay of Proceedings.

#### **IV. BUSINESS OF THE APPLICANTS**

##### **A. The Cannabis Industry in Canada**

35. The cannabis industry has evolved, and continues to evolve, rapidly in Canada. Licenses to cultivate, process and/or sell cannabis, among other things, are regulated under the *Cannabis Act*, S.C. 2018, c. 16 (the "***Cannabis Act***") and through the *Cannabis Regulations*, SOR/2018-144 (the "***Cannabis Regulations***").

36. On October 17, 2018, recreational use of cannabis was legalized in Canada. On that date, the *Cannabis Act*, which regulates retail cannabis for recreational adult-use, medical cannabis and industrial hemp in Canada, came into effect. Additionally, cannabis was removed as a controlled substance from the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, and the *Access to Cannabis for Medical Purposes Regulations*, SOR/2016-230 was repealed.

37. On October 17, 2019, the *Cannabis Act* was amended to broaden the scope of legal cannabis products, to include edible cannabis, cannabis extracts and cannabis topicals.

38. The cannabis industry continues to be a highly regulated industry, with the *Cannabis Act* regulating the possession, cultivation, production, distribution, sale, research, testing, import, export and promotion of cannabis.

**B. The Company's Business**

39. The Company engages in the production, cultivation, processing and distribution of cannabis and cannabis-related products. Its goal is to build a sustainable Canadian cannabis company.

40. Five of BZAMs Subsidiaries are licensed with Health Canada and operate facilities across Canada which cultivate, process and market a range of cannabis products, including dried cannabis and cannabis extract products.

41. BZAM's registered and records office is located in British Columbia, but the majority of the Company's business is based out of Ontario. For example, the Company operates two facilities in Ontario, the Hamilton Facility and the Bowmanville Facility, and nearly 60% of the Company's employees are in Ontario. The Company's senior secured creditor, Cortland, is headquartered in Toronto, Ontario. Several of BZAM's senior management, including the President and the Chief Financial Officer, reside in Ontario and I split my time between the Company's offices in Ontario and British Columbia. In addition, four of BZAM's seven directors reside in Ontario (and two of the other three are non-residents of Canada).

**C. Employees**

42. The Company collectively employs 441 people in Canada through BZAM and its Subsidiaries (collectively, the "**Employees**") of which approximately 256 of the Employees are employed in Ontario.

43. In addition to the Employees, the Company employs approximately 80-90 individuals on a contract basis. These contract workers are not paid through the Company's payroll. The

Company also pays a quarterly director fee to six directors. None of the employees of the Company are unionized and there is no pension plan.

44. The aggregate payroll for the Company is approximately \$2,344,764 per month.

**D. Owned and Leased Real Property**

45. The Company owns two cannabis cultivation and processing facilities:

(a) the Hamilton Facility operated by TGOD and which remains in operation; and

(b) the Edmonton Property that was operated by BZAM Cannabis and is currently listed for sale.

46. The Company cultivates and/or processes cannabis at three different leased locations:

(a) the Saanichton Facility operated by Folium Life Sciences;

(b) the Pitt Meadows Facility operated by BZAM Management; and

(c) the Bowmanville Facility operated by BZAM Labs.

47. In addition to the leased facilities above, 102 Saskatchewan leases the space for the Regina Store where it sells retail products direct to customers. The Company also has a leased storage unit located at 150 Mohawk Street, Brantford, Ontario.

48. The Company also leases certain office space, including BZAM's registered office located at the Pitt Meadows Facility and the registered office for certain Subsidiaries located at Suite 402-5520 Explorer Drive, Mississauga, Ontario. These two locations together serve as the corporate offices for the Company.

49. The Company is currently subletting two additional properties that were previously used as office space:

(a) Suite 1570, 200 Burrard Street, British Columbia; and

(b) 311-455 Boulevard Fénelon, Dorval, Québec.

50. BZAM also makes ongoing payments totaling \$25,000 per month towards a lease it previously held at 780 8th Concession, R.R. 3 Puslinch, Ontario (the "**Puslinch Property**"). BZAM makes these payments pursuant to a Lease Settlement Agreement dated June 30, 2023 it entered into with the landlord for the Puslinch Property following BZAM's sale of 100% of all the issued and outstanding shares in Galaxie Brands Corporation, the previous tenant, to 1000370759 Ontario Inc. who assumed the lease at a reduced monthly rent. BZAM has an obligation to make these ongoing payments for the duration of the new tenant's lease at the Puslinch Property and guaranteed the new tenant's base rent payments of \$40,000 per month until June 30, 2024.

51. The Company's costs for all leased locations is approximately \$355,16.57 in aggregate per month.

#### **E. Third Party Suppliers**

52. The Company relies on several vendors and third-party service providers to operate its business. In particular, various cannabis product providers, lab services, and utility and technology providers are essential to the Company's operations. 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 the Applicants, may prevent the Applicants from operating in the ordinary course and continuing to provide

uninterrupted services to its customers. The Company is not current with respect to many of these obligations and several Subsidiaries have significant accounts payable (as reflected in the aggregate table below on the Company's liabilities).

### **1. Brand License Agreements**

53. The Company has three brand license agreements, in its capacity as the holder of a standard processing license pursuant to the *Cannabis Act*, in which the licensors have licensed certain intellectual property for the Company's use in certain commercialization, manufacturing and ancillary activities in Canada.

### **2. Contract and Manufacturing Agreements**

54. The Company has approximately three to four active manufacturing services agreements, in its capacity as the holder of a standard processing license pursuant to the *Cannabis Act*, in which BZAM Labs provides the counterparties with certain manufacturing and ancillary services in connection with supply chain management, manufacturing, and shipment of certain products.

### **3. Supply Agreements**

55. The Company has four supply agreements with sellers licensed under the *Cannabis Act* pursuant to which the Company purchases certain cannabis raw material from the sellers for use in its own production and manufacturing through purchase orders.

#### **4. Service Provider and Distribution Agreements**

56. The Company has approximately three to four active services and distribution agreements pursuant to which the Company produces and supplies certain products to the counterparty who provides supply management, sale, distribution, and marketing support services for those products.

#### **5. International Supply Agreements**

57. The Company has approximately four to five active supply or purchase agreements pursuant to which it makes certain products available to international purchasers for resale under the purchaser's own brand in its territory.

#### **6. Other Agreements**

58. BZAM Management has a joint venture agreement with another party pursuant to which BZAM Management provides the necessary production and distribution infrastructure for the business and the counterparty provides the necessary intellectual property, expertise and support to the business for launching the products, including services to BZAM Management for branding and marketing, product development, and sales. The revenues from this joint venture flow through BZAM Management's accounts from the provincial boards which are then remitted back to the joint venture's account.

59. BZAM Management, TGOD and BZAM Labs each have cannabis board supply agreements with various provincial and territorial governments pursuant to which these Subsidiaries provide certain products to the relevant provincial or territorial authorities for wholesale distribution and for sale in public and private retail markets.

**F. Excise Duty and Sales Taxes**

60. Cannabis producers in Canada are required to post security pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22 (the "*Excise Act, 2001*"). The security provides the Canada Revenue Agency ("CRA") with financial assurance for any outstanding excise duty payable. The security can be posted in the form of a surety bond or a deposit with the CRA.

61. TGOD and BZAM Management have surety bonds in place for \$1,300,000 and \$3,000,000, respectively, with Intact Insurance who holds 50% of this amount as a cash deposit in the amount of \$2,150,000. BZAM Labs has a \$350,000 cash deposit with the CRA.

62. The security required to be posted with the CRA is calculated as the highest amount of cannabis duties payable for a calendar month in the previous twelve calendar months. These duties are calculated, in part, based on the expected number of grams or milligrams of packaged cannabis products to be sold. As of February 15, 2024, TGOD, BZAM Management and BZAM Labs collectively had approximately \$9,083,289.33 in excise tax arrears. On February 2, 2024, the CRA agreed to a temporary payment plan with BZAM Management pursuant to which it agreed to pay \$164,474 per month in excise taxes. On October 18, 2023, the CRA agreed to a payment plan with TGOD pursuant to which it agreed to pay \$330,000 per month in excise taxes.

63. The following Applicants are also in arrears with respect to payroll deductions, GST, and HST in the amount of approximately \$2,644,500.75 in aggregate. As of February 15, 2024:

(a) TGOD has approximately \$1,056.11 outstanding in respect of payroll deductions;

(b) BZAM Management has approximately \$1,363,291.60 outstanding in respect of GST;

(c) BZAM Cannabis has approximately \$923,851.04 outstanding in respect of GST;

(d) BZAM Labs has approximately \$356,302 outstanding in respect of HST.

64. Each of the Applicants is current on its GST/HST filings. On June 21, 2023, the CRA agreed to a temporary payment plan with BZAM Management pursuant to which it agreed to pay \$97,638 per month in GST, which accounts for \$1,276,781.36 of the GST currently owing.

## **G. Cannabis Licenses**

### **1. Licenses with Health Canada**

65. Certain of the Subsidiaries hold licenses with Health Canada which permit these entities to undertake:

- (a) standard cultivation activities, including: (i) to possess cannabis; (ii) to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting; (iii) to alter its chemical or physical properties by any means; and (iv) to sell cannabis (together, "**Standard Cultivation Activities**");
- (b) standard processing activities, including: (i) to possess cannabis; (ii) to produce cannabis at the licensed site, other than to obtain it by cultivating, propagating or harvesting; and (iii) to sell cannabis (together, "**Standard Processing Activities**");
- (c) activities related to the sale of cannabis for medical purposes, including: (i) to possess cannabis; and (ii) to sell cannabis ("**Medical Purpose Activities**"); and



- (d) research activities, including possession and production of cannabis for use in accordance with any research protocols submitted to Health Canada ("**Research Purpose Activities**").

66. The following Subsidiaries hold licenses issued by Health Canada in accordance with the *Cannabis Act* and *Cannabis Regulations*:

- (a) BZAM Management holds a license that permits it to undertake Standard Processing Activities at the Pitt Meadows Facility. BZAM Management's license expires on March 27, 2025;
- (b) 943 Québec holds a license that permits it to undertake Standard Cultivation Activities and Standard Processing Activities at the Québec Facility. 943 Québec's license expires on April 8, 2027;
- (c) Folium Life Science holds a license that permits it to undertake Standard Cultivation Activities and Medical Purpose Activities at the Saanichton Facility. Folium Life Science's license expires on May 10, 2024;
- (d) TGOD holds a license that permits it to undertake Standard Cultivation Activities, Standard Processing Activities and Medical Purpose Activities at the Hamilton Facility. TGOD's license expires on July 20, 2027;
- (e) BZAM Cannabis holds a license that permits it to undertake Standard Cultivation Activities, Standard Processing Activities and Medical Purpose Activities at the Edmonton Property. BZAM Cannabis' license expires on December 5, 2027;

- (f) BZAM Labs holds a license which permits it to undertake Standard Cultivation Activities, Standard Processing Activities and Medical Purpose Activities at the Bowmanville Facility. BZAM Labs' license expires on October 27, 2027; and
- (g) BZAM Labs also holds a license which permits it to undertake Research Purpose Activities at the Bowmanville Facility. BZAM Labs' license expires on February 7, 2025.

67. Copies of the above licenses with Health Canada are attached hereto as **Exhibit “Q”**.

## **2. Licenses with the CRA**

68. BZAM Management, BZAM Labs, Folium Life Science and TGOD each have cannabis licenses with the CRA that require them to apply cannabis excise stamps to their cannabis products in accordance with the *Excise Act, 2001*.

69. The CRA wrote to BZAM Management on January 29, 2024 to advise that BZAM Management's cannabis license will expire at midnight on February 29, 2024. The CRA imposed the condition that BZAM Management maintain contact with a collections officer to ensure that a mutually agreeable payment arrangement was followed. BZAM Management has asked the assigned collections officer for an extension to April 15, 2024 to comply with the condition. A copy of the CRA's letter dated January 29, 2024 is attached hereto as **Exhibit “R”**.

70. BZAM Labs' cannabis license with the CRA is set to expire on May 16, 2024. A copy of BZAM Labs' cannabis license renewal letter from the CRA is attached hereto as **Exhibit “S”**.

71. Folium Life Science's cannabis license with the CRA is set to expire on September 30, 2024. A copy of Folium Life Science's cannabis license renewal letter from the CRA is attached hereto as **Exhibit "T"**.

72. TGOD's cannabis license with the CRA is set to expire on October 16, 2024. A copy of TGOD's cannabis license renewal letter from the CRA is attached hereto as **Exhibit "U"**.

## **H. Intellectual Property**

73. BZAM owns trademarks on certain core branded products including BZAM™, TGOD™, Highly Dutch Organic™, and TABLE TOP™. BZAM also produces products under license for various third party brands and suppliers as described above.

## **I. Cash Management and Credit Cards**

74. The Company maintains 19 bank accounts with BMO and Alterna Bank. The Company also has a business credit card used by certain employees that is secured by cash with BMO. BZAM maintains unsecured intercompany loan accounts with many of its Subsidiaries, and those Subsidiaries maintain unsecured intercompany loans with other Subsidiaries, and money flows between BZAM and the Subsidiaries against these intercompany loan accounts.

## **V. FINANCIAL POSITION OF THE APPLICANTS**

75. A copy of the Company's unaudited consolidated balance sheet as at January 31, 2024 is attached hereto as **Exhibit "V"**. Certain information contained in this unaudited balance sheet is summarized below.

76. The Applicants have struggled with cash flow, and since January 31, 2024 in particular, the cash position of the Applicants has deteriorated significantly. The cash on hand for the Applicants for the week of February 25, 2024 is expected to be approximately \$1,848,000.

**A. Assets**

77. As at January 31, 2024 the Company had total consolidated assets with a book value of approximately \$195,711,080, which consisted primarily of the following:

<b>Asset Type</b>	<b>Book Value (Consolidated)</b>
<b>Current Assets (Total):</b>	<b>\$100,203,370</b>
Cash and Cash Equivalents	\$4,253,289
Restricted Cash	\$86,633
Trade Receivables	\$14,065,092
Biological Assets	\$5,193,174
Inventories	\$58,828,406
Prepaid Expenses and Deposits	\$5,186,618
Other Current Assets	\$455,874
Due from Related Parties	\$1,658,284
Assets Held for Sale	\$10,476,000
<b>Non-Current Assets (Total):</b>	<b>\$95,507,710</b>
Property, Plant and Equipment	\$75,127,717
Intangible Assets	\$18,353,274
Goodwill	\$790,306
Other Assets	\$1,236,413

Asset Type	Book Value (Consolidated)
<b>Total</b>	<b>\$195,711,080</b>

78. The net realizable value of the assets is expected to be considerably less than the book value.

## **B. Liabilities**

79. As at January 31, 2024 the Company had total consolidated liabilities with a book value owing of approximately \$112,873,839, which consisted primarily of the following:

Liability Type	Book Value (Consolidated)
<b>Current Liabilities (Total):</b>	<b>(\$100,883,319)</b>
Accounts Payable and Accrued Liabilities	(\$28,211,004)
Excise Duties Payable	(\$9,525,910)
Sales Taxes Payable	(\$2,188,326)
Due to Related Parties	(\$2,420,530)
Unearned Revenue	(\$2,497,443)
Current Portion of Lease Liabilities	(\$2,491,578)
Debt	(\$53,548,528)
<b>Non-Current Liabilities (Total):</b>	<b>(\$11,990,520)</b>
Lease Liabilities	(\$11,990,520)
<b>Total</b>	<b>(\$112,873,839)</b>

## C. Secured Obligations

### 1. Credit Agreement with Cortland

80. On March 31, 2020, TGOD entered into a credit agreement with Cortland Credit Lending Corp. ("**Cortland**"), which was subsequently amended three times pursuant to which Cortland provided TGOD with a secured revolving credit facility totaling \$22,000,000 (as amended, the "**Original Credit Agreement**"). A copy of the Original Credit Agreement is attached hereto as **Exhibit "W"**.

81. TGOD also executed a debenture that, among other things, contained prohibitions against the creation of any mortgage, lien, security interest or encumbrance against its property, assets and undertakings in priority to Cortland's security interest (the "**Debenture**"). A copy of the Debenture is attached hereto as **Exhibit "X"**.

82. The Original Credit Agreement was amended and restated in its entirety on:

- (a) September 29, 2021, pursuant to an amended and restated credit agreement to extend the term, set the total facility limit, and provide immediate funding, which was then amended a further six times (as amended, the "**First ARCA**"). A copy of the First ARCA is attached hereto as **Exhibit "Y"**; and
- (b) January 8, 2024, pursuant to a further amended and restated credit agreement (the "**Second ARCA**" and, together with the Original Credit Agreement and the First ARCA, the "**Credit Agreement**") following BZAM's acquisition of Final Bell Corp. (*i.e.*, BZAM Labs). The Second ARCA was entered into to incorporate the assets of BZAM Labs into the security collateral of Cortland and, amongst other

things: (i) amend the EBITDA financial covenant to take effect on a rolling three month average basis; (ii) repay \$1,000,000 on the fixed portion of the facility from the proceeds of sale of the Edmonton Property, such repayment amount then becoming available under the revolving portion of the facility; and (iii) allow for an unsecured promissory note to be issued to FBHI (as described in further detail below). A copy of the Second ARCA is attached hereto as **Exhibit “Z”**.

83. Under the Credit Agreement, Cortland provided TGOD with an interest-bearing term and revolving credit facility totaling \$34,000,000. Each loan advance under the Credit Agreement (as amended by the Second ARCA) bears interest at an interest rate which is the greater of: (i) 12% per annum; and (ii) the TD Prime Rate, plus the Applicable Margin (as those terms are defined in the Credit Agreement), and is calculated daily and due and payable on the last business day of each month. The guarantors under the Credit Agreement are TGOD, BZAM, Medican Organic, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life Science, High Road Holding and BZAM Labs (together, in such capacity, the "**Cortland Obligors**"). The term of the revolving credit facility expires on March 24, 2024, after which the Company must make monthly prepayments towards the base facility amounts borrowed.

84. Contemporaneously with the Second ARCA, BZAM, Medican Organic, BZAM Holdings, BZAM Management, BZAM Cannabis and Folium Life Science entered into a guarantee and security confirmation agreement with Cortland that, among other things, confirmed that existing guarantees that were entered into at the time of the Original Credit Agreement remained in full force and effect. A copy of the guarantee and security confirmation agreement is attached hereto as **Exhibit “AA”**.

85. On January 8, 2024, High Road Holding and BZAM Labs, which were not parties to the Original Credit Agreement or the First ARCA, entered into general security agreements with Cortland to provide Cortland with a security interest over all their present and after-acquired property. These general security agreements were entered into in the context of BZAM's acquisition of Final Bell Canada Inc. and Final Bell Corp. (*i.e.*, High Road Holding and BZAM Labs) which necessitated granting Cortland security over the two acquired entities. Copies of those general security agreements are attached hereto as **Exhibit "BB"**.

86. As of the date of this affidavit, approximately \$31,919,208.84 of principal is owing under the Credit Agreement and an additional \$362,916.21 of interest has accrued month-to-date for a total amount owing of \$32,282,125.05.

## **2. Promissory Notes with Stone Pine**

87. BZAM has entered into a series of promissory notes with Stone Pine Capital Ltd. ("**Stone Pine**"), a company ultimately controlled by the Company's largest shareholder and current Chairman, as follows:

<b>Date</b>	<b>Principal Amount</b>
March 3, 2023	\$2,500,000
August 30, 2023	\$1,325,000
October 27, 2023	\$1,190,000
November 8, 2023	\$600,000
November 30, 2023	\$2,000,000
December 4, 2023	\$900,000



Date	Principal Amount
Total	\$8,515,000

(together, the "**Stone Pine Promissory Notes**")

88. Copies of the Stone Pine Promissory Notes are attached hereto as **Exhibit "CC"**.

89. The Stone Pine Promissory Notes were all amended on January 4, 2024 to each be payable upon demand provided that Stone Pine shall not be permitted to make demand until the later of either: (i) the maturity date of the Cortland Credit Agreement; and (ii) March 31, 2025. The first two Stone Pine Promissory Notes each carry an interest rate of 10% per annum whereas the remaining Stone Pine Promissory Notes carry an interest rate of the Prime Rate (as defined in the Stone Pine Promissory Notes) plus 8% per annum, with interest being calculated monthly and payable on the last day of each month. If BZAM fails to pay on demand any amounts due and payable and such defaults remain uncured for five business days from written notice, then interest accrues at a higher rate of 18% per annum. The amendment to the Stone Pine Promissory Notes is attached hereto as **Exhibit "DD"**.

90. Contemporaneously with the execution of each of the Stone Pine Promissory Notes, BZAM and Stone Pine entered into a general security agreement (collectively, the "**Stone Pine GSAs**") under which Stone Pine was granted security over all present and after-acquired property, assets and undertakings of BZAM. Copies of the Stone Pine GSAs are attached hereto as **Exhibit "EE"**.

91. BZAM, Stone Pine and Cortland entered into subordination and postponement agreements to subordinate the amounts owing under the Stone Pine Promissory Notes to the amounts owing

under the Credit Agreement with Cortland (the "**Subordination Agreements**"). Copies of the Subordination Agreements are attached hereto as **Exhibit "FF"**.

92. BZAM and Cortland also entered into consent agreements pursuant to which Cortland consented to the Stone Pine Promissory Notes on condition of entering into the Subordination Agreements (the "**Consent Agreements**"). The Consent Agreements include an acknowledgement from BZAM that any defaults in the observance or performance of the Stone Pine Promissory Notes constitute a default under the Credit Agreement. The cash advanced by Cortland under the Credit Agreement was ultimately used to fund the operations of the Subsidiaries downstream. Copies of the Consent Agreements are attached hereto as **Exhibit "GG"**.

93. BZAM has not yet paid any interest to Stone Pine under the Stone Pine Promissory Notes. As of the date of this affidavit, the principal amount of \$8,515,000 remains owing under the Stone Pine Promissory Notes and an additional \$509,755.67 of interest has accrued month-to-date for a total amount owing of \$9,024,755.67.

### **3. Mortgage Loan**

94. At the time of its acquisition by BZAM Holdings, BZAM Cannabis owed approximately \$5,000,000 under a loan which was refinanced on May 31, 2021 and is secured against the Edmonton Property pursuant to a commitment letter dated May 19, 2021 (the "**Mortgage Loan**"). A copy of the Mortgage Loan is attached hereto as **Exhibit "HH"**.

95. The Mortgage Loan bears interest at 10.00% per annum and matures on May 31, 2026. Interest is calculated and compounded monthly and payable monthly on the last day of each month. The loan may be prepaid on 30 days' notice upon the payment of a prepayment fee. The

prepayment fee is equal to the greater of: (i) three months interest; and (ii) the aggregate amount of the agent's and lenders' cost of funds incurred as a result of the prepayment. The Mortgage Loan may be renewed beyond the maturity date for a fee of 2.0% of the outstanding principal amount owing should the lender agree. Security for the loan includes: (i) a first mortgage over the Edmonton Property (the "**Edmonton Property Charge**"); (ii) a general assignment of rents and leases in respect of the Edmonton Property; (iii) a general security agreement over all BZAM Cannabis' present and after acquired personal property; and (iv) a corporate guarantee of BZAM Management. A copy of the security documents under the Mortgage Loan are attached hereto as **Exhibit "II"**.

96. As of the date of this affidavit, the principal amount of \$5,000,000 remains owing under the Mortgage Loan and an additional \$40,229.89 of interest has accrued month-to-date for a total amount owing of \$5,040,229.89.

#### **D. Unsecured Obligations**

##### **1. FBHI Promissory Note**

97. BZAM acquired High Road Holding from FBHI on January 8, 2024. BZAM 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. High Road Holding also provided an unsecured promissory note dated January 5, 2024 to FBHI in the amount of \$8,000,000 (the "**Final Bell Promissory Note**"). The Final Bell Promissory Note does not bear any interest until March 31, 2025, following which it will bear 10% interest until the maturity date of June 15, 2027. A copy of the Final Bell Promissory Note is attached hereto as **Exhibit "JJ"**.

98. On January 15, 2024 and February 15, 2024, BZAM made payments of \$79,167 each pursuant to the payment schedule included as Exhibit "A" to the Final Bell Promissory Note. The next scheduled payment of \$79,167 under the Final Bell Promissory Note is due on March 15, 2024.

99. On February 23, 2024, counsel for FBHI wrote to the board of directors of BZAM alleging, among other things, that the proposed CCAA Proceedings would breach the Share Exchange Agreement entered into among FBHI, BZAM Labs (formerly Final Bell Canada Inc.) and BZAM dated as of December 5, 2023 (the "**Final Bell Agreement**"). In the letter, counsel for FBHI requested advanced notice of any CCAA application. A copy of the letter from counsel for FBHI is attached hereto as **Exhibit "KK"**.

100. On February 26, 2024, counsel for BZAM responded to the letter from FBHI noting, among other things, that it contained numerous factual inaccuracies and mischaracterizations. A copy of the letter from counsel for BZAM is attached hereto as **Exhibit "LL"**.

101. As of the date of this affidavit, there has been no response to the February 26, 2024 letter.

## **2. Third Party Suppliers**

102. Given the nature of its business, the Company relies on a number of vendors and third party service providers and, as such, are party to a number of agreements for the provision of certain essential services including, among other things, insurance, phone and internet, security, utilities, professional costs and other services provided in connection with operating a business in the cannabis industry. The Company has accrued a significant amount of invoices owing to third party suppliers as reflected in the table of liabilities above.

### **3. Employee Liabilities**

103. The Company is current with respect to its payment of payroll and the remittance of employee source reductions. However, BZAM and certain of its subsidiaries have the following employee liabilities, among others:

- (a) BZAM, TGOD, BZAM Management, Folium Life Science, 102 Saskatchewan, Medican Organic and BZAM Labs owe several employees accrued and unpaid vacation pay in the aggregate amount of \$1,103,860;
- (b) the current Chief Financial Officer of BZAM, Sean Bovingdon, will be leaving his position concurrently with the filing of these CCAA Proceedings to take on a consultant role with BZAM until May 31, 2024 and he is anticipated to receive additional remuneration under a payment plan following his departure; and
- (c) 103 of salaried employees are eligible to receive an annual bonus for 2023 under a corporate incentive program as certain objective metrics, both at an individual and corporate level, were met last year. These bonuses are due to be paid at the end of March 2024 and total approximately \$702,000.

### **4. Intercompany Loans**

104. The Company also engages in intercompany borrowing, through which parent or affiliate companies lend funds to their subsidiaries or affiliates. For example, BZAM has advanced unsecured loans to Subsidiaries such as BZAM Holdings, TGOD, Medican Organic, and BZAM Holdings has similarly advanced unsecured loans its subsidiaries such as Folium Life Science, BZAM Cannabis and BZAM Management.

## VI. THE PROPOSED INTERIM FINANCING

105. On February 28, 2024, the following parties entered into a binding term sheet in respect of the DIP Loan (the "**DIP Term Sheet**"):

- (a) TGOD as the borrower (in such capacity, the "**Borrower**");
- (b) TGOD, BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life Science, 102 Saskatchewan, Medican Organic, High Road Holding and BZAM Labs as the guarantors (collectively, and in such capacities, the "**DIP Guarantors**"); and
- (c) Cortland as the DIP Lender.

106. A copy of the DIP Term Sheet is attached hereto as **Exhibit "MM"**.

107. The DIP Term Sheet provides for a super-priority, DIP interim, non-revolving credit facility up to a maximum principal amount that does not exceed the lesser of: (i) \$41,000,000 (the "**Facility Limit**"); and (ii) the Revolving Facility Limit (as defined in the Second ARCA) plus \$7,000,000; provided that any pre-filing obligations and post-filing obligations do not, either individually or in the aggregate, exceed the Facility Limit.

108. The amounts drawn and outstanding under the DIP Loan will bear interest at a rate that is the greater of: (i) the TD Prime Rate (as defined in the Second ARCA) plus 8.05% per annum; and (ii) 12% per annum. Interest on the principal amount outstanding shall be due and payable in cash on the first business day of each month covering interest accrued over the previous calendar month.

109. The DIP Loan includes a commitment fee of \$98,000 which shall be fully payable by the Borrower upon the issuance of the Initial Order and paid from the initial advance under the DIP Loan.

110. The DIP Loan is conditional, among other things, upon the granting of a priority charge over the Property in favour of the DIP Lender to secure the amounts borrowed under the DIP Loan (the "**DIP Lender's Charge**"), however, the DIP Lender has agreed to subordinate the DIP Lender's Charge to all pre-filing amounts owing under the Edmonton Property Charge.

111. In accordance with the DIP Term Sheet, the DIP Loan is to be used during these CCAA proceedings (the "**CCAA Proceedings**") to fund:

- (a) working capital needs in accordance with the Cash Flow Forecast (as defined below);
- (b) fees and expenses associated with the DIP Loan (including without limitation certain expenses, fees of the Monitor, and legal fees of counsel to the DIP Lender, the Applicants and the Monitor); and
- (c) such other costs and expenses of the Borrower as agreed to by the DIP Lender, in writing.

112. The facility made available pursuant to the DIP Term Sheet contemplates a "creeping-roll up" structure, pursuant to which all post-filing receipts by the Applicants will be applied to repay pre-filing obligations owing to Cortland. For greater certainty, the DIP Lender's Charge does not secure any obligation that existed prior to the granting of the Initial Order.

113. The DIP Loan is subject to customary covenants, conditions precedent, and representations and warranties made by the Applicants to the DIP Lender. The DIP Loan must be repaid in full by the date that is the earlier of:

- (a) the Maturity Date (as defined in the DIP Term Sheet);
- (b) the occurrence of an Event of Default (as defined in the DIP Term Sheet); and
- (c) the date of a sale of all or a portion of the Collateral (as defined in the DIP Term Sheet).

114. The amount of the DIP Loan to be funded during the initial Stay of Proceedings (up to a principal amount of \$2,400,000) is only that portion that is necessary to ensure the continued operation of the Applicants' business in the ordinary course during the initial 10 days.

## **VII. RELIEF SOUGHT AT THE INITIAL HEARING**

### **A. Stay of Proceedings**

115. The Applicants urgently require a broad stay of proceedings to prevent enforcement action by certain contractual counterparties and to provide the Applicants with breathing space while they attempt to effect a restructuring, all the while permitting their business to continue to operate as a going concern. In particular, it is critical for the Applicants and 943 Québec (one of the Non-Applicant Stay Parties) to maintain their cannabis licenses with Health Canada and the CRA to ensure the business operates as a going concern in the cannabis industry. Furthermore, BZAM Management's cannabis license with the CRA is set to imminently expire on February 29, 2024.



116. The Applicants are concerned about their failure to meet certain obligations as they become due. It would be detrimental to the Applicants' business if proceedings were commenced or continued, or rights and remedies were executed, against the Applicants. Absent the Stay of Proceedings, the Applicants will not be able to continue to operate their business and will be forced to initiate an abrupt disorderly shutdown.

117. The Applicants are seeking to extend the Stay of Proceedings to the Non-Applicant Stay Parties due to the integration of the business and operations of the Company. The extension of the Stay of Proceedings to these entities is intended to prevent uncoordinated realization and enforcement attempts from being made in different jurisdictions, and thereby preventing immediate losses of value for the Company and its stakeholders.

118. The Applicants believe that without the benefit of the Stay of Proceedings, the Applicants' ability to market and sell their interests in the Non-Applicant Stay Parties (certain of which have active businesses while others may have valuable tax attributes) and their respective assets would be compromised given the lack of stability that would exist. In particular, 943 Québec requires the benefit of the Stay of Proceedings as Medican Organic's transaction to acquire all issued and outstanding shares in 943 Québec is expected to close shortly, at which point 943 Québec will form part of the Company. Without the benefit of the Stay of Proceedings, the landlord for the 943 Québec Facility could exercise its option to terminate the Lease Agreement with 943 Québec.

119. In light of the foregoing, the Stay of Proceedings is in the best interests of the Applicants and their stakeholders. I understand that the Proposed Monitor believes that the Stay of Proceedings – including its extension to the Non-Applicant Stay Parties – is appropriate in the circumstances.

**B. Proposed Monitor**

120. The proposed Initial Order contemplates that FTI will act as Monitor in the Applicants' CCAA Proceedings. I understand that FTI has consented to act as Monitor of the Applicants in the CCAA Proceedings if the proposed Initial Order is granted. A copy of FTI's consent to act as Monitor is attached hereto as **Exhibit "NN"**.

**C. Ability to Pay Certain Pre-Filing Amounts**

121. Pursuant to the proposed Initial Order, the Applicants are seeking authorization (but not the obligation) to pay, among other things:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of the Initial Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) 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 Initial Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to

the Applicants after the date of the Initial Order, including pursuant to the terms of the Initial Order; and

- (c) the fees and disbursements of any Assistants (as defined in the Initial Order) retained or employed by the Applicants in respect of the CCAA Proceedings, at their standard rates and charges.

122. I believe this relief is necessary to maintain ordinary course operations, particularly given the highly regulated nature of the Applicants' business. The Applicants' ability to operate their business in the normal course is dependent on their ability to obtain an uninterrupted supply of certain goods and services.

123. I understand that the Monitor and the DIP Lender are supportive of that relief.

#### **D. Administration Charge**

124. The Initial Order provides for a Court-ordered charge in favour of the Proposed Monitor, as well as counsel to the Proposed Monitor and the Applicants, over the Property, to secure payment of their respective fees and disbursements incurred in connection with services rendered in respect of the Applicants up to a maximum amount of \$500,000 (the "**Administration Charge**"). The Administration Charge is proposed to rank ahead of and have priority over all of the other Charges.

125. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

126. The Applicants and the Proposed Monitor worked collaboratively to estimate the quantum of the Administration Charge required, which takes into account the limited retainers the professionals currently have and their material outstanding fees. I believe that the Administration Charge is fair and reasonable in the circumstances. I understand that the Proposed Monitor is also of the view that the Administration Charge is fair and reasonable in the circumstances, and that the proposed DIP Lender support the Administration Charge.

127. The Applicants intend to seek an increase to the Administration Charge to \$1,000,000 at the Comeback Hearing.

**E. DIP Lender's Charge**

128. The DIP Term Sheet provides, among other things, that the DIP Loan is contingent on the granting of the DIP Lender's Charge:

- (a) with respect to all Property other than the Edmonton Property, the DIP Lender's Charge is proposed to rank in priority to the Directors' Charge, but subordinate to the Administration Charge; and
- (b) with respect to the Edmonton Property, the DIP Lender's Charge is proposed to rank in priority to the Directors' Charge, but subordinate to the Administration Charge and the Edmonton Property Charge.

129. Pursuant to the proposed Initial Order, the DIP Lender's Charge will secure all of the credit advanced under the DIP Loan. The DIP Lender's Charge will not secure obligations incurred prior to the CCAA Proceedings.

130. The amount to be funded under the DIP Loan during the initial Stay of Proceedings is limited to the amount necessary to ensure the continued operations of the Applicants' business. Correspondingly, the DIP Lender's Charge under the proposed Initial Order is limited to the amount to be funded during the initial Stay of Proceedings. The Applicants intend to seek an increase to the DIP Lender's Charge at the Comeback Hearing to the full principal amount available under the DIP Loan.

**F. Directors' Charge**

131. I am advised by Sean Zweig of Bennett Jones LLP, and believe that, in certain circumstances, directors and officers can be held liable for obligations of a company, including those owed to employees and government entities. Among other things, I understand that these obligations may include unpaid accrued wages and unpaid accrued vacation pay, together with unremitted excise, sales, goods and services, and harmonized sales taxes.

132. It is my understanding that the Applicants' present and former directors and officers (the "**Directors and Officers**") are among the potential beneficiaries under liability insurance policies maintained by Berkley Insurance Company. However, I understand that these policies have various exceptions, exclusions and carve-outs and that they may not provide sufficient coverage against the potential liability that the Directors and Officers could incur in connection with the CCAA Proceedings.

133. Given the risks related to these CCAA Proceedings and the uncertainty surrounding available indemnities and insurance, I understand that the current Directors and Officers' involvement in the CCAA Proceedings is conditional upon the granting of a priority charge in

favour of the Directors and Officers in the amount of \$5,300,000 (the “**Directors’ Charge**”) which is described in greater detail in the pre-filing report of the Proposed Monitor.

134. The Applicants require the involvement of the Directors and Officers in order to continue business operations in the ordinary course. The Directors’ Charge would serve as security for the indemnification obligations and potential liabilities the Directors and Officers may face during the initial 10-day period of the CCAA Proceedings. The proposed Initial Order contemplates that the Directors’ Charge will rank subordinate to Administration Charge and the DIP Lender's Charge, but in priority to all other claims (except any secured creditors who did not receive notice of this application).

135. The Applicants believe that the Directors’ Charge is reasonable in the circumstances. I understand that the Proposed Monitor is supportive of the Directors’ Charge and its quantum.

136. The Applicants intend to seek an increase to the Directors’ Charge at the Comeback Hearing.

#### **G. Cash Flow Forecast**

137. With the assistance of the Proposed Monitor, the Applicants have undertaken a cash flow analysis to determine the quantum of funding required to finance their operations, assuming the Initial Order is granted, over the 13-week period ending May 25, 2024 (the “**Cash Flow Forecast**”). I understand that the Cash Flow Forecast will be attached to the pre-filing report of the Proposed Monitor.

138. The Cash Flow Forecast indicates that the Applicants urgently require DIP financing to ensure that they have the liquidity required to meet their obligations and continue their business operations during the Stay of Proceedings.

## **H. Additional Relief**

### **1. Relief from Reporting and Filing Obligations**

139. BZAM is seeking to be relieved from incurring any further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada. This relief is necessary given BZAM's status as a publicly-traded company and reporting issuer listed on the Canadian Securities Exchange and the OTCQX.

140. It is anticipated that the CCAA Proceedings will be a transparent process through which BZAM's many shareholders and other stakeholders will receive information and be kept apprised of BZAM's efforts to ensure a going concern transaction. Relief from making the Securities Filings is critical in that it will allow BZAM to avoid the additional time and expense required for staying current on any public filings.

141. In addition to being relieved from having to make any of the Securities Filings, BZAM and the Monitor and their respective directors, officers, employees and other representatives are seeking to be relieved from any personal liability resulting from a failure to make any Securities Filings.

## **2. Relief in respect of the Licenses**

142. The Subsidiaries listed above that hold licenses with Health Canada and cannabis licenses with CRA seek to have their licenses and their ability to receive cannabis excise stamps preserved and maintained during the Stay Period, including their ability to sell cannabis inventory in the ordinary course under those licenses. There is no immediate concern that any of the licenses with Health Canada will expire during the Stay Period, but the term of these licenses must continue for the duration of the Stay Period to ensure these Subsidiaries operate as a going concern. On the other hand, BZAM Management's cannabis license with the CRA will soon expire on February 29, 2024. If that license is allowed 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. The Company has included the CRA on the service list to ensure that it receives notice of these CCAA Proceedings.

## **VIII. RELIEF TO BE SOUGHT AT THE COMEBACK HEARING**

143. As referenced above, the Applicants intend to seek the ARIO and the SISP Approval Order at the Comeback Hearing. The relief contemplated by each of the proposed ARIO and SISP Approval Order is described below.

### **A. ARIO**

#### **1. Stay Extension**

144. The proposed Initial Order seeks the granting of a CCAA stay of proceedings for the Initial Stay Period until March 8, 2024. At the Comeback Hearing, the Applicants intend to seek an



extension of the stay of proceedings. The proposed extension of the stay of proceedings will enable the Applicants to continue to operate the business, conduct the SISP, and close a transaction.

## **2. Increases to Charges**

145. The charges proposed in the Initial Order are intended for the Initial Stay Period only. The proposed ARIO is anticipated to provide for the following amendments to the Charges, listed in order of priority:

- (a) Administration Charge to increase to a maximum of \$1,000,000;
- (b) an increase to the DIP Lender's Charge to a principal amount of \$41,000,000 plus accrued and unpaid interest, fees and expenses; and
- (c) Directors' Charge to increase to a maximum of \$12,900,000.

146. The Applicants do not anticipate any changes to the Edmonton Property Charge or its priority ranking with respect to the Edmonton Property at the Comeback Hearing.

147. The Applicants believe the amounts of the proposed Charges (both in the Initial Order and the ARIO) are fair and reasonable in the circumstances. I understand that the Proposed Monitor is also supportive of the proposed Charges, as increased and/or granted pursuant to the proposed ARIO. In particular, the increase in the Directors' Charge reflects an increase in the Company's liability for excise tax between February and March, from \$1,361,290 as of the date of this affidavit to approximately \$8,690,000 at the Comeback Hearing.

## **B. SISP Approval Order**

148. As discussed above, the Applicants intend to seek the SISP Approval Order at the Comeback Hearing to pursue a going concern transaction for the benefit of its stakeholders.

### **1. Stalking Horse Purchase Agreement**

149. The Stalking Horse Purchase Agreement between BZAM and the Stalking Horse Purchaser will serve as the basis for the Stalking Horse Bid in the SISP.

150. The Stalking Horse Purchase Agreement is contemplated to be structured as a reverse vesting transaction whereby the Stalking Horse Purchaser will restructure the Company through, among other things, an order to be granted by the Court approving the purchase of the Company by the Stalking Horse Purchaser and the vesting out of all liabilities of the Applicants in the event that the Stalking Horse Bid is the successful bid in the SISP.

151. Further details on the Stalking Horse Purchase Agreement and the Stalking Horse Bid will be provided at the Comeback Hearing.

### **2. SISP**

152. The proposed SISP will provide for the Applicants, the Non-Applciant Stay Parties and the Monitor to solicit potentially interested parties, commencing the same day as the granting of the SISP Approval Order.

153. It is anticipated that in order to be considered a "Qualified Bidder", interested parties will be required to enter into a non-disclosure agreement and submit a binding offer meeting the requirements enumerated in the SISP (referred to as a "Qualified Bid").

154. Further details on the SISP will be provided at the Comeback Hearing.


## **IX. CONCLUSION**

155. In consultation with the Company's professional advisors, I believe that the proposed Initial Order is in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. The Stay of Proceedings and the DIP Loan will allow the Applicants and the Non-Applicant Stay Parties to continue ordinary course operations with the breathing space and stability necessary to develop and implement their restructuring. Absent the Stay of Proceedings and approval of the DIP Loan, the Company will be unable to meet its obligations as they become due, which would be detrimental to the value of their business, and in turn, the interests of their stakeholders.


156. In the circumstances, I believe that the CCAA Proceedings are the only viable means of restructuring the Applicants' business for the benefit of their stakeholders and that the relief sought in the Initial Order is limited to what is reasonably necessary to stabilize the Applicants' business in the initial ten (10) day period.

157. If the Initial Order is granted, the Applicants also respectfully submit that the relief sought in the proposed ARIO and SISP Approval Order are appropriate and in the best interests of the Applicants, the Non-Applicant Stay Entities and their stakeholders, and that such Orders be granted at the Comeback Hearing.

SWORN REMOTELY by Matthew )  
Milich stated as being located in the City of )  
Mississauga, in the Province of Ontario, )  
before me at the City of Toronto, in the )  
Province of Ontario, on February 28<sup>th</sup>, )  
2024 in accordance with O. Reg. 431/20, )  
Administering Oath or Declaration )  
Remotely. )

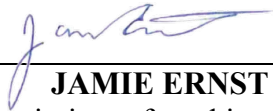
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JAMIE ERNST )  
A Commissioner for Taking Affidavits in )  
and for the Province of Ontario )

DocuSigned by:  
  
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MATTHEW MILICH

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



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**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

**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

**AFFIDAVIT OF MATTHEW MILICH  
(Sworn March 1, 2024)**

I, Matthew Milich, of the City of Long Beach, in the State of California, **MAKE OATH  
AND SAY:**

1. This affidavit is made in support of a motion by BZAM Ltd. ("**BZAM**"), BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd. ("**TGOD**"), Medican Organic Inc., High Road Holding Corp., and Final Bell Corp. doing business as BZAM Labs (each individually, an "**Applicant**", and collectively, the "**Applicants**").

2. I am the Chief Executive Officer of BZAM, which wholly-owns or has a controlling interest in each of the other Applicants and which, directly or indirectly, wholly-owns four other non-Applicant subsidiaries<sup>1</sup> (each subsidiary of BZAM individually a "**Subsidiary**" and together

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<sup>1</sup> The non-Applicant subsidiaries are: (1) 9430-6347 Québec Inc.; (2) The Green Organic Beverage Corp., a dormant company based in Delaware; (3) TGOD Europe B.V., a company based in the Netherlands, and (4) The Green Organic Dutchman Germany GmbH, a dormant company based in Germany (collectively, the "**Non-Applicant Stay Parties**").

the "**Subsidiaries**", and collectively with BZAM, the "**Company**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in:

- (a) the Initial Order of the Honourable Justice Osborne dated February 28, 2024 (the "**Initial Order**") in the Applicants' proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), a copy of which is attached hereto as **Exhibit "A"**;
- (b) my previous affidavit sworn February 28, 2024, in support of the Initial Order (the "**First Milich Affidavit**"), a copy of which is attached hereto (without exhibits) as **Exhibit "B"**; or
- (c) the SISP (as defined below), a copy of which is appended to the proposed SISP Approval Order (as defined below) at Schedule "A", as applicable.

4. All references to currency in this affidavit are in Canadian dollars unless noted otherwise.

## **I. RELIEF REQUESTED**

5. I swear this affidavit in support of motion brought by the Applicants pursuant to the CCAA, for: (i) an amended and restated Initial Order (the "**ARIO**"); and (ii) an order (the "**SISP Approval Order**") approving a sale and investment solicitation process for the purpose of soliciting interest in, and opportunities for the sale of, or investment in, the assets and business operations of the Applicants and the Non-Applicant Stay Parties.

6. The proposed ARIIO, among other things, would:
- (a) extend the Stay of Proceedings to and including May 25, 2024 (the "**Stay Extension**");
  - (b) increase the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41,000,000; and
  - (c) increase the quantum of each of the Administration Charge (to a maximum amount of \$1,000,000), the DIP Lender's Charge (to a principal amount of \$41,000,000, plus interest, fees and expenses), and the Directors' Charge (to a maximum amount of \$12,900,000).
7. The proposed SISP Approval Order, among other things, would:
- (a) authorize and approve BZAM's execution of a share subscription agreement (the "**Stalking Horse Purchase Agreement**") among BZAM and 1000816625 Ontario Inc.<sup>2</sup> (the "**Stalking Horse Purchaser**") dated March 1, 2024, *nunc pro tunc*, including the Bid Protections (as defined below);
  - (b) grant a Court-ordered charge (the "**Bid Protections Charge**") over the Property in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections, with the priority set out in the ARIIO;
  - (c) approve a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**", and

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<sup>2</sup> The Stalking Horse Purchaser is a company related to Bassam Alghanim, who is BZAM's largest shareholder, current Chairman, and the individual that ultimately controls Stone Pine Capital Ltd. ("**Stone Pine**"), a secured creditor of BZAM.



authorizing the Applicants and the Monitor to implement the SISP pursuant to its terms; and

- (d) authorize and direct the Applicants and the Monitor to perform their respective obligations and do all things reasonably necessary to perform their obligations under the SISP.

## **II. INTRODUCTION AND BACKGROUND**

8. 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”. It is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on production and sale of various cannabis products. The Company owns cannabis cultivation and processing facilities in Ontario and Alberta, leases production facilities in British Columbia and Québec, leases a retail store in Saskatchewan, and has its corporate offices in Ontario and British Columbia.

9. The Applicants obtained protection under the CCAA pursuant to the Initial Order on February 28, 2024. The facts underlying the Applicants' financial circumstances and need for CCAA protection are set out in the First Milich Affidavit and are not repeated herein.

10. The Initial Order, among other things:

- (a) declared that the Applicants are parties to which the CCAA applies;
- (b) appointed FTI as the Monitor;

- (c) granted an initial stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and their respective Directors and Officers, until and including March 8, 2024 (the "**Stay Period**");
- (d) extended the benefit of the Stay of Proceedings and other aspects of the Initial Order to the Non-Applicant Stay Parties and their respective Directors and Officers;
- (e) approved TGOD's ability to borrow up to a principal amount of \$2,400,000 under a debtor-in-possession ("**DIP**") credit facility (the "**DIP Loan**") from the Company's existing senior secured creditor, Cortland Credit Lending Corporation ("**Cortland**" and in its capacity as lender, the "**DIP Lender**") to finance the Company's critically required working capital requirements and other general corporate purposes, post-filing expenses and costs during the initial Stay Period with the other Applicants acting as guarantors under the DIP Loan;
- (f) granted the Administration Charge, the DIP Lenders' Charge and the Directors' Charge (collectively, the "**Charges**");
- (g) relieved the Applicants from incurring any further expenses in relation to the Securities Filings and provided that none of the Directors and Officers, employees and other representatives of the Applicants, or the Monitor (and its directors, officers, employees and representatives) shall have any personal liability for any failure by the Applicants to make Securities Filings; and
- (h) relieved BZAM of any obligation to call and hold its Annual General Meeting until further Order of this Court.

### **III. THE ARIO**

#### **A. Increases to the Charges**

##### **1. The Administration Charge**

11. The Initial Order granted an Administration Charge in favour of the Monitor, as well as counsel to the Monitor and the Applicants, over the Property up to a maximum of \$500,000, which took into account the limited retainers the professionals had and their outstanding fees. The ARIO contemplates increasing the quantum of the Directors' Charge to a maximum of \$1,000,000.

12. The Applicants require the expertise, knowledge, and continued participation of the proposed beneficiaries of the Administration Charge during the CCAA Proceedings in order to complete a successful restructuring. Each of the beneficiaries of the Administration Charge will have distinct roles in the Applicants' restructuring.

13. I believe that the increased quantum of the Administration Charge is fair and reasonable in the circumstances. I understand that the Monitor and the DIP Lender are also supportive of the Administration Charge and its increased quantum.

##### **2. The DIP Lenders' Charge**

14. Under the terms of the Initial Order, the maximum principal amount of the DIP Loan to be advanced prior to the Comeback Hearing was limited to \$2,400,000, which was the amount determined to be reasonably necessary to continue ordinary course operations during the initial Stay Period. As such, the DIP Lenders' Charge sought and granted in the Initial Order was limited to a maximum principal amount of \$2,400,000 plus accrued and unpaid interest, fees and expenses.

The Initial Order reflects the DIP Lender's agreement to subordinate the DIP Lender's Charge to all pre-filing amounts owing under the Edmonton Property Charge.

15. The Applicants are now seeking to increase the maximum quantum of the DIP Lenders' Charge to the principal amount of \$41,000,000 (plus accrued and unpaid interest, fees and costs), which is the full amount available to the Applicants under the Court-approved DIP Loan.

16. Additional draws under the DIP Loan are conditional on the increase to the DIP Lenders' Charge being granted. Should the ARIO not be granted and the DIP Lenders' Charge not be increased, the Applicants, the Non-Applicant Stay Parties and their stakeholders stand to suffer material prejudice including, but not limited to, the cessation of their business.

### **3. The Directors' Charge**

17. As is customary in CCAA proceedings, the Initial Order granted a Directors' Charge in favour of the Directors and Officers up to a maximum of \$5,300,000, which reflected an estimate of potential liabilities the Directors and Officers could incur up to the date of the Comeback Hearing. The ARIO contemplates increasing the quantum of the Directors' Charge to a maximum of \$12,900,000.

18. I believe that the increased quantum of the Directors' Charge is fair and reasonable in the circumstances. It is calculated based on an estimate of the maximum potential liability the Directors and Officers could have during the CCAA Proceedings. I understand that the Monitor and the DIP Lender are supportive of the Directors' Charge and its increased quantum. I further understand that the Monitor will include a breakdown of the proposed \$12,900,000 Directors' Charge in its First Monitor's Report.

## **B. Priority of the Charges**

### **1. Cortland's Pre-Filing Debt Charge**

19. Pursuant to section 3.5(f) of the DIP Loan, the parties agreed that the Directors' Charge would rank subordinate to the DIP and Cortland's pre-filing security. This was not expressly set out under the priority ranking of the Charges under the Initial Order. Accordingly, the ARIO is seeking to correct the priority ranking on the Property and the Edmonton Property to include a charge in favour of Cortland for all existing security for all amounts due under the Amended and Restated Credit Agreement dated January 8, 2024 ("**Cortland's Pre-Filing Debt Charge**"). Cortland's Pre-Filing Debt Charge will rank subordinate to the DIP Lender's Charge, but ahead of the Directors' Charge with respect to the Property and the Edmonton Property.

### **2. Encumbrances**

20. The Initial Order provides that the beneficiaries of the Charges, including the DIP Lender, are entitled to seek priority for their respective Charge over any Encumbrance (as defined in the Initial Order) in favour of any person that was not previously served with notice of the hearing in respect of the Initial Order.

21. I am advised that the DIP Lender requires that the ARIO provide that the DIP Lenders' Charge rank in priority to all Encumbrances (other than the Administration Charge and the Edmonton Property Charge), including Encumbrances in favour of any person that was not previously provided with notice of the hearing in respect of the Initial Order. Accordingly, pursuant to the ARIO, the Applicants' are seeking to have the Charges rank in priority to all Encumbrances.

22. I am advised by Sean Zweig of Bennett Jones LLP, counsel for the Applicants, that the parties holding such Encumbrances will be given notice of the motion in respect of the ARIO and the SISP Approval Order.

**C. Stay Extension**

23. Pursuant to the Initial Order, the Court granted the initial Stay Period until and including March 8, 2024. Pursuant to the ARIO, the Applicants are seeking an extension of the Stay Period until and including May 25, 2024.

24. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business, finalize the SISP and the Stalking Horse Purchase Agreement, and with the assistance of the Monitor, deploy a communications plan notifying key stakeholders of the CCAA Proceedings. Specifically, the communications plan has included:

- (a) disseminating a press release through The Newswire informing investors and other interested parties that the Applicants had obtained protection pursuant to the CCAA;
- (b) hosting virtual town hall meetings with the Applicants' employees;
- (c) contacting key customers and suppliers; and
- (d) notifying Health Canada of these proceedings.

25. It is necessary and in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders that the Stay Period be extended until May 25, 2024, as it will allow the

Applicants and the Monitor to complete the SISP (if approved by this Court), which will ultimately preserve and maximize the value of the Applicants' and the Non-Applicant Stay Parties' business for the benefit of their many stakeholders.

26. As is demonstrated in the Cash Flow Forecast appended to the Monitor's Pre-Filing Report, subject to the granting of the ARIO, the Applicants are forecast to have sufficient liquidity to fund their obligations and the costs of the CCAA Proceedings through to the end of the extended Stay Period.

#### **IV. THE SISP APPROVAL ORDER**

27. The Applicants seek the proposed SISP Approval Order to pursue a going concern transaction for the benefit of its and the Non-Applicant Stay Parties' stakeholders. The proposed SISP Approval Order has two key aspects: (a) authorize and approve BZAM's execution of the Stalking Horse Purchase Agreement; and (b) approve the SISP in which the Stalking Horse Purchase Agreement will serve as the Stalking Horse Bid.

##### **A. Stalking Horse Purchase Agreement**

28. The Stalking Horse Purchase Agreement between BZAM and the Stalking Horse Purchaser (*i.e.*, 1000816625 Ontario Inc.) will serve as the basis for the Stalking Horse Bid in the SISP. A copy of the Stalking Horse Purchase Agreement is attached hereto as **Exhibit "C"**.

29. I believe that utilizing a stalking horse is of significant benefit to the Applicants because, among other things, it assures the Applicants' many stakeholders – including its hundreds of employees, customers, suppliers, Health Canada and CRA – that there will be a going-concern outcome for the Applicants' business.

30. The Stalking Horse Purchase Agreement is contemplated to be structured as a reverse vesting transaction whereby the Stalking Horse Purchaser will restructure the Company through, among other things, an order to be granted by the Court (the "**RVO**") approving the purchase of the Company by the Stalking Horse Purchaser and the vesting out of certain liabilities of the Applicants in the event that the Stalking Horse Bid is the "**Successful Bid**" in the SISP. The transaction was structured as a reverse vesting transaction, among other reasons, because the Applicants' cannabis licenses cannot be transferred in a typical asset vesting structure.

31. The Stalking Horse Purchase Agreement is the product of significant efforts and negotiations among the Stalking Horse Purchaser, the Company, the Monitor and the Company's secured creditors, Stone Pine and Cortland. The Stalking Horse Purchase Agreement will pay out, in full, the amount of Cortland's secured debts under the Credit Agreement. The significant terms of the Stalking Horse Purchase Agreement include, among other things:

Term	Details <sup>3</sup>
1.1 "Assumed Liabilities"	<p><b>"Assumed Liabilities"</b> means:</p> <p>(a) All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).</p> <p>All mortgages registered on title to the real property owned by any of the Company Group Members.</p> <p>All amounts owing under the existing charge on Plan 8720213, Block 5, Lot 4, excepting thereout all mines and minerals and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8, in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636.</p> <p>Other Assumed Liabilities to be agreed by the Parties.</p>

<sup>3</sup> All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the Stalking Horse Purchase Agreement.



	<p>(b) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; and</p> <p>(c) any Tax Liabilities and Transaction Taxes referred to in Section 3.1(c) and Section 3.2(c).</p>
1.1 "Cash Consideration"	<p><b>"Cash Consideration"</b> means an amount sufficient to pay in full in cash all (i) amounts owing in respect of the DIP Facility; (ii) amounts owing by the CCAA Applicants to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; and (iii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.3 and 6.2(b).</p>
2.1 Deposit	<p>The Purchaser shall pay to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 (the <b>"Cash Deposit"</b>), within two (2) days of the granting of the SISP Order by the Court, which Cash Deposit shall be held in escrow by the Monitor in a non-interest bearing account on behalf of the Company. If the Closing does not occur for any reason and the Agreement is terminated, the Cash Deposit will be forthwith refunded in full to the Purchaser (without interest, offset or deduction) except:</p> <p>(a) if this Agreement is terminated by the Company pursuant to Section 8.1(a)(v); or</p> <p>(b) if this Agreement is terminated by the Company pursuant to Section 8.1(a)(iv), except if (i) at the time of such termination the condition in Section 7.1(k) has not been satisfied and (ii) the Purchaser has requested an extension of the Outside Date and has not received consent to such extension, in which case the Cash Deposit will be forthwith refunded in full to the Purchaser (without interest, offset or deduction).</p> <p>If this Agreement is terminated by the Company in the circumstances set forth in Sections 2.1(a) or 2.1(b), the Cash Deposit shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions.</p>
2.2 Subscription Price	<p>The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the <b>"Subscription Price"</b>):</p> <p>(i) <u>Assumption of Stone Pine Debt</u>: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall enter into the Stone Pine Debt Assumption Agreement pursuant to which the Purchaser will assume from the Company and agree to pay in full when due the Stone Pine Debt plus accrued and unpaid interest thereon</p>

	<p>as of the Closing Date and the Company shall thereupon be released from all obligations and liabilities under the Stone Pine Debt (collectively, the "<b>Debt Consideration</b>"); and</p> <p>(ii) <u>Cash Consideration</u>: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall pay the Cash Consideration as follows: (A) by the release of the Cash Deposit by the Monitor to the Company, and (B) by wire transfer to an account designated by the Monitor, on behalf of the Company, of immediately available funds in the amount of the balance of the Cash Consideration.</p> <p><u>Assumption of Assumed Liabilities</u>: On the Closing Date and in accordance with the Closing Sequence, the Company Group Members shall retain the Assumed Liabilities. For greater certainty, all Assumed Liabilities, including, but not limited to, the Statement of Trade Payables amounts, will be assumed and retained by the Company and paid on the later of (a) Closing, and (b) when such Assumed Liabilities become due and owing in accordance with their current payment terms and conditions, absent any acceleration that may be asserted to be caused by or associated with the Company Group Members' insolvency or the CCAA Proceedings.</p>
<p>7.1 The Purchaser's Conditions</p>	<p>The Purchaser's closing conditions include, among others:</p> <p>(a) <u>Successful Bid</u>. The Staking Horse Purchase Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.</p> <p>(b) <u>Court Approval</u>. The Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed.</p> <p>...</p> <p>(e) <u>No Material Adverse Effect</u>. During the Interim Period, there shall have been no Material Adverse Effect.</p> <p>...</p> <p>(h) <u>The Terminated Employees</u>. The Company Group Members shall have terminated the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Reverse Vesting Order.</p>

	<p>(i) <u>Residual Co.</u> Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to Residual Co or Discharged; and (ii) the Company Group Members, their businesses and properties shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities, if any); such that, from and after Closing the businesses and properties of the Company Group Members shall exclude the Excluded Assets and the Excluded Contracts, and shall not be subject to any Excluded Liabilities.</p> <p>...</p> <p>(k) <u>Cannabis Licenses.</u> (i) the Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension; and (ii) all required Authorizations from Health Canada in connection with the Closing of the Transactions shall have been obtained.</p>
<p>7.2 The Company's Conditions</p>	<p>The Company's closing conditions include, among others:</p> <p>(a) <u>Successful Bid.</u> The Stalking Horse Purchase Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.</p> <p>(b) <u>Court Approval.</u> The Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed.</p> <p>...</p> <p>(g) <u>Closing Cash Amount.</u> On the Closing Date, prior to Closing, the Company shall have cash in an amount sufficient to satisfy the following payments in full on Closing (the "<b>Closing Cash Amount</b>") and such payments shall have been made on or before the Closing:</p> <ul style="list-style-type: none"> <li>(i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;</li> <li>(ii) the reasonable and documented outstanding legal and financial advisor fees and expenses up to and including Closing of the DIP Lender; and</li> <li>(iii) the Wind-Up Reserve (\$250,000) payable to the Monitor.</li> </ul>

32. If the Stalking Horse Bid is not the Successful Bid in the SISP, then the Stalking Horse Purchaser will be entitled to payment of the Bid Protections up to the maximum amount of \$850,000. The "**Bid Protections**" are comprised of: (i) a break fee of \$750,000; and (ii) and expense reimbursement of \$100,000. The proposed SISP Approval Order provides that the Bid Protections only become effective upon execution of the Stalking Horse Purchase Agreement.

33. The exact purchase price in the Stalking Horse Purchase Agreement is not capable of being calculated at this time because it contemplates the payment or assumption of a currently unknown amount of borrowings under the DIP Loan. However, on the assumption that the DIP Loan will be fully drawn, the maximum amount of the Bid Protections in aggregate is approximately 2% of the purchase price. I am advised by Jeffrey Rosenberg of FTI that the quantum of the Bid Protections is in line with market terms, is consistent with market practice and is reasonable given the circumstances.

34. The Bid Protections are proposed to be secured by the Bid Protections Charge over the Property in favour of the Stalking Horse Purchaser. The Bid Protections Charge, if granted, would have priority over all other security interests, charges and liens, but would rank subordinate to all other Charges pursuant to the ARIO.

## **B. The SISP**

### **1. Overview**

35. The proposed SISP provides for the Applicants, the Non-Applicant Stay Parties and the Monitor to solicit interest in, and opportunities for, a sale of, or investment in, all or part the Company's assets and business operations, commencing the same day as the granting of the SISP

Approval Order. The SISP is divided into two phases and was designed to be a flexible process that will obtain the best offer for the Business to maximize value for the Applicants' many stakeholders.

36. The SISP contemplates one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of one or more of the Company as a going concern or a sale of all, substantially all or one or more components of the assets of the Company (*i.e.*, the Property) and the Company's business operations (the "**Business**") (each an "**Opportunity**"). Ultimately, the SISP will permit the Applicants, the Non-Applicant Stay Parties and their stakeholders to determine the avenues of restructuring available for the Business. A copy of the SISP is appended at Schedule "A" to the SISP Approval Order.

37. The SISP sets out, among other things, the manner in which non-binding letters of intent ("**LOIs**") and binding Qualified Bids for a broad array of executable transaction alternatives (each a "**Transaction**") that are superior to the sale transaction contemplated by the Stalking Horse Bid will be solicited from interested parties and how a Successful Bid will be selected.

38. The SISP contains seven milestones within two phases which are described in the following table:

Milestone <sup>4</sup>	Date
<b>Phase 1</b>	
Commence solicitation of interest from parties, including delivering teaser letter and NDA, and upon execution of NDA, confidential information memorandum and access to an electronic data room.	As soon as possible following issuance of the SISP Approval Order (if granted).

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<sup>4</sup> All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the SISP.

Milestone <sup>4</sup>	Date
Deadline to submit an LOI.	April 8, 2024 at 5:00 p.m. (EST) (the " <b>LOI Deadline</b> ")
Deadline for the Applicants and the Monitor to determine if any LOIs constitute a Qualified LOI.	By no later than April 11, 2024.
<b>Phase 2</b>	
Deadline for Qualified Bidders to submit a Qualified Bid.	April 29, 2024 at 2:00 p.m. (EST) (the " <b>Qualified Bid Deadline</b> ")
The Applicants and the Monitor to commence an Auction, if any.	By no later than May 3, 2024.
Approval Order hearing.	By no later than May 21, 2024, subject to Court availability.
Closing of the Successful Bid.	As soon as possible following an Approval Order (if granted) and, in any event, by no later than June 21, 2024 (the " <b>Outside Date</b> ").

39. The milestones referred to in the above table are described in detail below.

40. I understand that the SISP (including the milestones contained in the SISP) is supported by the Monitor and the DIP Lender. Specifically, the Monitor has advised and agrees that interested parties will have sufficient time to formulate and submit Binding Offers (as defined below) and that the SISP will ensure the Business is sold as a going concern.

## **2. SISP Phase 1**

### **(a) Notification Process**

41. The Monitor, with the assistance of the Applicants, will prepare a process summary (the "**Teaser Letter**"), describing the Opportunity and the SISP, and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP.

42. The Applicants, with the assistance of the Monitor, will prepare a non-disclosure agreement (the "**NDA**") in form and substance satisfactory to the Applicants and the Monitor. The Monitor will disseminate the Teaser Letter and the NDA to potentially interested parties identified by the Applicants and the Monitor or any other interested party who contacts the Applicants or the Monitor. The Teaser Letter and the NDA will also be sent by the Monitor to any other party who requests a copy of the Teaser Letter and the NDA or who is identified to the Monitor or the Company as a potential bidder as soon as reasonably practicable. Any parties that execute an NDA will be prohibited from communicating with any other party who executed an NDA during the term of the SISP, without the consent of the Monitor in consultation with the Applicants.

### **(b) Letters of Intent**

43. Any interested party who wishes to submit an LOI in the SISP must submit an LOI that complies with the following criteria (which the Company and the Monitor, with the consent of the DIP Lender, may waive strict compliance with):

- (a) it sets forth the identity of the interested party, including its contact information, full disclosure of its direct and indirect principals and equity holders, and

information as to the interested party's financial wherewithal to complete a transaction pursuant to the SISP;

- (b) it sets forth the principal terms of the proposed Transaction, including: (i) the nature of the proposed Transaction; (ii) the purchase price or other consideration offered in connection with the Transaction, including material assumed liabilities; (iii) a description of any conditions or approvals required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the Transaction; (v) proposed treatment of the Company's employees; (vi) any other terms or conditions that the interested party believes are material to the Transaction; and (vii) any other information as may be reasonably requested by the Company and the Monitor; and
- (c) it is received by the Company and the Monitor by the LOI Deadline.

44. Following the LOI Deadline, the Company and the Monitor (and, subject to section 21 of the SISP, the DIP Lender and the Stalking Horse Bidder) will assess the LOIs. If no Qualified LOIs are received by the LOI Deadline then the Company and the Monitor (with the consent of the DIP Lender and the Stalking Horse Bidder) may elect to terminate the SISP and send notice of same to the service list established in the CCAA Proceedings and any interested party who submitted an LOI. The Applicants will then proceed to seek Court approval to implement the transaction contemplated by the Stalking Horse Purchase Agreement. If the Company determines (following consultation with the Monitor, the DIP Lender and the Stalking Horse Bidder, subject to section 21 of the SISP) that the Transaction outlined in one or more LOIs represents a viable



potential alternative Transaction that could provide greater value to the Company and their stakeholders than the Stalking Horse Bid, including having regard to: (i) the consideration offered; (ii) the interested party's financial capability to complete a Transaction; (iii) the interested party's ability to make a binding offer by the Qualified Bid Deadline; and (iv) such other factors that the Company and the Monitor consider relevant, then such LOI will be deemed a "**Qualified LOI**" and the interested party submitting such Qualified LOI will be deemed a "**Qualified Bidder**".

### **3. SISP Phase 2**

#### **(a) Qualified Bidder(s) and Qualified Bid(s)**

45. If one or more LOIs are determined to be a Qualified LOI, then the Applicants and the Monitor will proceed to Phase 2. Only Qualified Bidders will be permitted to participate in Phase 2.

46. The Applicants and the Monitor will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be: (i) sent to all Qualified Bidders, and (ii) posted on the Monitor's Website. Phase 2 of the SISP will include, among other things, the opportunity for Qualified Bidders to: (x) conduct additional diligence, including participation in management presentations; and (y) to prepare and submit a binding Qualified Bid on or before the Qualified Bid Deadline.

47. In order to constitute a Qualified Bid, that bid must, among other things, provide aggregate cash consideration on closing in an amount greater than the Stalking Horse Purchase Agreement, plus the Bid Protections.

48. The completion of any Qualified Bid (including, for certainty, the Stalking Horse Purchase Agreement if it is the Successful Bid) will be subject to the approval of the Court. For purposes of the SISP, the Stalking Horse Bidder is deemed a Qualified Bidder and the Stalking Horse Bid is deemed a Qualified Bid.

49. At any time during the SISP, the Company, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Company, with the written consent of the Monitor, also reserves the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Qualified Bid for different parts of the Company's Property or Business or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids, provided that the aggregate of those Qualified Bids satisfies the cash consideration and closing date requirements under section 11 of the SISP.

**(b) Selection of Successful Bid and Approval Order**

50. Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Company or their Property or Business will submit a Qualified Bid by no later 2:00 p.m. EST on April 29, 2024 (the "**Qualified Bid Deadline**").

51. If one or more Qualified Bids (other than the Stalking Horse Bid) are received by the Company and the Monitor on or before the Qualified Bid Deadline, the Company and the Monitor, may:

- (a) negotiate with one or more of the Qualified Bidders who submitted a Qualified Bid, including requesting that such Qualified Bidder improve or otherwise modify the terms of its Qualified Bid;

- (b) consider the factors required to constitute a Qualified Bid under section 11 of the SISP and then designate any Qualified Bid (including the Stalking Horse Bid) to be the highest and best bid in the SISP and therefore the Successful Bid;
- (c) having regards to the same consideration factors above, designate any Qualified Bid as a "**Back-Up Bid**" (provided that the Stalking Horse Purchase Agreement will not serve as the Back-Up Bid unless agreed to in writing by the Stalking Horse Bidder); or
- (d) proceed with an auction process to determine the Successful Bid and any Back-Up Bid (the "**Auction**"), which Auction will be administered in accordance with Schedule "A" appended to the SISP.

52. If no Qualified Bid (other than the Stalking Horse Bid) is received by the Company and the Monitor by the Qualified Bid Deadline, then the Stalking Horse Bid will be deemed the Successful Bid and will be executed in accordance with and subject to the terms of the Stalking Horse Purchase Agreement, including obtaining Court approval thereof.

53. Following selection of the Successful Bid, the Company, with the assistance of its advisors and the Monitor, will seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones. Once the necessary definitive agreement(s) with respect to a Successful Bid are finalized, as determined by the Company and the Monitor, the Applicants will apply to the Court for an order (or orders) approving the Successful Bid and/or the mechanics to authorize the Company to complete the transactions contemplated. The Applicants would seek authorization from the Court for the Company to: (a) enter into any and all necessary agreements and related documentation with respect to the

Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in the Successful Bid (each, an **"Approval Order"**). If the Successful Bid is not executed in accordance with its terms, the Company will be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

#### **4. Creditor Access to Information**

54. The SISP provides creditors of the Company with a mechanism to receive updates and information on the SISP. The Company and the Monitor are permitted, in their discretion, to provide updates and information in respect of the SISP to any creditor (including any advisor thereto) (each a **"Creditor"**) on a confidential basis upon: (a) an irrevocable confirmation in writing from such Creditor it will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Company in a form satisfactory to the Company and the Monitor.

55. With respect to the DIP Lender's and the Stalking Horse Bidder's rights to receive information on the SISP:

- (a) the DIP Lender is only entitled to certain consultation rights specified in the SISP and confidential updates and information from the Company and the Monitor in respect of the SISP, including copies of any LOIs or bids submitted in Phase 2, upon the DIP Lender confirming in writing to the Company and the Monitor that it will not submit any bid in the SISP; and

- (b) the Stalking Horse Bidder shall only be entitled to the consultation rights specified herein in its favour and confidential updates and information from the Company and the Monitor in respect of the SISP, including copies of any LOIs or Qualified Bid, upon the Stalking Horse Bidder irrevocably confirming in writing to the Applicants and the Monitor that it will not submit any bid in the SISP except for the Stalking Horse Bid, except for any revised Stalking Horse Bid that may be submitted in the Auction.

56. The DIP Lender and any other secured lender of the Company shall have the right (subject to compliance with the terms of the SISP) to credit bid their secured debt against the assets secured thereby up to the full face value of that secured lender's claims, including principal, interest and any other obligations owing to such secured lender. However, any secured lender which submits such a credit bid will be required to, among other things: (i) pay in full in cash any obligations of the Company in priority to its secured debt; and (ii) pay appropriate consideration for any assets of the Company which are contemplated to be acquired and that are not subject to that secured lender's security.

## **V. POTENTIAL OBJECTION**

57. As disclosed in the First Milich Affidavit:

- (a) on February 23, 2024, counsel for Final Bell Holdings International Ltd. ("FBHI") wrote to the board of directors of BZAM alleging, among other things, that "BZAM is not insolvent". A copy of the letter from counsel for FBHI is attached hereto as **Exhibit "D"**; and

- (b) on February 26, 2024, counsel for BZAM responded to the letter from FBHI noting, among other things, that it contained numerous factual inaccuracies and mischaracterizations, and offering to have a call to discuss at FBHI's convenience.

A copy of the letter from counsel for BZAM is attached hereto as **Exhibit "E"**.

58. I am advised by Sean Zweig of Bennett Jones LLP, counsel for the Applicants, that as at the time of swearing this Affidavit, there has been no response to the February 26, 2024 letter, and no other attempt by FBHI's counsel to engage in any dialogue with the Applicants' counsel.

59. Instead, FBHI issued a press release on February 29, 2024, a copy of which is attached hereto as **Exhibit "F"**. The press release announced, among other things, FBHI's intention to challenge the CCAA application and that it "intends to use all legal recourse available to it to oppose the CCAA Proceedings and hold BZAM and its management accountable for their actions." It is noteworthy that the press release does not repeat the prior untenable assertion that BZAM is not insolvent.

60. Based on the press release, FBHI appears to have a misunderstanding that BZAM is attempting to do a "quick-flip" transaction. However, as described in detail above, that is not the case. To the contrary, the Applicants and the Monitor have designed a stalking horse sale process that will canvass the market to ensure that value is maximized for the benefit of all of the Applicants' stakeholders, including FBHI.

## VI. CONCLUSION


61. Since the granting of the Initial Order, the Applicants have acted in good faith and with due diligence to, among other things, stabilize their business, apprise their stakeholders of the CCAA Proceedings, and finalize the SISP, all with the assistance and oversight of the Monitor.

62. The Applicants have maintained their ordinary course operations and will continue to do so with the oversight and assistance of the Monitor. In consultation with the Company's professional advisors, I believe that the relief sought and described herein is in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. Further, I understand that the Monitor, the DIP Lenders and Stone Pine are supportive of the relief described herein and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the ARIIO or the SISP Approval Order.

63. I swear this affidavit in support of the of the Applicants' motion for the ARIO and the SISP Approval Order and for no other or improper purpose.

**SWORN REMOTELY** by Matthew )  
Milich stated as being located in the City of )  
Ancaster, in the Province of Ontario, before )  
me at the City of Toronto, in the Province )  
of Ontario, on March 1<sup>st</sup>, 2024 in )  
accordance with O. Reg. 431/20, )  
Administering Oath or Declaration )  
Remotely. )

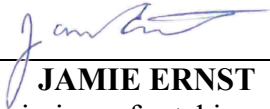
**JAMIE ERNST**  
A Commissioner for Taking Affidavits in  
and for the Province of Ontario

DocuSigned by:  
  
ED78A780251C4

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**MATTHEW MILICH**

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



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**JAMIE ERNST**  
A Commissioner for taking Affidavits  
(or as may be)





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

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

THE HONOURABLE	)	FRIDAY, THE 8 <sup>th</sup>
	)	
JUSTICE OSBORNE	)	DAY OF MARCH, 2024

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. (collectively the "**Applicants**", and each an  
"**Applicant**")

**AMENDED AND RESTATED INITIAL ORDER**  
**(Amending Initial Order Dated February 28, 2024)**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an Amended and Restated Initial Order was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Matthew Milich sworn February 28, 2024, and the Exhibits thereto (the "**Milich Affidavit**") and March 1, 2024 and the Exhibits thereto (the "**Second Milich Affidavit**"), the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**") as the proposed monitor dated February 28, 2024, and the First Report of FTI as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated March 6, 2024, and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto (collectively, the "**Non-Applicant Stay Parties**") and together with the Applicants, the "**BZAM Entities**"), counsel for the Monitor, counsel for

Cortland Credit Lending Corporation (the "**DIP Lender**"), counsel for 1000816625 Ontario Inc. and such other counsel that were present, no one else appearing although duly served as appears from the affidavits of service of Jamie Ernst, filed, and on reading the consent of FTI to act as the Monitor,

## **SERVICE AND INTERPRETATION**

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

2. **THIS COURT ORDERS** that, for the avoidance of doubt, references in this Order to the "date of this Order", the "date hereof" or similar phrases refer to the date the Initial Order of this Court was granted in these proceedings, being February 28, 2024 (the "**Initial Order**").

## **APPLICATION**

3. **THIS COURT ORDERS AND DECLARES** that each of the Applicants is a company to which the CCAA applies. Although not Applicants, the Non-Applicant Stay Parties shall enjoy the benefits of the protections and authorizations provided under the terms of this Order.

## **PLAN OF ARRANGEMENT**

4. **THIS COURT ORDERS** that each of the Applicants shall have the authority to file and may, subject to further Order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

## **POSSESSION OF PROPERTY AND OPERATIONS**

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their respective current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, contractors, agents, experts, accountants, counsel and such other persons

(collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the BZAM Entities shall be entitled to continue to utilize the central cash management system currently in place as described in the Milich Affidavit or, with the consent of the Monitor and the DIP Lender, replace it with another substantially similar central cash management system (the "**Cash Management System**"), and that any present or future bank providing the Cash Management System shall: (i) not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the BZAM Entities of funds transferred, paid, collected or otherwise dealt with in the Cash Management System; (ii) be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the BZAM Entities, pursuant to the terms of the documentation applicable to the Cash Management System; and (iii) be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan (if any) with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement (as defined below), the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on, or after the date of this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable prior to, on, or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) 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 this Order, with the Monitor considering, among other factors, whether (i) the supplier or service provider is essential to the Business and ongoing operations of the Applicants and the payment is required to ensure ongoing supply, (ii) making such payment will preserve, protect or enhance the value of the Property or the Business, (iii) making such payment is

- required to address regulatory concerns, and (iv) the supplier or service provider is required to continue to provide goods or services to the Applicants after the date of this Order, including pursuant to the terms of this Order; and
- (c) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein or in the DIP Agreement, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicants on or following the date of this Order.

9. **THIS COURT ORDERS** that, subject to the terms of the DIP Agreement, the Applicants shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior

to the date of this Order but not required to be remitted until on or after the date of this Order;

- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued or collected after the date of this Order; and
- (d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the applicable Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, monthly on the first day of each month, in advance (but not in arrears) in the amounts set out in the applicable lease or, with the consent of the Monitor and the DIP Lender, at such other time intervals and dates as may be agreed to between the applicable Applicant and landlord. On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **THIS COURT ORDERS** that, except as specifically permitted herein or required pursuant to the terms of the DIP Agreement, the Applicants are hereby directed, until further Order of this Court: (i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (ii) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Property; and (iii) to not grant credit or incur liabilities except in the ordinary course of the Business.

## RESTRUCTURING

12. **THIS COURT ORDERS** that each of the Applicants shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the DIP Agreement, have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$1,000,000 in the aggregate;
- (b) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender;
- (c) in accordance with paragraphs 13 and 14 of this Order, vacate, abandon or quit any leased premises and/or disclaim or resiliate any real property lease and any ancillary agreements relating to the leased premises in accordance with Section 32 of the CCAA;
- (d) disclaim such other arrangements or agreements of any nature whatsoever with whomsoever, whether oral or written, as the applicable Applicant deems appropriate, in accordance with Section 32 of the CCAA;
- (e) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
- (f) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business.

13. **THIS COURT ORDERS** that the applicable Applicant shall provide each relevant landlord with notice of such Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes such Applicant's entitlement to remove any such fixture under the

provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable Applicant, or by further Order of this Court upon application by the applicable Applicant on at least two (2) days' notice to such landlord and any such secured creditors. If any Applicant disclaims or resiliates a lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Subsection 32(5) of the CCAA), and the disclaimer or resiliation of the lease shall be without prejudice to such Applicant's claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer or resiliation is delivered pursuant to Section 32 of the CCAA, then: (i) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable Applicant and the Monitor 24 hours' prior written notice; and (ii) at the effective time of the disclaimer or resiliation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the applicable Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE BZAM ENTITIES OR THEIR RESPECTIVE PROPERTY**

15. **THIS COURT ORDERS** that until and including May 25, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**", and collectively, "**Proceedings**") shall be commenced or continued against or in respect of any of the BZAM Entities or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the BZAM Entities and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the BZAM Entities or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court or the written consent of the BZAM Entities and the Monitor.

## **NO EXERCISE OF RIGHTS OR REMEDIES**

16. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, organization, governmental unit, body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of any of the BZAM Entities or the Monitor, or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the BZAM Entities and the Monitor, or leave of this Court, provided that nothing in this Order shall: (i) empower any BZAM Entity to carry on any business which such BZAM Entity is not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a security interest; or (iv) prevent the registration of a claim for lien.

## **NO INTERFERENCE WITH RIGHTS**

17. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence, authorization or permit in favour of or held by any of the BZAM Entities, except with the written consent of the BZAM Entities and the Monitor, or leave of this Court.

## **CONTINUATION OF SERVICES**

18. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements or arrangements with any of the BZAM Entities or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, accounting services, testing and irradiation services, security services, insurance, transportation services, utility or other services to the Business or any of the BZAM Entities, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by any of the BZAM Entities or exercising any other remedy provided under the agreements or arrangements, and that each of the BZAM Entities shall be entitled to the continued use of its current premises,



telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the applicable BZAM Entity in accordance with the normal payment practices of the applicable BZAM Entity or such other practices as may be agreed upon by the supplier or service provider and the applicable BZAM Entity and the Monitor, or as may be ordered by this Court.

#### **NON-DEROGATION OF RIGHTS**

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the BZAM Entities. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

#### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

20. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by Subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of any of the BZAM Entities with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the BZAM Entities whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

#### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

21. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as a director or officer of any of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of such director's or officer's gross negligence or wilful misconduct.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$12,900,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

23. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary: (i) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge; and (ii) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

#### **APPOINTMENT OF MONITOR**

24. **THIS COURT ORDERS** that FTI is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the BZAM Entities and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by any of the BZAM Entities pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

25. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicants' receipts and disbursements, including the management and use of any funds advanced by the DIP Lender to the Applicants under the DIP Agreement (as defined below);
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

- (c) assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel on a weekly basis, or as otherwise agreed to by the DIP Lender, of financial and other information as agreed to between the Applicants and the DIP Lender, which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than weekly, or as otherwise agreed to by the DIP Lender;
- (e) advise the Applicants in their development of the Plan (if any) and any amendments to the Plan;
- (f) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) monitor all payments, obligations and transfers as between the BZAM Entities;
- (h) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the BZAM Entities, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;
- (i) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (j) perform such other duties as are required by this Order or by this Court from time to time.

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing and distribution of cannabis or cannabis products including, without limitation, under

the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, the *Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Cannabis Regulation Act*, C.Q.L.R. c. C-5.3, as amended or other such applicable federal, provincial or other legislation or regulations (collectively, the "**Cannabis Legislation**"), and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof within the meaning of any Cannabis Legislation or otherwise. For greater certainty, nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity for any purpose whatsoever.

27. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, the *Ontario Occupational Health and Safety Act*, the *Alberta Environmental Protection and Enhancement Act*, the *Alberta Water Act*, the *Alberta Occupational Health and Safety Act*, the *British Columbia Environmental Management Act*, the *British Columbia Water Protection Act*, the *British Columbia Workers Compensation Act*, *The Environmental Management and Protection Act, 2010* (Saskatchewan), the *British Columbia Workers Compensation Act*, the *British Columbia Fish Protection Act*, *The Environmental Management and Protection Act, 2010* (Saskatchewan), the *Agricultural*

*Operations Act* (Saskatchewan), *The Dangerous Goods Transportation Act* (Saskatchewan), *The Water Security Agency Act* (Saskatchewan), the Saskatchewan *Occupational Health and Safety Act, 1993*, the Quebec *Environment Quality Act*, the *Act Respecting Occupational Health And Safety* (Quebec) and regulations thereunder (collectively, "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants including, without limitation, the DIP Lender, with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its employees and representatives acting in such capacities shall incur any liability or obligation as a result of the Monitor's appointment or the carrying out by it of the provisions of this Order including, without limitation, under any Cannabis Legislation, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded to the Monitor by the CCAA or any applicable legislation.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants in these proceedings shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of this Order, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel

for the Applicants in these proceedings on a weekly basis, or pursuant to such other arrangements as may be agreed to between the Applicants and such parties.

31. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, unless permitted by further Order of this Court, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

#### **DIP FINANCING**

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that the borrowings under such credit facility shall not exceed the principal amount of \$41,000,000, unless permitted by further Order of this Court.

34. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP facility agreement between the Applicants and the DIP Lender dated as of February 28, 2024 (as may be amended from time to time, the "**DIP Agreement**"), filed.

35. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Agreement or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Agreement and the Definitive Documents as and

when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not exceed the amount of \$41,000,000, plus interest, fees, costs and other charges under the DIP Agreement, unless permitted by further Order of this Court, or secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 39 and 41 hereof.

37. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 4 days' notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Agreement, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Agreement, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and
- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

38. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in the Plan (if any) filed by any of the Applicants

under the CCAA, or any proposal filed by any of the Applicants under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), with respect to any advances made under the Definitive Documents.

## **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

39. **THIS COURT ORDERS** that the priorities of the Administration Charge, , the Bid Protections Charge (as defined in the Second Milich Affidavit), , the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**") and the Edmonton Property Charge (as defined in the Milich Affidavit) and Cortland's Pre-Filing Debt (as defined below), as among them, shall be as follows:

With respect to all Property other than the Edmonton Property:

First – Administration Charge (to the maximum amount of \$1,000,000);

Second – DIP Lender's Charge (to the maximum amount of \$41,000,000, plus interest, fees, costs and other charges under the DIP Agreement);

Third – DIP Lender's existing security for all amounts due under the Amended and Restated Credit Agreement dated January 8, 2024 ("**Cortland's Pre-Filing Debt**");

Fourth – Directors' Charge (to the maximum amount of \$12,900,000); and

Fifth – Bid Protections Charge.

With respect to the Edmonton Property:

First – Administration Charge (to the maximum amount of \$1,000,000);

Second – Edmonton Property Charge;

Third – DIP Lender's Charge (to the maximum amount of \$41,000,000, plus interest, fees, costs and other charges under the DIP Agreement);

Fourth – Cortland's Pre-Filing Debt;



Fifth – Directors' Charge (to the maximum amount of \$12,900,000); and

Sixth – Bid Protections Charge.

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

41. **THIS COURT ORDERS** that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person notwithstanding the order of perfection or attachment, except for the Directors' Charge and the Bid Protections Charge, which shall rank subordinate to Cortland's Pre-Filing Debt and the Edmonton Property Charge.

42. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Charges, or further Order of this Court.

43. **THIS COURT ORDERS** that the Charges and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other

agreement (collectively, an "**Agreement**") which binds any of the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Agreement or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which the applicable Applicant(s) is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Agreement, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the DIP Agreement or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

44. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Applicant's interest in such real property lease.

#### **CORPORATE MATTERS**

45. **THIS COURT ORDERS** that BZAM Ltd. is hereby relieved of any obligation to call and hold an annual meeting of its shareholders until further Order of this Court.

#### **RELIEF FROM REPORTING AND FILING OBLIGATIONS**

46. **THIS COURT ORDERS** that the decision by BZAM Ltd. to incur no further expenses in relation to any filings (including financial statements), disclosures, core or non-core documents, restatements, amendments to existing filings, press releases or any other actions (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the Securities Act (Ontario), RSO 1990, c S.5 and

comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and other rules, regulations and policies of the Canadian Securities Exchange (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in section 11.1(2) of the CCAA as a consequence of BZAM Ltd. failing to make any Securities Filings required by the Securities Provisions.

47. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of BZAM Ltd. nor the Monitor and its directors, officers, employees and representatives shall have any personal liability for any failure by BZAM Ltd. to make any Securities Filings required by the Securities Provisions during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicant of a nature described in section 11.1 (2) of the CCAA as a consequence of such failure by BZAM Ltd. For greater certainty, nothing in this order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue cease trade orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

#### **"STATUS QUO" OF APPLICANTS' LICENSES**

48. **THIS COURT ORDERS** that (a) the status quo in respect of the Applicants' Health Canada and cannabis excise licenses (collectively, the "**Licenses**") shall be preserved and maintained during the pendency of the Stay Period, including the Applicants' ability to sell cannabis inventory in the ordinary course under the Licenses; and (b) to the extent any License may expire during the Stay Period, the term of such License shall be deemed to be extended by a period equal to the Stay Period.

## SERVICE AND NOTICE

49. **THIS COURT ORDERS** that the Monitor shall: (i) without delay, publish in the *Globe and Mail (National Edition)*, a notice containing the information prescribed under the CCAA; and (ii) within five (5) days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner, a notice to every known creditor who has a claim against any of the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Subsection 23(1)(a) of the CCAA and the regulations made thereunder, provided that the Monitor shall not make the names and addresses of individuals who are creditors publicly available.

50. **THIS COURT ORDERS** that the E-Service Guide of the Commercial List (the "**Guide**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended (the "**Rules of Civil Procedure**"). Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: <http://cfcanada.fticonsulting.com/bzam>.

51. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Guide is not practicable, the Applicants, the Monitor, and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile or other electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service, distribution or notice shall be deemed to be received: (i) if sent by courier, on the next business day following the date of forwarding thereof; (ii) if

delivered by personal delivery or facsimile or other electronic transmission, on the day so delivered; and (iii) if sent by ordinary mail, on the third business day after mailing.

52. **THIS COURT ORDERS** that the Applicants, the Monitor and each of their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message (including by e-mail) to the Applicants' creditors or other interested parties and their advisors, as applicable. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

#### **GENERAL**

53. **THIS COURT ORDERS** that each of the Applicants, the Monitor or the DIP Lender may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder or in the interpretation of this Order.

54. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, the Business or the Property.

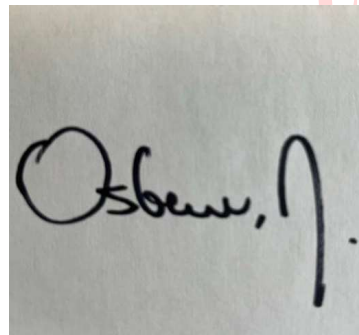
55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

56. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in

carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

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

58. **THIS COURT ORDERS** that the Initial Order of this Court dated February 28, 2024 is hereby amended and restated pursuant to this Order, and this Order and all of its provisions are effective as of 12:01 a.m. (Eastern Time) on the date of this Order without the need for entry or filing.

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2024.03.

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**SCHEDULE "A"**  
**NON - APPLICANT STAY PARTIES**

1. The Green Organic Beverage Corp.
2. TGOD Europe B.V.
3. 9430-6347 Québec Inc.
4. The Green Organic Dutchman Germany GmbH

***URS 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.**

**Court File No./N° du dossier du greffe : CV-24-00715773-00CL**

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

***ONTARIO***

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED INITIAL  
ORDER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario M5X 1A4

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Jamie Ernst (LSO# 88724A)

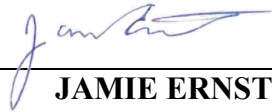
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Lawyers for the Applicants



THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



---

**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)



THE HONOURABLE

JUSTICE OSBORNE

)  
)  
)

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

FRIDAY, THE 8<sup>th</sup>

DAY OF MARCH, 2024

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. (collectively the "**Applicants**", and each an "**Applicant**")

### **SISP APPROVAL ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, inter alia, approving the Sale and Investment Solicitation Process in the form attached hereto as Schedule "A" (the "**SISP**") and certain related relief, was heard this day by videoconference via Zoom.

**ON READING** the affidavit of Matthew Milich sworn March 1, 2024 and the Exhibits thereto (the "**Milich Affidavit**"), the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the proposed monitor of the Applicants dated February 28, 2024, and the First Report of FTI as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated March 6, 2024, and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Monitor, Cortland Credit Lending Corporation and Stone Pine Capital Ltd. ("**Stone Pine**"), and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Jamie Ernst sworn March 1, 2024.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order of this Court dated March 8, 2024 (the "ARIO"), the SISP or the Stalking Horse Purchase Agreement (as defined below).

## **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the SISP is hereby approved and the BZAM Entities and the Monitor are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The BZAM Entities and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.
4. **THIS COURT ORDERS** that the BZAM Entities, the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final order that is not subject to appeal or other review.
5. **THIS COURT ORDERS** that in overseeing and conducting the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding.

## STALKING HORSE PURCHASE AGREEMENT

6. **THIS COURT ORDERS** that BZAM Ltd. is hereby authorized and empowered to enter into the Share Subscription Agreement dated March 1, 2024 (the "**Stalking Horse Purchase Agreement**") between BZAM Ltd as vendor (the "**Vendor**"), and 1000816625 Ontario Inc. (the "**Stalking Horse Purchaser**"), attached as Exhibit "**C**" to the Milich Affidavit, *nunc pro tunc*, with such minor amendments as may be acceptable to the Vendor and the Stalking Horse Purchaser, with the approval of the Monitor; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Purchaser (or any of its designees) pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the transaction set out in the Stalking Horse Purchase Agreement is the Successful Bid.

7. **THIS COURT ORDERS** that, as soon as reasonably practicable following the Vendor and the Stalking Horse Purchaser agreeing to any amendment to the Stalking Horse Purchase Agreement permitted pursuant to the terms of this Order, the Applicants shall: (a) file a copy thereof with this Court; (b) serve a copy thereof on the Service List; and (c) provide a copy thereof to each SISP Participant (as hereinafter defined) excluding from the public record any confidential information that the Vendor and the Stalking Horse Purchaser, with the consent of the Monitor, agree should be redacted.

## BID PROTECTIONS

8. **THIS COURT ORDERS** that the Bid Protections are hereby approved and, subject to the entry of the Stalking Horse Purchase Agreement, the Vendors are hereby authorized and directed to pay the Bid Protections to the Stalking Horse Purchaser (or to such other person as it may direct) in the manner and circumstances described in the Stalking Horse Purchase Agreement.

9. **THIS COURT ORDERS** that the Stalking Horse Purchaser shall be entitled to the benefit of and is hereby granted a charge (the "**Bid Protections Charge**") on the Property, which charge shall not exceed \$850,000 as security for payment of the Bid Protections in the manner and circumstances described in the Stalking Horse Purchase Agreement.

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

11. **THIS COURT ORDERS** that the Bid Protections Charge shall constitute a charge on the Property and shall rank in the priority provided for in the ARIO.

12. **THIS COURT ORDERS** that except for the Charges or as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Bid Protections Charge, unless the BZAM Entities also obtain the prior written consent of the Monitor and the Stalking Horse Purchaser, or further Order of this Court.

13. **THIS COURT ORDERS** that the Bid Protections Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Purchaser shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") or otherwise, or any bankruptcy order(s) or receivership order(s) made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the BZAM Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Bid Protections Charge nor the execution, delivery, perfection, registration or performance of the Stalking Horse Purchase Agreement shall create, cause or be deemed to constitute a breach by any of the BZAM Entities of any Agreement to which they are a party;

- (b) the Stalking Horse Purchaser shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Bid Protections Charge or the execution, delivery or performance of the Stalking Horse Purchase Agreement; and
- (c) the payments made by the Vendor pursuant to this Order, the Stalking Horse Purchase Agreement and the granting of the Bid Protections Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

14. **THIS COURT ORDERS** that the Bid Protections Charge created by this Order over leases of real property in Canada shall only be a charge on the Applicants' interest in such real property lease.

15. **THIS COURT ORDERS AND DECLARES** that the Stalking Horse Purchaser, with respect to the Bid Protections Charge only, shall be treated as unaffected in any Plan, or any proposal filed by the Applicants under the BIA.

#### **PIPEDA**

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Monitor, the BZAM Entities and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants that are party to a non-disclosure agreement (each a "**SISP Participant**") and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Monitor or the BZAM Entities, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Monitor or the BZAM Entities. Any bidder with a Successful Bid

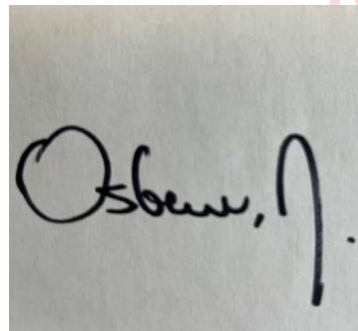
shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the BZAM Entities, and shall return all other personal information to the Monitor or the BZAM Entities, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the BZAM Entities.

## GENERAL

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the BZAM Entities, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the BZAM Entities and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the BZAM Entities and the Monitor and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

A rectangular stamp containing a handwritten signature in black ink. The signature appears to be "Osborne, J." with a stylized flourish at the end.

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**SCHEDULE "A"**

**SALE AND INVESTMENT SOLICITATION PROCESS**

**[ATTACHED]**



**BZAM LTD.**

**SALE AND INVESTMENT SOLICITATION PROCESS**

1. On February 28, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**Initial Order**"), among other things, granting 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 Roads Holdings Corp., and Final Bell Corp. (collectively, the "**Applicants**") relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), and appointed FTI Consulting Canada Inc., as the monitor of the Applicants (the "**Monitor**"). The benefits and protections of the Initial Order were extended to The Green Organic Beverage Corp., TGOD Europe B.V., 9430-6347 Québec Inc., and The Green Organic Dutchman Germany GmbH (collectively, the "**Non-Applicant Stay Parties**" and together with the Applicants, the "**BZAM Entities**").
2. On March 8, 2024, the Court granted (a) an order amending and restating the Initial Order (the "**ARIO**"), and (b) an order (the "**SISP Approval Order**") that, among other things: (i) authorized the Applicants to implement a sale and investment solicitation process ("**SISP**") in respect of the BZAM Entities, including substantially all of the property, assets and undertakings of BZAM Entities (collectively, the "**Business**"), in accordance with the terms hereof; (ii) authorized and empowered BZAM Ltd. to enter into the Share Subscription Agreement dated March 1, 2024 (the "**Stalking Horse Bid**") with 1000816625 Ontario Inc. (the "**Stalking Horse Bidder**"); (iii) approved the Bid Protections; and (iv) granted the Bid Protections Charge. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ARIO, the SISP Approval Order or the Affidavit of Matthew Milich sworn March 1, 2024, as applicable. Copies of the ARIO and the SISP Approval Order can be found at <http://cfcanda.fticonsulting.com/bzam> (the "**Monitor's Website**").
3. This SISP sets out the manner in which: (a) non-binding letters of intent ("**LOIs**") and binding bids for a broad array of executable transaction alternatives (each a "**Transaction**") that are superior to the sale transaction contemplated by the Stalking Horse Bid will be solicited from interested parties; (b) any such LOIs and bids received will be addressed by the Applicants and the Monitor; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought. Such Transaction alternatives may include, among other things, a sale of the Business or an investment in the Applicants, each of which shall be subject to all terms set forth herein.
4. The SISP shall be conducted by the Applicants and the Monitor.
5. Parties who wish to have their bids considered must participate in the SISP.
6. The Monitor, with the assistance of the Applicants, will:
  - (a) disseminate a teaser and a bid process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to potentially

- interested parties identified by the Applicants and the Monitor or any other interested party who contacts the Applicants or the Monitor;
- (b) publish a notice of the SISP in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Monitor;
  - (c) solicit interest from interested parties with a view to such parties entering into non-disclosure agreements in form and substance satisfactory to the Applicants and the Monitor ("**NDA**");
  - (d) provide interested parties who have executed an NDA with: (i) a confidential information memorandum in respect of the Business, and (ii) access to an electronic data room containing diligence information in respect of the Business and such other diligence opportunities as the Monitor and the Applicants consider advisable;
  - (e) request that such interested parties submit an LOI by the LOI Deadline (as defined below); and
  - (f) to the extent the SISP proceeds to Phase 2 (as defined below), request that Qualified Bidders (as defined below) submit a binding offer that meets at least the requirements set forth in Section 12 below, as determined by the Applicants and the Monitor (a "**Qualified Bid**"), by the Qualified Bid Deadline (as defined below).
7. The SISP shall be conducted subject to the terms hereof and the following key milestones:
- (a) the Court issues the SISP Approval Order approving the: (i) SISP and (ii) the Stalking Horse Bid in the SISP – **March 8, 2024**;
  - (b) the Monitor to commence solicitation process - as soon as possible following issuance of the SISP Approval Order;
  - (c) Deadline to submit an LOI - **5:00 p.m. (Toronto time) on April 8, 2024** (the "**LOI Deadline**");
  - (d) Deadline for Applicants and the Monitor, to determine if any LOIs constitute a Qualified LOI (as defined below) and to proceed to Phase 2 of the SISP - **by no later than April 11, 2024**;
  - (e) Deadline for Qualified Bidders to submit a Qualified Bid - **2:00 p.m. (Toronto time) on April 29, 2024** (the "**Qualified Bid Deadline**");
  - (f) The Applicants and Monitor to commence an Auction (as defined below), if any - **by no later than May 3, 2024**;
  - (g) Approval Order (as defined below) hearing - **by no later than May 21, 2024**, subject to Court availability; and

- (h) closing of the Successful Bid - as soon thereafter as possible and, in any event, **by no later than June 21, 2024** (the "**Outside Date**").
8. Any party that executed an NDA will be prohibited from communicating with any other party who executed an NDA regarding the BZAM Entities during the term of the SISP, without the consent of the Monitor, in consultation with the Applicants.
9. Any interested party who wishes to submit an LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Applicants and the Monitor, with the consent of the DIP Lender, may waive strict compliance with any or more of the requirements specified below):
- (a) it sets forth the identity of the interested party, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the interested party's financial wherewithal to complete a transaction pursuant to the SISP;
  - (b) it sets forth the principal terms of the proposed Transaction, including: (i) the nature of the proposed Transaction (e.g. sale, investment, etc.); (ii) the purchase price or other consideration offered in connection with the Transaction, including material assumed liabilities; (iii) a description of any conditions or approvals required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the Transaction; (v) proposed treatment of the BZAM Entities' employees; (vi) proposed treatment of the BZAM Entities' secured indebtedness; (vii) any other terms or conditions that the interested party believes are material to the Transaction; and (viii) any other information as may be reasonably requested by the Applicants and the Monitor; and
  - (c) it is received by the Applicants and the Monitor by the LOI Deadline at the email addresses specified on Schedule "B" hereto.
10. Following the LOI Deadline, the Applicants and the Monitor and, subject to Section 21, the DIP Lender and the Stalking Horse Bidder, will assess the LOIs. If no Qualified LOIs are received by the LOI Deadline, then the Applicants and the Monitor and, subject to Section 21 with the consent of the DIP Lender and the Stalking Horse Bidder, may elect to terminate the SISP and send notice of same to the service list established in the CCAA Proceedings and any interested party who submitted an LOI, and proceed to seek Court approval to implement the transaction contemplated by the Stalking Horse Bid. If the Applicants and the Monitor determine, subject to Section 21, with the consent of the DIP Lender and following consultation with the Stalking Horse Bidder, that the Transaction outlined in an LOI represents a viable potential alternative Transaction that could provide greater value to the BZAM Entities and their stakeholders than the Stalking Horse Bid, including having regard to: (i) the consideration offered; (ii) the interested party's financial capability to complete a Transaction; (iii) the interested party's ability to make a binding offer by the Qualified Bid Deadline; (iv) treatment of the secured indebtedness of the BZAM Entities; and (v) such other factors that the Applicants and the Monitor, consider

relevant, then such LOI shall be deemed a "**Qualified LOI**" and the interested party submitting such Qualified LOI shall be deemed a "**Qualified Bidder**".

11. If one or more LOIs is determined to be a Qualified LOI, then the Applicants and the Monitor shall proceed to a second phase of the SISP ("**Phase 2**"). Only Qualified Bidders shall be permitted to participate in Phase 2. The Applicants and the Monitor will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent to all Qualified Bidders, and (ii) posted on the Monitor's Website. Phase 2 of the SISP shall include, among other things, the opportunity for Qualified Bidders to: (i) conduct additional diligence, including participation in management presentations; and (ii) to prepare and submit a Qualified Bid on or before the Qualified Bid Deadline.
12. In order to constitute a Qualified Bid, a bid must comply with the following:
  - (a) it must be superior to the Stalking Horse Bid and provide for aggregate consideration, payable in cash in full on closing in an amount equal to or greater than (i) all outstanding obligations owing to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; (ii) all outstanding obligations owing to Cortland Credit Lending Corporation under the DIP Agreement; (iii) all outstanding obligations under the DIP Agreement, (iv) any obligations in priority to amounts owing under the DIP Agreement, including any Charges, (v) the amount of \$250,000 to fund any professional fees incurred in connection with the wind-up of the CCAA Proceedings and any further proceedings or wind-up costs; (vi) the amount of \$850,000 to satisfy the Bid Protections (the "**Consideration Value**"), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
  - (b) it contemplates closing of the proposed transaction by not later than the Outside Date;
  - (c) it contains:
    - (i) duly executed binding Transaction document(s);
    - (ii) the legal name and identity (including jurisdiction of existence) and contact information of the Qualified Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
    - (iii) a redline to the Stalking Horse Bid;
    - (iv) evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);

- (v) disclosure of any connections or agreements with the BZAM Entities or any of their affiliates, any other bidder participating in the SISP or any officer, manager, director, member or equity security holder of the BZAM Entities or any of their affiliates; and
- (vi) such other information as may be reasonably requested by the Applicants and the Monitor in the Bid Process Letter;
- (d) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;
- (e) it provides that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of (i) closing of the Successful Bid or (ii) closing of the Back-Up Bid;
- (f) it provides written evidence of the Qualified Bidder's ability to fully fund and consummate the Transaction and satisfy its obligations under the Transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value;
- (g) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (h) it is not conditional upon:
  - (i) approval from the Qualified Bidder's board of directors (or comparable governing body) or equityholder(s);
  - (ii) the outcome of any due diligence by the Qualified Bidder; or
  - (iii) the Qualified Bidder obtaining financing;
- (i) it includes an acknowledgment and representation that the Qualified Bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its bid and has relied solely upon its own independent review, investigation and inspection in making its bid, (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guarantees whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the BZAM Entities, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives, regarding the proposed Transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed Transaction documents, (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the BZAM Entities, the Monitor or any of their respective

employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed Transaction documents, (iv) is bound by this SISP and the SISP Approval Order, and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;

- (j) it specifies any regulatory (including Health Canada) or other third-party approvals the Qualified Bidder anticipates would be required to complete the Transaction (including the anticipated timing necessary to obtain such approvals);
  - (k) it includes full details of the Qualified Bidder's intended treatment of the BZAM Entities' employees under the proposed bid;
  - (l) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be held by the Monitor in a trust account in accordance with the terms hereof;
  - (m) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including ally legal and advisor fees) in connection with the proposed Transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - (n) it is received by the Applicants and the Monitor by the Qualified Bid Deadline at the email addresses specified on Schedule "B" hereto.
13. The Qualified Bid Deadline may be extended by: (a) the Applicants and the Monitor and, subject to Section 21, with the consent of the DIP Lender and the Stalking Horse Bidder; or (b) further order of the Court. In such circumstances, the milestones contained in subsections 7(f) - 7(h) may be extended by Applicants for the same amount of time.
14. The Applicants and the Monitor, may waive strict compliance with any one or more of the requirements specified in Section 12 above and deem a non-compliant bid to be a Qualified Bid, provided that the Applicants shall not waive compliance with the requirements specified in Subsections **Error! Reference source not found.**, (b), (c), (h), (l) or (m) without the prior written consent of the Stalking Horse Bidder and the DIP Lender, each acting reasonably.
15. If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Applicants and the Monitor on or before the Qualified Bid Deadline, the Applicants and the Monitor, in consultation with the DIP Lender, may:
- (a) negotiate with one or more of the Qualified Bidders who submitted a Qualified Bid, including requesting that such Qualified Bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid submitted by a Qualified Bidder shall be deemed to be a Qualified Bid hereunder for all purposes);

- (b) considering the factors set out in Section 12 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or release of liabilities not otherwise accounted for in (i) above, (iii) the likelihood of the Qualified Bidder's ability to close a Transaction by not later than the Outside Date (including factors such as: the Transaction structure and execution risk; conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the benefit to the BZAM Entities and their stakeholders, including employees and (vi) any other factors the directors or officers of the Applicants may, consistent with their fiduciary duties, reasonably deem relevant (collectively, the "**Consideration Factors**"); and (y) designate any Qualified Bid received (including the Stalking Horse Bid) to be the highest or otherwise best bid in the SISP (as may be designated pursuant to this Section 15 (b) or designated at the Auction, the "**Successful Bid**" and the Qualified Bidder making such bid, the "**Successful Bidder**");
  - (c) having regard to the Consideration Factors, designate any Qualified Bid received as the Back-Up Bid (provided that the Stalking Horse Bid shall not serve as the Back-Up Bid unless agreed to in writing by the Stalking Horse Bidder); or
  - (d) proceed with an auction process to determine the Successful Bid and any Back-Up Bid (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto.
16. If no Qualified Bid (other than the Stalking Horse Bid) has been received by the Applicants and the Monitor by the Qualified Bid Deadline, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Bid, including obtaining Court approval thereof.
17. Following selection of the Successful Bid, the Applicants, with the assistance of their advisors and the Monitor, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 7. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Applicants and the Monitor, the Applicants shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the BZAM Entities to complete the transactions contemplated thereby, as applicable, and authorizing the applicable BZAM Entities to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in such Successful Bid (each, an "**Approval Order**"). If the Successful Bid is not consummated in accordance with its terms, the Applicants shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

18. The highest Qualified Bid may not necessarily be accepted by the Applicants. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Qualified Bid for different parts of the BZAM Entities' business and assets or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids, provide that the aggregate of such Qualified Bids satisfies the requirements of Section 11(a) and (b).
19. If a Successful Bid is selected and an Approval Order authorizing the consummation of the Transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the Transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable Qualified Bidder by the Monitor as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Approval Order or such earlier date as may be determined by the Applicants, with the consent of the Monitor; provided, the Deposit in respect of any Back-Up Bid shall not be returned to the applicable Qualified Bidder until the closing of the Successful Bid.
20. The Applicants and the Monitor shall be permitted, in their discretion, to provide updates and information in respect of the SISP to any creditor (including any advisor thereto) (each a "**Creditor**") on a confidential basis upon: (a) the irrevocable confirmation in writing from such Creditor that the applicable Creditor will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Applicants in form and substance satisfactory to the Applicants and the Monitor.
21. The DIP Lender shall only be entitled to the consultation rights specified herein in its favour and confidential updates and information from the BZAM Entities and the Monitor in respect of the SISP, including copies of any LOIs or bids submitted in Phase 2, upon the DIP Lender irrevocably confirming in writing to the Applicants and the Monitor that it will not submit any bid in the SISP. The Stalking Horse Bidder shall only be entitled to the consultation rights specified herein in its favour and confidential updates and information from the BZAM Entities and the Monitor in respect of the SISP, including copies of any LOIs or Qualified Bid, upon the Stalking Horse Bidder irrevocably confirming in writing to the Applicants and the Monitor that it will not submit any bid in the SISP except for the Stalking Horse Bid, except for any revised Stalking Horse Bid that may be submitted in the Auction.
22. Any amendments to this SISP may only be made by the Applicants with the written consent of the Monitor and the DIP Lender, or by further order of the Court, provided that the Applicants shall not amend the requirements specified in Subsections 12(a) or (b) without the prior written consent of the Stalking Horse Bidder, acting reasonably, or approval of the Court.



23. The DIP Lender and any other secured lender of the BZAM Entities shall have the right (subject to compliance with the terms of this SISP) to credit bid their secured debt against the assets secured thereby up to the full face value of such secured lender's claims, including principal, interest and any other obligations owing to such secured lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the BZAM Entities in priority to its secured debt (including as contemplated by Subsection 12(a) ; and (ii) pay appropriate consideration for any assets of the BZAM Entities which are contemplated to be acquired and that are not subject to such secured lender's security.
24. The Monitor will oversee the conduct of the SISP and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein and in the SISP Approval Order, and is entitled to receive all information in relation to the SISP.
25. For the avoidance of doubt, the Stalking Horse Bidder shall be deemed a Qualified Bidder for all purposes hereunder and the Stalking Horse Bid deemed a Qualified Bid.

## **SCHEDULE "A": AUCTION PROCEDURES**

1. **Auction.** Instructions to participate in the Auction, which will take place either: (i) via video conferencing, or (ii) at a location to be designated in Toronto, Ontario, that will be provided by the Monitor to Qualified Parties (as defined below) not less than 48 hours prior to the Auction. Such instructions will identify and include a copy of the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Applicants and the Monitor, to be the initial bid at the Auction (the "**Initial Bid**").
2. **Participation.** Only Qualified Bidders that delivered a Qualified Bid, including, for greater certainty, the Stalking Horse Bidder (collectively the "**Qualified Parties**" and each a "**Qualified Party**"), shall be eligible to participate in the Auction. No later than 2:00 p.m. (Toronto time) on the day prior to the Auction, each Qualified Party must inform the Applicants and the Monitor in writing whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Initial Bid shall be designated as the Successful Bid.
3. **Auction Procedures.** The Auction shall be governed by the following procedures:
  - (a) **Attendance.** Only the Applicants, the Monitor, the Qualified Parties, the DIP Lender and any other secured creditor of the Applicants to the extent agreed to by the Monitor, and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any Overbids (as defined below) at the Auction;
  - (b) **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (a) it has not engaged in any collusion with respect to the Auction and the SISP; and (b) its bid is a good-faith bona fide offer, it is irrevocable and it intends to consummate the proposed transaction if selected as the Successful Bid;
  - (c) **Minimum Overbid and Back-Up Bid.** The Auction shall begin with the Initial Bid, and any bid made at the Auction by a Qualified Party subsequent to the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments (or, if consented to by the Applicants and the Monitor, such other form of consideration being offered by a Qualified Party) of \$100,000, and all such Overbids shall be irrevocable until closing of the Successful Bid; provided, that if such Overbid is not selected as the Successful Bid or as the Back-Up Bid (if any) it shall only remain irrevocable until selection of the Successful Bid. An Overbid must comply with the bid requirements contained in the SISP for a Qualified Bid (including the requirements for payment of (i) all outstanding obligations owing to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; and (ii) all outstanding obligations owing to Cortland Credit Lending Corporation under the DIP Agreement), provided that the deadline to submit a Qualified Bid shall not apply;

- (d) **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference or meeting room (as applicable), on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent Qualified Bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Applicants and the Monitor, in their discretion, may establish separate video conference rooms or meeting breakout rooms to permit interim discussions among the Applicants, the Monitor and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video-conference or meeting room (as applicable), on an open basis;
- (e) **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit an Overbid with full knowledge and confirmation of the then-existing highest or otherwise best bid and no Qualified Party submits an Overbid; and
- (f) **No Post-Auction Bids.** No bids will be considered for any purpose after the Successful Bid has been designated and the Auction has concluded.

#### **Selection of Successful Bid and Back-Up Bid**

- 4. **Selection.** During the Auction, the Applicants and the Monitor, will: (a) review each subsequent Overbid, considering the Consideration Factors; and (b) identify the highest or otherwise best bid received at the Auction and designate such bid as the Successful Bid and such Qualified Party as the Successful Bidder. The Applicants and the Monitor may also elect to designate a bid received at the Auction as the Back-Up Bid (provided that the Stalking Horse Bid shall not serve as the Back-Up Bid unless agreed to in writing by the Stalking Horse Bidder).
- 5. **Acknowledgement.** The Successful Bidder shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Applicants in their sole discretion, following consultation with the Monitor, subject to the milestones set forth in Section 7 of the SISP.

**SCHEDULE "B"**  
**E-MAIL ADDRESSES FOR DELIVERY OF BIDS**

To counsel for the Applicants:

Bennett Jones LLP  
1 First Canadian Place  
100 King Street West Suite, 3400  
Toronto, ON M5H 2S7

Attention:

Sean Zweig: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)  
Mike Shakra [shakram@bennettjones.com](mailto:shakram@bennettjones.com)

To the Monitor and counsel to the Monitor:

FTI Consulting Canada Inc  
79 Wellington St W  
Suite 2010, Toronto  
ON M5K 1G8

Attention:

Jeffrey Rosenberg: [jeffrey.rosenberg@fticonsulting.com](mailto:jeffrey.rosenberg@fticonsulting.com)  
Kamran Hamidi: [Kamran.Hamidi@fticonsulting.com](mailto:Kamran.Hamidi@fticonsulting.com)

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street, Toronto  
ON M5L 1B9

Attention:

Maria Konyukhova: [mkonyukhova@stikeman.com](mailto:mkonyukhova@stikeman.com)  
[Philip Yang: pyang@stikeman.com](mailto:pyang@stikeman.com)

IN THE MATTER OF THE COMPANIES' CREDITORS' ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS Court File No.: CV-24-00715773-00CL

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.

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

Proceeding commenced at Toronto

**SISP APPROVAL ORDER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130

Toronto, Ontario M5X 1A4

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Lawyers for the Applicants

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



---

**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

### **First Amendment to Share Subscription Agreement**

This First Amendment to the Share Subscription Agreement is made as of October 11, 2024.

**Between:**

**1000816625 ONTARIO INC.**

(the “Purchaser”)

**And:**

**BZAM LTD.**

(the “Company”)

(each of the Purchaser and Company being a “Party” and collectively, the “Parties”)

**WHEREAS** the Parties entered into that certain Share Subscription Agreement dated as of March 1, 2024 (the “Agreement”);

**AND WHEREAS** the Parties wish to amend the Agreement on the terms and conditions set forth herein;

**NOW THEREFORE**, in consideration of the mutual promises hereinafter made by the Parties and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. The following Article 2.4 will be added to the Agreement:

***2.4 Additional Deposit***

*As an additional deposit for the Subscription Price, the Purchaser shall pay to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000, which shall be added to and form part of the Cash Deposit, no later than October 18, 2024.*

2. This Amendment may be executed in counterparts and may be executed and delivered via electronic or digital delivery, including signatures, which counterparts and electronic or digital copies shall together constitute one and the same Amendment with the same effect as if originally executed and delivered.
3. Except as expressly amended hereby, all terms and provisions of the Agreement continue in full force and effect.

**SIGNED, SEALED AND  
DELIVERED**

1000816625 ONTARIO INC.

By:

Title: Director

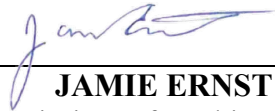
**BZAM LTD.**

By:

Title: CEO



THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



---

**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

**1000816625 ONTARIO INC.**

**- AND -**

**BZAM LTD.**

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**AMENDED AND RESTATED SHARE SUBSCRIPTION AGREEMENT**

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**DATED MAY 9, 2025**

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## AMENDED AND RESTATED SHARE SUBSCRIPTION AGREEMENT

**THIS SHARE SUBSCRIPTION AGREEMENT** dated May 9, 2025 is made by and between:

**1000816625 ONTARIO INC.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter, the "**Purchaser**")

- and -

**BZAM LTD.**, a corporation incorporated under the laws of Canada

(hereinafter, the "**Company**")

### RECITALS:

- A. The primary business of the Company and its subsidiaries is the cultivation, processing and sale of cannabis in Canada;
- B. Certain of the Company's subsidiaries hold Cannabis Licenses under the *Cannabis Act* (Canada) and the *Excise Act, 2001* (Canada) for the cultivation, processing and sale of cannabis;
- C. On February 28, 2024, pursuant to the Initial Order: (i) the CCAA Applicants obtained relief under the CCAA; and (ii) FTI Consulting Canada Inc. was appointed as Monitor in the CCAA Proceedings;
- D. The Company and the other CCAA Applicants commenced the CCAA Proceedings in order to, *inter alia*, seek a stay of proceedings and pursue the SISP with a view to implementing a transaction which will allow the continuation of their Business and operations, as a going concern; and
- E. The Purchaser agreed to: (i) act as the "stalking horse bidder" in the context of the SISP, (ii) this Agreement was subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures and, (iii) in accordance with this Agreement, the Purchaser wishes to subscribe for and purchase from the Company, the Subscribed Shares, on the terms and conditions set out in this Agreement, in order to become the sole shareholder of the Company upon Closing;

**NOW THEREFORE** in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions.

In this Agreement:

"**Action**" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal,

administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

**"Affiliate"** means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

**"Agreement"** means this Amended and Restated Share Subscription Agreement between the Purchaser and the Company, as may be amended, supplemented, restated or otherwise modified in accordance with the terms hereof.

**"Applicable Law"** means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

**"Approval and Reverse Vesting Order"** means an order issued by the Court substantially in the form attached hereto as Exhibit "A" or otherwise acceptable to the Purchaser, the Company and the Monitor, each acting reasonably, among other things: (i) approving the Transactions; (ii) vesting out of the Surviving Entities all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Encumbrances against the Surviving Entities, except only the Permitted Encumbrances; (iii) authorizing and directing the Company to adopt and make effective the Articles of Amendment; (iv) terminating and cancelling all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company, if any (other than the rights of the Purchaser under this Agreement), for no consideration; (v) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Purchaser (or as it may direct) all right, title and interest in and to the Subscribed Shares, free and clear of all Encumbrances; and (vi) authorizing the Company Group Members to make distributions on account of all amounts owing by the CCAA Applicants to Cortland pursuant to the DIP Facility and the Second Amended and Restated Credit Agreement dated January 8, 2024.

**"Approvals and Consents"** has the meaning set out in Section 6.5(c).

**"Articles of Amendment"** means articles of amendment to the articles of the Company to change the conditions in respect of the Company's authorized and issued share capital to provide for a redemption right in favour of the Company for nil consideration, to create a new class or classes of common shares and to make such other changes as may be requested by the Purchaser, which shall be in a form and substance satisfactory to the Purchaser, as confirmed in writing in advance of the filing thereof.

**"Assigned Contracts"** means those Contracts listed in Schedule "I".

**"Assumed Liabilities"** means (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "E" (which, for the avoidance of doubt, may be amended by the Purchaser by submitting an amended list no later than ten Business Days before the Target Closing Date, provided

that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables); (b) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; and (c) any Tax liabilities and Transaction Taxes referred to in Section 4.1(c) and Section 4.2(c).

**"Authorization"** means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

**"Books and Records"** means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of any of the Company Group Members, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

**"Business"** means the business and operations carried on by the Company Group Members as at the date of this Agreement and as at the date of Closing pertaining to the cultivation, processing and sale of cannabis in Canada.

**"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario.

**"Cannabis Licenses"** means all Authorizations related to cannabis and issued by Health Canada to the Surviving Entities, including Authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

**"Cash Consideration"** means an amount sufficient to pay in full in cash all (i) amounts owing in respect of the DIP Facility; (ii) amounts owing by the CCAA Applicants to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any; and (iii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.3 and 7.2(d).

**"Cash Deposits"** has the meaning set out in Section 2.1.

**"CCAA"** means the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

**"CCAA Applicants"** means collectively, the Company and those other applicant companies listed in Exhibit "C".

**"CCAA Proceedings"** means the proceedings commenced by the CCAA Applicants under the CCAA.

**"Closing"** means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

**"Closing Cash Amount"** has the meaning set out in Section 8.2(f).

**"Closing Date"** means the date on which Closing occurs.

"**Closing Payments**" has the meaning set out in Section 8.2(f).

"**Closing Sequence**" has the meaning set out in Section 7.2.

"**Closing Time**" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"**Company Advisors**" means Bennett Jones LLP.

"**Company Group Members**" means, collectively, the CCAA Applicants and the Non-Applicant Stay Parties, and "**Company Group Member**" means any of them.

"**Conditions Certificates**" has the meaning set out in Section 8.3.

"**Contracts**" means all written contracts, agreements, leases, understandings and arrangements to which any of the Company Group Members is a party or by which any of the Company Group Members is bound or in which any of the Company Group Members has, or will at Closing have, any rights, including any Personal Property Leases, any Real Property Leases and any Contracts in respect of Employees, in each case excluding Excluded Assets and Excluded Contracts.

"**Cortland**" means Cortland Credit Lending Corporation.

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

"**DIP Facility**" has the meaning given to it in the Initial Order.

"**DIP Financing**" means the super-priority debtor in possession financing provided to the CCAA Applicants by the DIP Lender.

"**DIP Lender**" means Cortland (whether in its own capacity or in its capacity as agent for certain lenders).

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

"**Employees**" means all individuals who, as of Closing Time, are employed by any of the Surviving Entities, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees who are to be terminated pursuant to Section 8.1(g), and "**Employee**" means any one of them.

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.



**"Encumbrances To Be Discharged"** means all Encumbrances on the Subscribed Shares and the Retained Assets, including without limitation the Encumbrances listed in Schedule "D", and excluding only the Permitted Encumbrances.

**"Excluded Assets"** means collectively those assets listed in each of Section 4.3 and Schedule "A", an amended list of which (solely in respect of Schedule "A") may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date.

**"Excluded Assets and Contracts Promissory Note"** has the meaning set out in Section 4.2(b).

**"Excluded Assets Bill of Sale"** has the meaning set out in Section 4.2(b).

**"Excluded Contracts"** means those contracts listed in Schedule "B", as may be amended by the list sent pursuant to Section 8.1(k).

**"Excluded Contracts Assignment Agreement"** has the meaning set out in Section 4.2(b).

**"Excluded Liabilities"** means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any of the Company Group Members or relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, (i) the non-exhaustive list of those certain Liabilities set forth in Schedule "C" – *Excluded Liabilities of the Company Group Members*, (ii) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any of the Company Group Members may be bound as at the Closing Time, (iii) all Liabilities relating to or under the Excluded Contracts and Excluded Assets, (iv) all Liabilities for those employees of a Surviving Entity who are Terminated Employees.

**"Excluded Liability Assumption Agreement"** has the meaning set out in Section 4.1(a).

**"Excluded Liability Promissory Note"** has the meaning set out in Section 4.1(a).

**"Existing Shares"** means all issued and outstanding shares of the Company prior to the Closing Time.

**"Filing Date"** means February 28, 2024.

**"Governmental Authority"** means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial (including the government of Ontario), territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

**"GST/HST"** means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada), and any provincial, territorial or foreign legislation imposing a similar value added or multi-staged tax.

**"Initial Order"** means the Initial Order of the Court dated February 28, 2024, as may be amended, restated or varied from time to time.

**"Interim Period"** means the period from the date this Agreement is entered into by the Parties to the Closing Time.

**"Investment Canada Act"** means the *Investment Canada Act*, R.S.C., 1985, c. 28 and the regulations promulgated thereunder.

**"Law"** has the meaning set out in the definition of "Applicable Law".

**"Legal Proceeding"** means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave to appeal or review.

**"Liability"** means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

**"Management Employees"** has the meaning set out in Section 8.2(g).

**"Material Adverse Effect"** means any change, event, development, occurrence, facts, condition or effect (each, an "Effect") that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business or condition (financial or otherwise), assets, liabilities, operations, earnings of the Surviving Entities or results of the Business taken as a whole, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), (b) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities markets in general, including changes in interest rates; or (c) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Surviving Entities with any third party, including any customers, employees, shareholders, financing sources, vendors, licensors, licensees, distributors, partners or suppliers as a direct result of the announcement of this Agreement, shall not qualify as a Material Adverse Effect.

**"Monitor"** means FTI Consulting Canada Inc. in its capacity as court-appointed monitor in the CCAA Proceedings, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of Residual Co to the extent subsequently appointed as such.

**"Monitor Advisors"** means Stikeman Elliott LLP.

**"Monitor's Certificate"** means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor to the Company and the Purchaser in accordance with Section 8.3, and thereafter filed by the Monitor with the Court.

**"Non-Applicant Stay Parties"** means collectively, The Green Organic Beverage Corp., TGOB Europe B.V., 9430-6347 Québec Inc. and The Green Organic Dutchman Germany GmbH.

**"Order"** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

**"Organizational Documents"** means any trust document, charter, certificate, memorandum or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**"Outside Date"** means August 15, 2025, or such other date as the Purchaser and the Company (with the consent of the Monitor and the DIP Lender) may agree to in writing.

**"Party"** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

**"Permits and Licenses"** means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business, including: (i) the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Company Group Members; and (ii) the Cannabis Licenses.

**"Permitted Encumbrances"** means the Encumbrances related to the Retained Assets listed in Schedule "F", an amended list of which may be agreed to by the Purchaser, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

**"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

**"Personal Property"** means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

**"Personal Property Lease"** means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the Company Group Members is a party or under which it has rights to use Personal Property.

**"Purchase and Sale Transactions"** means the transactions contemplated by this Agreement which provide for, among other things, (a) payment by the Purchaser of the Cash Consideration, (b) the issuance by the Company of the Subscribed Shares to the Purchaser in consideration for the Subscription Price, and (c) the assignment by the Surviving Entities to Residual Co of the Excluded Liabilities, Excluded Assets, if any, and Excluded Contracts in consideration for the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note.

**"Real Property Lease"** means a lease and other similar agreement relating to real property that is Related to the Business to which any of the Company Group Members is a party or under which it has rights to use real property.

**"Related to the Business"** means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

**"Representative"** when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

**"Residual Co"** means 1001105728 Ontario Inc., to which the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred as part of the Closing Sequence, which shall have no issued and outstanding shares.

**"Retained Assets"** means those assets listed in Schedule "G", an amended list of which may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date.

**"Retained Contracts"** means those Contracts listed in Schedule "H".

**"Secured Demand Promissory Notes"** means collectively, the following Secured Demand Promissory Notes entered into between the Company and Stone Pine, as amended pursuant to the Amending Agreement made as of January 4, 2024:

Date	Principal Amount
March 3, 2023	\$2,500,000
August 30, 2023	\$1,325,000
October 27, 2023	\$1,190,000
November 8, 2023	\$600,000
November 30, 2023	\$2,000,000
December 4, 2023	\$900,000

**"SISP"** means the Sale and Investment Solicitation Process conducted by the CCAA Applicants and the Monitor in the context of the CCAA Proceedings in accordance with the SISP Procedures.

**"SISP Order"** means the order issued by the Court on March 8, 2024 approving, among other things, the SISP and the SISP Procedures and authorizing the CCAA Applicants to negotiate and finalize this Agreement as the "stalking horse bid".

**"SISP Procedures"** means the procedures governing the SISP as outlined in the SISP Order.

**"Statement of Trade Payables"** means a statement from the Company, certified by an officer of the Company and acceptable to the Monitor, setting out (a) a list of vendors that have provided goods and/or services to the CCAA Applicants in the ordinary course of business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, and (b) the corresponding amounts owing to each such vendor.

**"Stone Pine"** means Stone Pine Capital Ltd., a corporation existing under the laws of Bahamas.

**"Stone Pine Debt"** means the aggregate principal amount outstanding under the Secured Demand Promissory Notes, plus accrued and unpaid interest thereon.

**"Subscribed Shares"** means such number of common shares in the capital of the Company, to be advised by the Purchaser, which will be issued on Closing and which will, immediately following Closing, represent 100% of the equity interests in the Company.

**"Subscription Price"** has the meaning set out in Section 2.2.

**"Surviving Entities"** means together the Company and TGOD.

**"Target Closing Date"** means June 30, 2025, or such other date as the Company (with the consent of the Monitor and the DIP Lender) and the Purchaser may agree to in writing.

**"Tax Act"** means the *Income Tax Act* (Canada).

**"Tax Returns"** means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

**"Taxes"** or **"Tax"** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes or premiums, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

**"Terminated Employees"** means those individuals employed by the Surviving Entities whose employment will be terminated prior to Closing, as listed in a terminated employee list to be sent by the Purchaser to the Company no later than ten Business Days before the Target Closing Date.

**"TGOD"** means The Green Organic Dutchman Ltd.

**"Transaction Taxes"** means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including GST/HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax arising from, or relating to, or in respect of the consummation of the Transactions.

**"Transactions"** means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

**"Wind-Up Reserve"** means \$430,000 (inclusive of tax) or such lesser amount as the Purchaser, the Company and the Monitor may agree.

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

## **1.3 Currency and Payment Obligations**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

## **1.4 Calculation of Time**

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Eastern time) on the next succeeding Business Day.

## **1.5 Additional Rules of Interpretation**

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmation from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also

include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.

- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

## **1.6 Exhibits and Schedules**

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

### **EXHIBITS**

- |             |   |  |
|-------------|---|--|
| Exhibit "A" | - | Form of Approval and Reverse Vesting Order |
| Exhibit "B" | - | SISP Order                                 |
| Exhibit "C" | - | CCAA Applicants                            |

### **SCHEDULES**

- |              |   |                               |
|--------------|---|-------------------------------|
| Schedule "A" | - | Excluded Assets               |
| Schedule "B" | - | Excluded Contracts            |
| Schedule "C" | - | Excluded Liabilities          |
| Schedule "D" | - | Encumbrances To Be Discharged |
| Schedule "E" | - | Assumed Liabilities           |
| Schedule "F" | - | Permitted Encumbrances        |
| Schedule "H" | - | Retained Assets               |
| Schedule "H" | - | Retained Contracts            |
| Schedule "I" | - | Assigned Contracts            |

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## **ARTICLE 2 SUBSCRIPTION FOR SUBSCRIBED SHARES AND RELATED MATTERS**

### **2.1 Deposit**

As a deposit for the Subscription Price, the Purchaser paid to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 (the "**First Deposit**"), within two (2) days of the granting of the

SISP Order by the Court, which has been held in escrow by the Monitor in a non-interest-bearing account on behalf of the Company.

As a second deposit for the Subscription Price, the Purchaser paid to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 prior to October 18, 2024 (the "**Second Deposit**" and together with the First Deposit, the "**Cash Deposits**"), which has been held in escrow by the Monitor in a non-interest-bearing account on behalf of the Company.

If the Closing does not occur for any reason and the Agreement is terminated, the Cash Deposits will be forthwith refunded in full to the Purchaser (without interest, offset or deduction) except:

- (a) if this Agreement is terminated by the Company pursuant to Section 9.1(a)(iv); or
- (b) if this Agreement is terminated by the Company pursuant to Section 9.1(a)(iii), except if
  - (i) at the time of such termination the condition in Section 8.1(j) has not been satisfied and
  - (ii) the Purchaser has requested an extension of the Outside Date and has not received consent to such extension, in which case the Cash Deposits will be forthwith refunded in full to the Purchaser (without interest, offset or deduction).

If this Agreement is terminated by the Company in the circumstances set forth in Sections 2.1(a) or 2.1(b), the Cash Deposits shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions.

## **2.2 Subscription Price**

- (a) The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the "**Subscription Price**"):
  - (i) Cash Consideration: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall pay the Cash Consideration as follows: (A) by the release of the Cash Deposits by the Monitor to the Company, and (B) by wire transfer, at the direction of the Company, to either (1) an account designated by the Monitor, on behalf of the Company, or (2) an account designated by Cortland, of immediately available funds in the amount of the balance of the Cash Consideration.
  - (ii) Assumption of Assumed Liabilities: On the Closing Date and in accordance with the Closing Sequence, the Surviving Entities shall retain the Assumed Liabilities. For greater certainty, all Assumed Liabilities, including, but not limited to, the Statement of Trade Payables amounts, will be assumed and retained by the Company and paid on the later of (a) Closing, and (b) when such Assumed Liabilities become due and owing in accordance with their current payment terms and conditions, absent any acceleration that may be asserted to be caused by or associated with the Company Group Members' insolvency or the CCAA Proceedings.



## **2.3 Payment of the Closing Payments**

On the Closing Date, the Company shall satisfy, in accordance with the Closing Sequence and Section 8.2(f), the Closing Payments from the Closing Cash Amount such that all the Closing Payments shall be satisfied in full concurrently with the Closing.

## **ARTICLE 3 ASSIGNED CONTRACTS**

### **3.1 Assigned Contracts**

On the Closing Date and in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and Section 11.3 of the CCAA, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOD.

## **ARTICLE 4 EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

### **4.1 Transfer of Excluded Liabilities to Residual Co**

- (a) On the Closing Date and in accordance with the Closing Sequence, the Excluded Liabilities shall be assumed by Residual Co and the Company shall issue to Residual Co an interest-free promissory note (the "**Excluded Liability Promissory Note**") in the amount equal to \$5.00 in consideration for Residual Co assuming the Excluded Liabilities. The Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser, the Company and the Monitor (the "**Excluded Liability Assumption Agreement**").
- (b) Notwithstanding any other provision of this Agreement, neither the Purchaser nor either of the Surviving Entities shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Surviving Entities and their assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order.
- (c) For greater certainty, the Purchaser shall be solely liable for all Tax liabilities and Transaction Taxes, if any, of the Surviving Entities arising in connection with the assignment of the Excluded Liabilities to Residual Co and the assumption by Residual Co of same.

### **4.2 Transfer of Excluded Assets and Excluded Contracts to Residual Co**

- (a) The Company Group Members shall retain all of the assets owned by them on the date of this Agreement and any assets acquired by them up to Closing, including their respective Contracts, Permits and Licenses and Books and Records, except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts, and any Contracts disclaimed by any of the Company Group Members with the consent of the Purchaser.
- (b) On the Closing Date and in accordance with the Closing Sequence, the Surviving Entities shall transfer or cause to be transferred the Excluded Assets, if any, and the Excluded

Contracts to Residual Co, in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co pursuant to the Approval and Reverse Vesting Order by a bill of sale (the "**Excluded Assets Bill of Sale**") and assignment of contracts (the "**Excluded Contracts Assignment Agreement**"), in form and substance satisfactory to the Purchaser, the Company and the Monitor, all in consideration of an interest-free promissory note from the Company (the "**Excluded Assets and Contracts Promissory Note**") in the amount equal to \$5.00.

- (c) For greater certainty, the Purchaser shall be solely liable for all Tax liabilities and Transaction Taxes, if any, of the Surviving Entities arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to Residual Co.

#### **4.3 Excluded Assets**

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the Surviving Entities shall not include any of the assets listed on Schedule "A" nor any of the following assets:

- (a) the portion of the Cash Consideration transferred to Residual Co in accordance with the Closing Sequence;
- (b) the Closing Cash Amount, which for the avoidance of doubt, shall be paid in accordance with Sections 2.3 and 7.2(d), and shall not be transferred to Residual Co pursuant to Section 4.2;
- (c) all written information or records that are solely related to any Excluded Asset or any Excluded Liability; provided, however that the Surviving Entities shall retain such items and provide copies thereof to Residual Co as soon as reasonably practicable after Residual Co request for same;
- (d) the Excluded Contracts; and
- (e) any rights which accrue to Residual Co under this Agreement and the other documents required to be delivered pursuant to this Agreement.

### **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

#### **5.1 Representations and Warranties as to the Company**

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the subscription by the Purchaser for the Subscribed Shares:

- (a) **Incorporation and Status.** Each of the Surviving Entities is a corporation incorporated or limited liability company organized, as applicable, and existing under the laws of its jurisdiction of incorporation or formation, is in good standing under such laws and, with respect to the Company, has the power and authority to enter into, deliver and perform its obligations under this Agreement subject only to SISP Order and the Approval and Reverse Vesting Order.

- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate actions on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of its Organizational Documents.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms.
- (e) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company Group Members of any of the Subscribed Shares or other securities of the Surviving Entities or the Retained Assets.
- (f) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (g) Proceedings. There are no Legal Proceedings pending against any of the Surviving Entities or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of all or any part of the Subscribed Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of their obligations set forth in this Agreement.
- (h) Authorized and Issued Capital. The authorized capital of the Company consists of an unlimited number of common shares, of which 273,578,952 common shares are issued and outstanding. Except for the foregoing issued and outstanding shares, there are no other issued and outstanding common shares or other securities of either of the Company, nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.
- (i) Cannabis Licenses. The Cannabis Licenses are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licenses.
- (j) Tax. To the Company's knowledge, except as disclosed to the Purchaser: (i) all Taxes shown as due and owing on the Tax Returns and any related notices of assessment for the Company for all Tax periods ending on or prior to the Closing Date have been duly and timely paid; and (ii) the Company has withheld and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld or deducted.

- (k) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Company, and each of the agreements to be executed and delivered by the Company hereunder, the issuance by the Company of the Subscribed Shares hereunder.

## **5.2 Representations and Warranties as to the Purchaser**

The Purchaser represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the issuance by the Company of the Subscribed Shares.

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (f) Financial Ability. The Purchaser will have on closing cash on hand and/or firm financing commitments from lenders in amounts sufficient to allow it to pay the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions.
- (g) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Subscription Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (h) Investment Canada Act. The Purchaser is a WTO investor within the meaning of the Investment Canada Act.

- (i) Security Clearances. Each officer, director, or any other Person that may exercise, or is in a position to exercise, direct control over either holder of the Cannabis Licenses or of the Purchaser have obtained security clearances as required to maintain the Cannabis Licenses under Applicable Law.
- (j) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and (ii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, the purchase of the Subscribed Shares hereunder.

### **5.3 As is, Where is**

The Subscribed Shares shall be issued, sold and delivered to the Purchaser subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to same). For greater certainty, the Retained Assets shall be retained by the Surviving Entities in the context of the Transactions on an "as is where is" basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Surviving Entities in order to make an independent analysis of same.

## **ARTICLE 6 COVENANTS**

### **6.1 Target Closing Date**

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Target Closing Date.

### **6.2 Application for Approval and Reverse Vesting Order**

As soon as practicable after the execution of this Agreement, the Company shall serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order with the Court.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of such order. The Company's motion materials seeking the Approval and Reverse Vesting Order shall be in form and substance satisfactory to the Purchaser, acting reasonably, and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on

such other interested parties, and in such manner, as the Purchaser may reasonably require. The Company will promptly inform counsel for the Purchaser of any and all threatened or actual objections to the application for the issuance of the Approval and Reverse Vesting Order of which it becomes aware, and will promptly provide to the Purchaser a copy of all written objections received.

### **6.3 Interim Period**

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order); (ii) as necessary in connection with the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and Company, such consent not to be unreasonably withheld, conditioned or delayed: (A) the Company shall, and shall cause each of the other Company Group Members to, continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement including preserving, renewing and keeping in full force its corporate existence as well as its Permits and Licenses and Contracts; and (B) other than the Excluded Assets and the Surviving Entities' cannabis inventory pursuant to purchase orders from third parties, the Company shall not, and the Company shall not permit the Company Group Members to, transport, remove or dispose of, any of their assets out of their current locations.
- (b) During the Interim Period, and subject to the terms of the SISP and the SISP Order, except as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order), neither the Company nor any of the other Company Group Members shall enter into any non-arms' length transactions involving the Company Group Members or their assets or the Business without the prior approval of the Purchaser.
- (c) During the Interim Period, the Purchaser shall furnish to the Company such information concerning the Purchaser as shall be reasonably requested, including all such information as shall be necessary to enable the Company to verify that the representations and warranties and covenants of the Purchaser contained in this Agreement have been complied with.

### **6.4 Access During Interim Period**

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the customers and contractual counterparties of the Company Group Members. Such investigations shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the Company Group Members, and the Company shall, and shall cause the other Company Group Members, to co-operate

reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

## **6.5 Regulatory Approvals and Consents**

During the Interim Period:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the Cannabis Act and the regulations thereto.
- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.5.
- (c) The Parties shall cause their respective affiliates to, promptly give each other and the Monitor reasonable advance notice of all information, documents and data as may be requested, required or ordered to be provided to Governmental Authorities pursuant to statutory or non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 6.5.

## **6.6 Insurance Matters**

During the Interim Period, the Company shall keep, and shall cause the other Company Group Members to keep, in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company Group Members in the ordinary course of business.

## **6.7 Books and Records**

The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as they may reasonably require.

## **ARTICLE 7 CLOSING ARRANGEMENTS**

### **7.1 Closing**

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

### **7.2 Closing Sequence**

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, Residual Co shall be deemed to be a company to which the CCAA applies and shall be added to the CCAA Proceedings as an CCAA Applicant;
- (b) Second, the Purchaser shall pay the unpaid balance of the Cash Consideration to (i) Cortland in accordance with Section 2.2, or (ii) the Monitor, which Cash Consideration shall be held in escrow by the Monitor, on behalf of the Company, to be released in accordance with this Closing Sequence;
- (c) Third, the Company shall pay, or direct to be paid, to Cortland, from the Cash Consideration, the amounts necessary to satisfy in full each of (i) amounts owing in respect of the DIP Facility; and (ii) amounts owing by the CCAA Applicants to Cortland pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any;
- (d) Fourth, the Company shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (e) Fifth, all of the Retained Assets of the Company Group Members, other than the Surviving Entities, shall be transferred to TGOB;
- (f) Sixth, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOB pursuant to the Approval and Reverse Vesting Order and section 11.3 of the CCAA;
- (g) Seventh, the Company shall (i) transfer or cause to be transferred to and cause Residual Co to assume the Excluded Assets and the Excluded Contracts pursuant to the Approval and Reverse Vesting Order, the Excluded Assets Bill of Sale and the Excluded Contracts Assignment Agreement, (ii) issue the Excluded Assets and Contracts Promissory Note to Residual Co, (iii) transfer to and cause Residual Co to assume the Excluded Liabilities pursuant to the Approval and Reverse Vesting Order and the Excluded Liabilities Assumption Agreement, and (iv) issue the Excluded Liability Promissory Note to Residual Co;
- (h) Eighth, the Company shall file the Articles of Amendment, and all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;



- (i) Ninth, the Company shall issue the Subscribed Shares and the Purchaser shall subscribe for and purchase the Subscribed Shares, and the Cash Consideration (including the Cash Deposits) shall be released from escrow for the benefit of the Company in satisfaction of the Subscription Price for the Subscribed Shares, but shall continue to be held by the Monitor, in escrow on the Company's behalf and in accordance with Section 7.2(j); and
- (j) Tenth, the Company shall satisfy all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note using a portion of the Cash Consideration (including the Cash Deposits), and irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration (including the Cash Deposits) held by the Monitor, although such amount shall continue to be held by the Monitor on behalf of Residual Co, at which point both the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note shall be irrevocably and indefeasibly satisfied, in full, and terminated.

### **7.3 The Company's Closing Deliveries**

At or before the Closing (as applicable), the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note;
- (b) a copy of the Excluded Liability Assumption Agreement, signed by the Company and Residual Co;
- (c) a copy of the Excluded Assets Bill of Sale, signed by the Company and Residual Co;
- (d) a copy of the Excluded Contracts Assignment Agreement, signed by the Company and Residual Co;
- (e) a copy of the Approval and Reverse Vesting Order;
- (f) share certificates representing the Subscribed Shares registered in the name of the Purchaser;
- (g) the Statement of Trade Payables, reviewed by the Monitor;
- (h) a certificate of compliance with respect to the Company issued by the appropriate government official of its jurisdiction of incorporation;
- (i) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections 8.1(c), 8.1(d), 8.1(e) and 8.1(f) have been satisfied;
- (j) an irrevocable mutual release between Residual Co, on the one hand, and the Company Group Members, on the other hand, releasing such respective parties and each of their respective directors, officers, employees, agents, representatives, legal and financial advisors from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims, of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present, or future, direct or indirect, whether known or unknown,

except any covenants and obligations hereunder which survive Closing, in a form and substance acceptable to the Purchaser, the Company, and the Monitor, acting reasonably; and

- (k) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions (including the Purchase and Sale Transactions and the Closing Sequence) provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

#### **7.4 The Purchaser's Closing Deliveries**

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each the conditions in Sections 8.2(b), 8.2(c), 8.2(d) and 8.2(e) have been satisfied;
- (c) the unpaid balance of the Cash Consideration in accordance with Section 7.2(a); and
- (d) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### **ARTICLE 8 CONDITIONS OF CLOSING**

#### **8.1 The Purchaser's Conditions**

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that if the Purchaser does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Company shall take, and cause the Company Group Members to take, all such commercially reasonable actions, steps and proceedings as are reasonably within their control to ensure that the conditions listed below in this Section 8.1 are fulfilled at or before the Closing Time.

- (a) Court Approval. The Approval and Reverse Vesting Order shall have been issued by the Court, and shall not have been vacated, set aside or stayed.
- (b) The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) the effect of modifying or amending the Approval and Reverse Vesting Order without the consent of the Purchaser.
- (d) No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) No Breach of Covenants. The Company shall have performed in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.
- (g) The Terminated Employees. The Surviving Entities shall have terminated the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, vacation pay, termination payments, severance, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Reverse Vesting Order, subject to any amounts that rank in priority to the DIP Facility.
- (h) Residual Co. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to Residual Co or Discharged; and (ii) the Surviving Entities, their businesses and properties shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities, if any); such that, from and after Closing the businesses and properties of the Surviving Entities shall exclude the Excluded Assets and the Excluded Contracts, and shall not be subject to any Excluded Liabilities.
- (i) CCAA Proceedings. Upon Closing, the CCAA Proceedings will have been terminated in respect of the Surviving Entities and their businesses and properties, as set out in the Approval and Reverse Vesting Order.
- (j) Cannabis Licenses. (i) The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension; and (ii) all required Authorizations from Health Canada in connection with the Closing of the Transactions shall have been obtained.
- (k) Disclaim Contracts. The CCAA Applicants shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts

to disclaim as sent by the Purchaser to the Company and which shall be delivered by the Purchaser no later than 20 days before the Target Closing Date.

- (l) DIP Financing. The DIP Financing shall not have been terminated by the DIP Lender and shall remain in effect.

## 8.2 The Company's Conditions

The Company shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section 8.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and complete the Closing, such condition(s) shall be deemed to have been waived by the Company. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 8.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Court Approval. The Approval and Reverse Vesting Order shall have been issued by the Court, shall not have been appealed, vacated, set aside or stayed.
- (b) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 7.4.
- (c) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (d) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (e) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (f) Closing Cash Amount. On the Closing Date, prior to Closing, the Company shall have cash in an amount sufficient to satisfy the following payments in full on Closing (the "**Closing Cash Amount**") and such payments shall have been made on or before the Closing:
  - (i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;

- (ii) the reasonable and documented outstanding legal and financial advisor fees and expenses up to and including Closing of the DIP Lender; and
- (iii) the Wind-Up Reserve payable to the Monitor (collectively, (i) through (iii), the "**Closing Payments**").
- (g) New Employee Contracts. Prior to Closing, the Purchaser shall have entered into new employment agreements with Matthew Milich and up to three other key management employees to be identified by the Company (collectively, the "**Management Employees**"), in form satisfactory to both the Purchaser and the Management Employees.
- (h) Shareholders Agreement. Prior to Closing, the Purchaser and the Management Employees shall have entered into a shareholders' agreement in respect of the Company which shall be effective as of Closing.
- (i) Releases. Prior to Closing, releases in favour of the directors and officers of the Company shall be approved by the Court, in form and substance satisfactory to the Company.

### **8.3 Monitor's Certificate**

When the conditions to Closing set out in Section 8.1 and Section 8.2 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Purchaser, at which time the Closing Sequence will be deemed to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchaser). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

## **ARTICLE 9 TERMINATION**

### **9.1 Grounds for Termination**

- (a) Subject to Section 9.1(b), this Agreement may be terminated on or prior to the Closing Date:
  - (i) by the mutual agreement of the Company and the Purchaser;
  - (ii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, if the Court declines at any time to grant the Approval and Reverse Vesting Order; provided that the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
  - (iii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date, provided

that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;

- (iv) by the Company (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser, of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Purchaser within five (5) Business Days of the Company providing notice to the Purchaser of such breach, unless the Company is itself in material breach of its own obligations under this Agreement at such time; or
  - (v) by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 8.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Company within five (5) Business Days of the Purchaser providing notice to the Company of such breach, unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time.
- (b) Prior to the Company agreeing to or electing to any termination pursuant to this Section 9.1, the Company shall first obtain the consent of the Monitor and DIP Lender; provided, however, DIP Lender consent shall not be required where the Company agrees or elects to terminate this Agreement pursuant to Section 9.1.
  - (c) The Party desiring to terminate this Agreement pursuant to this Section 9.1 (other than pursuant to Section 9.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, and the Monitor specifying in reasonable detail the basis for such Party's exercise of its termination rights.

## **9.2 Effect of Termination.**

If this Agreement is terminated pursuant to Section 9.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1 (*Cash Deposits*), 9.2(b) (*Effect of Termination*), 10.4 (*Public Announcements*), 10.5 (*Notices*), 10.9 (*Waiver and Amendment*), 10.12 (*Governing Law*), 10.13 (*Dispute Resolution*), 10.14 (*Attornment*), 10.15 (*Successors and Assigns*), 10.16 (*Assignment*), 10.17 (*No Liability*), and 10.18 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) if, prior to the termination, the Cash Consideration has been paid to the Monitor pursuant to Section 7.2(a), the Parties shall jointly instruct the Monitor in writing to return the Cash Consideration to the Purchaser.

## **ARTICLE 10 GENERAL**

### **10.1 Tax Returns.**

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Surviving Entities for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Surviving Entities to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. The Purchaser will use best efforts to provide drafts of all Tax Returns required to be prepared by the Purchaser to Residual Co and the Monitor in advance of their filing with the relevant Governmental Authority. The Purchaser, Residual Co and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as Residual Co or the Monitor may request.

### **10.2 Survival.**

All representations, warranties, covenants and agreements of the Company or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### **10.3 Expenses.**

Each of the Company and the Purchaser shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

### **10.4 Public Announcements.**

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser reasonably advises the Company in writing as being confidential (in which case, the CCAA Applicants will apply for a sealing Order in respect of such information), and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein), the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties.

### **10.5 Notices.**

- (a) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company:

**BZAM Ltd.**

1915 Jerseyville Road West  
Jerseyville, ON L0R 1R0

Attention: Matthew Milich  
E-mail: [mmilich@bzam.com](mailto:mmilich@bzam.com)

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

**Bennett Jones LLP**

100 King Street West  
1 First Canadian Place  
Suite 3400, P.O. Box 50  
Toronto ON M5X 1B8

Attention: Sean Zweig / Mike Shakra  
E-mail: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com) / [shakram@bennettjones.com](mailto:shakram@bennettjones.com)

with a copy to the Monitor:

**FTI Consulting Canada Inc.**

Attention: Jeffrey Rosenberg / Kamran Hamidi  
E-mail: [Jeffrey.Rosenberg@fticonsulting.com](mailto:Jeffrey.Rosenberg@fticonsulting.com) /  
[Kamran.Hamidi@fticonsulting.com](mailto:Kamran.Hamidi@fticonsulting.com)

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

**Stikeman Elliott LLP**

Attention: Maria Konyukhova  
E-mail: [MKonyukhova@stikeman.com](mailto:MKonyukhova@stikeman.com)

If to the Purchaser:

**1000816625 Ontario Inc.**

Attention: Alberto Montagne  
E-mail: [amontagne@cycadmanagement.com](mailto:amontagne@cycadmanagement.com)

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

**Chaitons LLP**

Attention: Harvey Chaiton  
E-mail: [harvey@chaitons.com](mailto:harvey@chaitons.com)

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered,



or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Eastern time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

- (c) Change of Address. Any Party may from time to time change its address under this Section 10.5 by notice to the other Parties given in the manner provided by this Section 10.5.

#### **10.6 Time of Essence.**

Time shall be of the essence of this Agreement in all respects.

#### **10.7 Further Assurances.**

The Company and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

#### **10.8 Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

#### **10.9 Waiver and Amendment.**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

#### **10.10 Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **10.11 Remedies Cumulative.**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

#### **10.12 Governing Law.**

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

#### **10.13 Dispute Resolution.**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

#### **10.14 Attornment.**

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 10.14. Each Party agrees that service of process on such Party as provided in this Section 10.14 shall be deemed effective service of process on such Party.

#### **10.15 Successors and Assigns.**

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

#### **10.16 Assignment.**

The Company shall not be permitted to assign any of its rights or delegate any of its obligations under this Agreement, without the prior written consent of the Purchaser. Prior to the issuance of the Approval and Reverse Vesting Order, the Purchaser shall be entitled and permitted to assign any or all or any portion of Company and the Monitor have confirmed in writing that they are satisfied, in their sole discretion that such Affiliate assignee has the ability to perform all of the Purchaser's rights, duties, and obligations hereunder. Any purported assignment or delegation in violation of this Section 10.16 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

#### **10.17 No Liability.**

The Purchaser and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Cash Consideration (including the Cash Deposits)

or the filing of the Monitor's Certificate) or any portion thereof, whether in its capacity as Monitor, in its personal capacity or otherwise; save and except for any claim or liability arising out of gross negligence or willful misconduct on the part of the Monitor or such Monitor's Affiliates. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company and the Purchaser with respect to the holding or disposition of any portion of the Cash Consideration (including the Cash Deposits) or any other obligation of the Monitor hereunder in respect of the Cash Consideration (including the Cash Deposits), or if at any time the Monitor is unable to determine the proper disposition of any portion of the Cash Consideration or its proper actions with respect to its obligations hereunder in respect of the Cash Consideration (including the Cash Deposits), then the Monitor may: (i) make an application to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Cash Consideration (including the Cash Deposits) or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court or (ii) hold the Cash Consideration (including the Cash Deposits) or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company and the Purchaser directing the Monitor to disburse the Cash Consideration (including the Cash Deposits) or any portion thereof in the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse the Cash Consideration (including the Cash Deposits) in the manner provided for in the order.

#### **10.18 Third Party Beneficiaries.**

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 10.17), (ii) the DIP Lender; and (iii) Residual Co as relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to Residual Co as an Excluded Asset, or Excluded Contract at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### **10.19 Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

*[Remainder of page intentionally left blank. Signature page follows.]*

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**BZAM LTD.**

By:   
Name: Matt Milich  
Title: CEO

**1000816625 ONTARIO INC.**

By: \_\_\_\_\_  
Name:  
Title:

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**BZAM LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**1000816625 ONTARIO INC.**

By: B.Y. ALGOL  
Name: BASIM Y. ALGATHAM  
Title: Director

**EXHIBIT “A”**

**FORM OF APPROVAL AND REVERSE VESTING ORDER**

Attached.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	THURSDAY THE 15 <sup>TH</sup>
	)	
JUSTICE OSBORNE	)	DAY OF MAY, 2025

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  
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL  
BELL CORP. AND 1001028579 ONTARIO INC.

Applicants

**APPROVAL AND REVERSE VESTING ORDER  
(STALKING HORSE TRANSACTION)**

**THIS MOTION**, made by BZAM Ltd., BZAM Holdings Inc., 1001028579 Ontario 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. (the “**Applicants**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an order, among other things: (i) approving an amended and restated share subscription agreement dated May 9, 2025 (the “**Subscription Agreement**”) between BZAM Ltd. (“**BZAM**”) and 1000816625 Ontario Inc. (the “**Purchaser**”), *nunc pro tunc*, (ii) approving the purchase and sale, issuance and subscription, and all related steps contemplated in the Subscription Agreement (the “**Transaction**”), (iii) adding 1001105728 Ontario Inc. (“**ResidualCo**”) as an applicant to these CCAA Proceedings and removing BZAM Ltd. and The Green Organic Dutchman Ltd. as Applicants to these CCAA Proceedings, (iv) approving the

assignment of all rights and obligations under the Assigned Contracts to The Green Organic Dutchman Ltd., subject to the conditions herein, and (v) approving and authorizing all such reorganization transactions contemplated in Article 4 of the Subscription Agreement (the “**Reorganization**”) and forming part of this Order (such transactions contemplated as part of the Reorganization, including for avoidance of doubt the closing sequence described at Article 7.2 of the Subscription Agreement (the “**Closing Sequence**”), being collectively referred to as the “**Restructuring Steps**”), was heard this day by judicial teleconference via Zoom.

**ON READING** the affidavit of Matthew Milich dated May 9, 2025, and the Exhibits thereto (the “**Milich Affidavit**”) and the Tenth Report of FTI Consulting Canada Inc., in its capacity as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) dated May [●], 2025 and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, and such other counsel appearing on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service of Jamie Ernst, filed:

## **DEFINED TERMS**

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit, the Subscription Agreement or the Amended and Restated Initial Order granted by this Court on March 8, 2024, as applicable.



## **SERVICE**

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

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transaction are hereby approved and the execution of the Subscription Agreement by BZAM is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the parties may deem necessary, with the consent of the Monitor. The BZAM Entities and their successors are hereby authorized and directed to perform their obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision of this Order, the BZAM Entities and their successors are hereby authorized and directed to implement and complete the Transaction and the Restructuring Steps. The closing of the Transaction shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by BZAM and the Purchaser, with the prior written consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which BZAM or the Applicants' stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by BZAM and the BZAM Entities, and their successors, to proceed with the Transaction and the

Restructuring Steps and that no director, shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, ResidualCo is deemed to be a company to which the CCAA applies and shall be added to these CCAA Proceedings as an Applicant;
- (b) second, in accordance with the terms of this Order and the Subscription Agreement, the Stalking Horse Purchaser shall pay the Cash Distribution (as defined below) to the Monitor or Cortland, as directed by the Applicants;
- (c) third, the Company shall pay, or direct to be paid, to Cortland, from the Cash Consideration, the amounts necessary to satisfy in full each of (i) amounts owing in respect of the DIP Facility; and (ii) amounts owing by the CCAA Applicants to Cortland pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any;
- (d) fourth, BZAM shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (e) fifth, any of the Retained Assets held by the BZAM Entities other than the Purchased Entities (as defined below) shall be transferred to The Green Organic Dutchman Ltd. ("**TGOD**");

- (f) sixth, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOD in accordance with section 11.3 of the CCAA;
- (g) seventh,
  - (i) in accordance with the terms of the Subscription Agreement, all of the Purchased Entities' right, title and interest in and to the Excluded Assets and Excluded Contracts shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined herein) shall continue to attach to the Excluded Assets, the Excluded Contracts and to the proceeds from the purchase price in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
  - (ii) BZAM shall issue the Excluded Assets and Contracts Promissory Note to ResidualCo;
  - (iii) all Excluded Liabilities (which, for greater certainty, shall include all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims (as defined herein), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise)) of the Purchased Entities shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that

the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Purchased Entities. The Purchased Entities shall be forever released and discharged from such Excluded Liabilities, and all Encumbrances (other than the Permitted Encumbrances) securing the Excluded Liabilities shall be forever released and discharged; and

- (iv) BZAM shall issue the Excluded Liability Promissory Note to ResidualCo;
- (h) eighth, upon BZAM filing Articles of Amendment, all Existing Shares, as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of BZAM, or otherwise relating thereto, shall be deemed terminated and cancelled for no consideration;
- (i) ninth, in satisfaction of the Subscription Price (which shall be released from escrow for the benefit of BZAM in accordance with the terms of the Subscription Agreement), BZAM shall issue the Subscribed Shares, and the Purchaser shall subscribe for and purchase the Subscribed Shares. All right, title and interest in and to the Subscribed Shares, as well as the Retained Assets, shall vest absolutely in the Purchaser, free and clear of and from any and all civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any kind (including any cross-claim or counterclaim), demand, investigation, chose in action, default, assessment, litigation, third party action, judgement, or proceedings by or before any person, security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, reservations of ownership, rights of retention, royalties,

- options, rights of pre-emption, privileges, assignments (as security), any and all restrictions on the transfer of shares, equity securities, partnership or membership units or interests or other interests in property, including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders, members or lenders in respect of such interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, writs of enforcement, writs of seizure, or any other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the SISP Approval Order or any other Orders in these CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems, with the exception of the Permitted Encumbrances, and (iii) all Claims that are not the Permitted Encumbrances listed on **Schedule “B”** attached hereto (all of which are collectively referred to as “**Encumbrances**”); for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Subscribed Shares or the Retained Assets are hereby expunged and discharged as against the Subscribed Shares or the Retained Assets, and, for greater certainty, this court orders that, notwithstanding anything else in this Order, the Encumbrances and the Claims do not include the Permitted Encumbrances; and
- (j) tenth, upon BZAM satisfying all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note in accordance with the terms of the Subscription Agreement, including through the

irrevocable direction to the Monitor to cause such payments to be made from the Cash Consideration held by the Monitor, both the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note shall be irrevocably and indefeasibly satisfied, in full, and terminated.

7. **THIS COURT ORDERS AND DECLARES** that, effective one moment following the Closing Time, any and all Liabilities arising from or relating to: (a) the change of control resulting from the Transaction; and (b) the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; and to which the Purchased Entities may be bound at the Closing Time, including, for greater certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Purchased Entities shall have no obligation in connection with such Liabilities or Taxes.

8. **THIS COURT ORDERS AND DECLARES** that, following the Closing Time, the CCAA Proceedings shall be terminated in respect of TGOD and BZAM (collectively, the “**Purchased Entities**”) and their business and property, and the Purchased Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects. For greater certainty, these CCAA Proceedings shall continue in respect of the remaining Applicants (including ResidualCo).

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of any Claims, the net proceeds from the issuance and sale of the Subscribed Shares (the “**Proceeds**”) shall stand in the place and stead of the Subscribed Shares and Retained Assets and that from and after the delivery of the Monitor’s Certificate, all Claims and Encumbrances shall attach to the

Proceeds and the Excluded Assets with the same priority as they had with respect to the Subscribed Shares and Retained Assets immediately prior to the sale.

10. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicants and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

12. **THIS COURT ORDERS** that upon delivery and filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the BZAM Entities, the Retained Assets, the Subscribed Shares or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for all Governmental Authorities to make and register transfers of interest against any of the Retained Assets, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

13. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Purchased Entities or the Monitor,

as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of the Purchased Entities pertaining to past and current employees of the Purchased Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities prior to the Closing Time.

14. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraphs 6 and 9 hereof, the Purchased Entities shall be released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) owed or owing, including assessed or accrued Taxes, against the Applicants for the period prior to February 28, 2024. For greater certainty, nothing in this Order or the Subscription Agreement precludes the Minister of National Revenue from exercising its rights with respect to any Taxes owed or owing, including assessed or accrued Taxes, against any of the Purchased Entities for the period on or after February 28, 2024.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all contracts to which the BZAM Entities are party to upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right



of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- (b) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of the BZAM Entities arising from the implementation of the Subscription Agreement, the Transaction or the provisions of this Order.

16. **THIS COURT ORDERS** that for greater certainty, (a) nothing in paragraph 15 hereof shall waive, compromise or discharge any obligations of the Purchased Entities or the Purchaser in respect of any Assumed Liabilities, which for greater certainty includes the obligations of TGOB pursuant to the Memorandum of Understanding among the Minister of National Revenue, TGOB and Final Bell Corp. dated May 9, 2025, (b) the designation of any Claim as an Assumed Liability is without prejudice to any of the Purchased Entities' or the Purchaser's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or

the Subscription Agreement shall affect or waive any of the Purchased Entities' or the Purchaser's rights and defenses, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

17. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Purchased Entities then existing or previously committed by the Purchased Entities, or caused by the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and any of the Purchased Entities arising directly or indirectly from the filing of the Purchased Entities under the CCAA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 15 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Purchased Entities from performing their obligations under the Subscription Agreement or be a waiver of defaults by the Purchased Entities under the Subscription Agreement or related documents.

18. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entities relating in any way to or in respect of any

Taxes, Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Assumed Liabilities retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against the Purchased Entities under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Purchased Entities but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Purchased Entities prior to the Closing Time.

20. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, ResidualCo shall be added as an Applicant in these CCAA Proceedings and any reference in any Order of this

Court in respect of these CCAA Proceedings to an “Applicant” or the “Applicants” shall also refer to ResidualCo.

21. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, all references in any Order of this court in respect of these CCAA Proceedings to “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each of the Charges (as defined in the ARIO, as amended and restated from time to time) shall constitute a charge on the ResidualCo Property.

22. **THIS COURT ORDERS** that the Director appointed pursuant to section 260 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended, or any other appointed official under applicable provincial legislation, shall accept and receive any articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, filed by BZAM or ResidualCo.

23. **THIS COURT ORDERS** that BZAM and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, including without limitation the issuance of shares, and such articles, documents, or other instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Transaction.

24. **THIS COURT ORDERS** that no director or shareholder approval shall be required and no authorization, approval or other action by notice to or filing with any governmental authority or regulatory body exercising jurisdiction in respect to BZAM is required for the due execution, delivery and performance by BZAM and ResidualCo of the Subscription Agreement and the completion of the Transaction. Without limiting the generality of the foregoing, BZAM shall not be required to comply with the provisions of Multilateral Instrument 61-101 “Protection of Minority Security Holders in Special Transactions” relating to the requirement for “minority” shareholder approval in certain circumstances, no meeting of shareholders or other holders of equity interests in BZAM is required to be held in respect of the Transaction, and accordingly, there is no requirement to send any disclosure document related to the Transaction, to such shareholders or other holders of equity interests.

#### **APPROVAL OF THE ASSIGNMENTS**

25. **THIS COURT ORDERS** that once the Monitor’s Certificate has been delivered, and either: (i) all cure costs owing by the applicable Applicant under the respective Assigned Contract have been satisfied prior to Closing, or (ii) the contractual parties to any Assigned Contract have reached a consensual agreement in respect of all cure costs under such Assigned Contract and have agreed to deem all cure amounts owing by the Applicants satisfied:

- (a) all of the rights and obligations of the applicable Applicant under an Assigned Contract set forth in Schedule “I” of the Subscription Agreement shall be assigned, conveyed, transferred and assumed by TGOD pursuant to section 11.3 of the CCAA and such assignment is valid and binding upon all of the counterparties to the respective Assigned Contract notwithstanding any restriction or prohibition, if any, contained in any such Assigned Contract relating to the assignment thereof, including but not limited

- to, provisions, if any, relating to a change of control or requiring the consent of or notice for any period in advance of the assignment to any party to any such Assigned Contract;
- (b) the Assigned Contracts shall remain in full force and effect and the counterparties under the respective Assigned Contracts are prohibited from exercising any rights or remedies (including, without limitation, any right of set-off) under the Assigned Contracts, and shall be forever barred, enjoined and estopped from taking such action, by reason solely of:
- (i) any circumstance that existed or event that occurred on or prior to the Closing Date that would have entitled such counterparty to the Assigned Contract to enforce those rights or remedies or caused an automatic termination to occur;
  - (ii) any defaults arising from the insolvency of the Applicants or any of its affiliates;
  - (iii) the commencement of these CCAA Proceedings;
  - (iv) any defaults that arise upon the assignment of the Assigned Contracts to TGOD;
  - (v) any change of control of an Applicant arising from the implementation of the Subscription Agreement and/or the Transaction and its implementation shall be deemed not to constitute a change in ownership or change in control under any Assigned Contract; or

- (vi) any Applicant having breached a non-monetary obligation under the Assigned Contract,

and the counterparties under the respective Assigned Contracts are hereby deemed to waive any defaults relating thereto. For greater certainty: (A) without limiting the foregoing, no counterparty under an Assigned Contract shall rely on a notice of default sent prior to the filing of the Monitor's Certificate to terminate an Assigned Contract as against TGOD; and (B) nothing herein shall limit or exempt TGOD in respect of obligations accruing, arising or continuing after the Closing of the Transaction under the Assigned Contracts other than in respects of items (i) to (vi) above.

26. **THIS COURT ORDERS** that no Assigned Contract may be assigned hereunder unless all amounts owing in respect of monetary defaults under the Assigned Contract, other than those arising by reason only of the Applicants' insolvency, the commencement of these CCAA Proceedings, or the applicable Applicant's failure to perform a non-monetary obligation, are paid or a consensual resolution is reached in respect of such amounts on or by the Closing Date, or such later date as may be agreed to by TGOD and the applicable counterparty under the Assigned Contract on prior written notice to the Monitor.

27. **THIS COURT ORDERS** that, subject to paragraphs 25 and 26 herein, upon delivery of the Monitor's Certificate, except as expressly set out to the contrary in any agreement among TGOD and the applicable Applicant and counterparty under the Assigned Contract, TGOD shall be entitled to all of the rights and benefits and subject to all of the obligations pursuant to the terms of the applicable Assigned Contracts.

28. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, nothing shall derogate from the obligations of TGOD to assume the Assigned Contracts and to perform

TGOD's obligations under the Assigned Contracts, except as expressly set out to the contrary in this Order or any agreement among TGOD, the applicable Applicant and counterparty under the Assigned Contract.

29. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), in respect of any of the BZAM Entities and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the BZAM Entities,

the Subscription Agreement and the implementation of the Transaction (including without limitation: (i) the assignment of the Assigned Contracts, and (ii) the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the issuance and vesting of the Subscribed Shares in and to the Purchaser) and any payments by or to the Purchaser or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the BZAM Entities and shall not be void or voidable by creditors of any BZAM Entity, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.



## **APPROVAL OF THE CASH DISTRIBUTIONS**

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to distribute an amount sufficient to pay in full in cash all: (i) amounts owing in respect of the DIP Facility, and (ii) amounts owing by the Applicants to Cortland pursuant to the Second ARCA, to Cortland, as the DIP Lender and the Applicants' senior secured creditor, as full repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland to repay such indebtedness in accordance with the terms of the DIP Loan (together, the "**Cash Distributions**"). Such Cash Distributions shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) the Charges; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec.

31. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA, in respect of the Applicants or their property, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provision of any federal or provincial statute,

the Cash Distributions and the Subscription Agreement shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any Applicant or its property and shall not be void or voidable by creditors of such Applicant, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal, provincial, or territorial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **GENERAL**

32. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and/or the BZAM Entities and their representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares and the Retained Assets.

33. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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 HOLDINGS INC., BZAM CANNABIS  
CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN  
LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,  
FINAL BELL CORP., 1001028579 ONTARIO INC. AND 1001105728  
ONTARIO INC.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere,

to give effect to this Order and to assist the BZAM Entities, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the BZAM Entities and to the Monitor, as an officer of this court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

36. **THIS COURT ORDERS** that this Order is effective as of 12:01 AM from the date that it is made and is enforceable without the need for entry and filing.

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## SCHEDULE “A” – FORM OF MONITOR’S CERTIFICATE

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 HOLDINGS INC., BZAM CANNABIS CORP.,  
FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL  
CORP., 1001028579 ONTARIO INC. AND 1001105728 ONTARIO INC.

**Applicants**

### RECITALS

A. Pursuant to the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated February 28, 2024, as amended on March 8, 2024, the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (in such capacity, the “**Monitor**”).

B. Pursuant to the Approval and Reverse Vesting Order of the Court (Stalking Horse Transaction), granted May [●], 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by the amended and restated share subscription agreement dated May 9, 2025 (the “**Subscription Agreement**”) between BZAM Ltd. (“**BZAM**”) and 1000816625 Ontario Inc. (the “**Purchaser**”), for the subscription and purchase of the Subscribed Shares and authorizing and directing BZAM and the BZAM Entities to perform their obligations under the Subscription Agreement; (ii) approved the addition of 1001028579 Ontario Inc. (“**ResidualCo**”) as an applicant to these CCAA Proceedings and the removal of BZAM Ltd. and The Green Organic Dutchman Ltd. as Applicants to these CCAA Proceedings; (iii) approved the assignment of all rights and obligations under the Assigned Contracts to The Green Organic Dutchman Ltd., subject to certain conditions; (iv) transferred and vested all of the Purchased

Entities' right, title and interest in and to the Excluded Liabilities and the Excluded Assets to and in ResidualCo; (v) approved the Reorganization and Restructuring Steps; and (vi) vested in the Purchaser or its nominee all of the right, title and interest in and to the Subscribed Shares and the Retained Assets owned by the Purchased Entities on the Closing Date, free and clear of all Encumbrances other than the Permitted Encumbrances, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and BZAM that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order or the Subscription Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received written confirmation from the Purchaser and BZAM in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.
2. This certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_, 2025.

) **FTI CONSULTING CANADA INC.**, in  
) its capacity as court-appointed monitor of  
) the Applicants and not in its personal  
) capacity  
) Per: \_\_\_\_\_  
) Name: [•]  
) Title: [•]  
)

## SCHEDULE "B" – PERMITTED ENCUMBRANCES

All mortgages and encumbrances registered on title to the real property owned by any of the Purchased Entities as of the Closing Date, including the real property municipally known as 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 and legally described as:

### **PIN 17409-0129 (LT)**

PT LT 24, CON 2 ANCASTER, AS IN CD339207 (FIRSTLY); ANCASTER CITY OF HAMILTON; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 62R21141 AS IN WE1351917

### **PIN 17409-0234 (LT)**

PART OF LOT 24 CONCESSION 2 ANCASTER AS IN CD339207 & CD407710; SAVE & EXCEPT PART 1, 62R-20696 AND PART 1, PLAN 62R20756; TOGETHER WITH AN EASEMENT AS IN CD339207; CITY OF HAMILTON

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars
BZAM Ltd.	Ontario	20230920 0946 1532 6062	09/20/2023	BANK OF MONTREAL/ BANQUE DE MONTREAL	LF199 PLEDGE OF STATED SUM AS CASH COLLATERAL
BZAM Ltd.	Ontario	20200330 0933 1590 0499	03/30/2023	CORTLAND CREDIT LENDING CORPORATIAON	Collateral Class.
					CG I E A O MV
					X X X X X
BZAM Ltd.	British Columbia	571370P	05/31/2023	CORTLAND CREDIT LENDING CORPORATIAON	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
The Green Organic Dutchman Ltd.	Ontario	20230810 1252 1590 5767	08/10/2023	LINDE CANADA INC.	EQUIPMENT SUPPLIED BY THE SECURED PARTY, CONSISTING OF

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars
					<p>BULK CRYOGENIC STORAGE TANKS USED FOR THE STORAGE, FILLING AND DELIVERY OF INDUSTRIAL AND MEDICAL GASES INCLUDING, WITHOUT LIMITATION, ARGON, HYDROGEN, CARBON DIOXIDE, NITROGEN, NITROUS OXIDE AND OXYGEN, AND</p> <p>CRYOGENIC FREEZERS, TOGETHER WITH ALL RELATED ACCESSORIES, PARTS, COMPONENTS AND</p> <p>ATTACHMENTS AND ALL PROCEEDS OF OR RELATING TO ANY OF THE FOREGOING AS WELL AS ALL</p> <p>PRESENT OR AFTER-ACQUIRED PROPERTY THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED HEREIN.</p>
The Green Organic Dutchman Ltd.	Ontario	20200330 0934 1590 0500	03/30/2023	CORTLAND CREDIT LENDING CORPORATION	Collateral Class.
					CG I E A O MV
					X X X X X

**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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

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

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

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING  
ORDER**

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Lawyers for the Applicants



**EXHIBIT “B”**

**SISP ORDER**

Attached.



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

THE HONOURABLE

)

FRIDAY, THE 8<sup>th</sup>

)

JUSTICE OSBORNE

)

DAY OF MARCH, 2024

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. (collectively the "**Applicants**", and each an "**Applicant**")

### **SISP APPROVAL ORDER**

**THIS MOTION**, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, inter alia, approving the Sale and Investment Solicitation Process in the form attached hereto as Schedule "A" (the "**SISP**") and certain related relief, was heard this day by videoconference via Zoom.

**ON READING** the affidavit of Matthew Milich sworn March 1, 2024 and the Exhibits thereto (the "**Milich Affidavit**"), the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the proposed monitor of the Applicants dated February 28, 2024, and the First Report of FTI as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated March 6, 2024, and on being advised that the secured creditors who are likely to be affected by the charge created herein were given notice, and on hearing the submissions of counsel for the Applicants, the Monitor, Cortland Credit Lending Corporation and Stone Pine Capital Ltd. ("**Stone Pine**"), and the other parties listed on the counsel slip, no one appearing for any other party although duly served as appears from the affidavit of service of Jamie Ernst sworn March 1, 2024.

## **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Amended and Restated Initial Order of this Court dated March 8, 2024 (the "ARIO"), the SISP or the Stalking Horse Purchase Agreement (as defined below).

## **SALE AND INVESTMENT SOLICITATION PROCESS**

3. **THIS COURT ORDERS** that the SISP is hereby approved and the BZAM Entities and the Monitor are hereby authorized and directed to implement the SISP pursuant to the terms thereof. The BZAM Entities and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their respective obligations thereunder, subject to prior approval of the Court being obtained before completion of any transaction(s) under the SISP.
4. **THIS COURT ORDERS** that the BZAM Entities, the Monitor, and their respective affiliates, partners, directors, officers, employees, legal advisors, representatives, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of any such person (with respect to such person alone), in performing their obligations under the SISP, as determined by this Court in a final order that is not subject to appeal or other review.
5. **THIS COURT ORDERS** that in overseeing and conducting the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the ARIO and any other Order of this Court in the within proceeding.

## STALKING HORSE PURCHASE AGREEMENT

6. **THIS COURT ORDERS** that BZAM Ltd. is hereby authorized and empowered to enter into the Share Subscription Agreement dated March 1, 2024 (the "**Stalking Horse Purchase Agreement**") between BZAM Ltd as vendor (the "**Vendor**"), and 1000816625 Ontario Inc. (the "**Stalking Horse Purchaser**"), attached as Exhibit "**C**" to the Milich Affidavit, *nunc pro tunc*, with such minor amendments as may be acceptable to the Vendor and the Stalking Horse Purchaser, with the approval of the Monitor; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Purchaser (or any of its designees) pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent motion made to this Court if the transaction set out in the Stalking Horse Purchase Agreement is the Successful Bid.

7. **THIS COURT ORDERS** that, as soon as reasonably practicable following the Vendor and the Stalking Horse Purchaser agreeing to any amendment to the Stalking Horse Purchase Agreement permitted pursuant to the terms of this Order, the Applicants shall: (a) file a copy thereof with this Court; (b) serve a copy thereof on the Service List; and (c) provide a copy thereof to each SISP Participant (as hereinafter defined) excluding from the public record any confidential information that the Vendor and the Stalking Horse Purchaser, with the consent of the Monitor, agree should be redacted.

## BID PROTECTIONS

8. **THIS COURT ORDERS** that the Bid Protections are hereby approved and, subject to the entry of the Stalking Horse Purchase Agreement, the Vendors are hereby authorized and directed to pay the Bid Protections to the Stalking Horse Purchaser (or to such other person as it may direct) in the manner and circumstances described in the Stalking Horse Purchase Agreement.

9. **THIS COURT ORDERS** that the Stalking Horse Purchaser shall be entitled to the benefit of and is hereby granted a charge (the "**Bid Protections Charge**") on the Property, which charge shall not exceed \$850,000 as security for payment of the Bid Protections in the manner and circumstances described in the Stalking Horse Purchase Agreement.

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

11. **THIS COURT ORDERS** that the Bid Protections Charge shall constitute a charge on the Property and shall rank in the priority provided for in the ARIO.

12. **THIS COURT ORDERS** that except for the Charges or as may be approved by this Court on notice to parties in interest, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, the Bid Protections Charge, unless the BZAM Entities also obtain the prior written consent of the Monitor and the Stalking Horse Purchaser, or further Order of this Court.

13. **THIS COURT ORDERS** that the Bid Protections Charge shall not be rendered invalid or unenforceable and the rights and remedies of the Stalking Horse Purchaser shall not otherwise be limited or impaired in any way by: (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) or receivership order(s) issued pursuant to the *Bankruptcy and Insolvency Act* (the "**BIA**") or otherwise, or any bankruptcy order(s) or receivership order(s) made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the BZAM Entities, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Bid Protections Charge nor the execution, delivery, perfection, registration or performance of the Stalking Horse Purchase Agreement shall create, cause or be deemed to constitute a breach by any of the BZAM Entities of any Agreement to which they are a party;

- (b) the Stalking Horse Purchaser shall not have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Bid Protections Charge or the execution, delivery or performance of the Stalking Horse Purchase Agreement; and
- (c) the payments made by the Vendor pursuant to this Order, the Stalking Horse Purchase Agreement and the granting of the Bid Protections Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

14. **THIS COURT ORDERS** that the Bid Protections Charge created by this Order over leases of real property in Canada shall only be a charge on the Applicants' interest in such real property lease.

15. **THIS COURT ORDERS AND DECLARES** that the Stalking Horse Purchaser, with respect to the Bid Protections Charge only, shall be treated as unaffected in any Plan, or any proposal filed by the Applicants under the BIA.

#### **PIPEDA**

16. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5 and any similar legislation in any other applicable jurisdictions, the Monitor, the BZAM Entities and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants that are party to a non-disclosure agreement (each a "**SISP Participant**") and their respective advisors personal information of identifiable individuals, but only to the extent required to negotiate or attempt to complete a transaction pursuant to the SISP (a "**Transaction**"). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and, if it does not complete a Transaction, shall return all such information to the Monitor or the BZAM Entities, or, in the alternative, destroy all such information and provide confirmation of its destruction if requested by the Monitor or the BZAM Entities. Any bidder with a Successful Bid

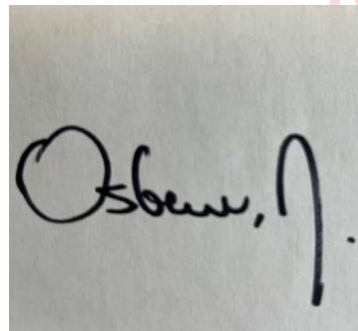
shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the BZAM Entities, and shall return all other personal information to the Monitor or the BZAM Entities, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the BZAM Entities.

## GENERAL

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

18. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in any other foreign jurisdiction, to give effect to this Order and to assist the BZAM Entities, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the BZAM Entities and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the BZAM Entities and the Monitor and their respective agents in carrying out the terms of this Order.

19. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto Time) on the date of this Order without the need for entry or filing.

A rectangular stamp containing a handwritten signature in black ink. The signature appears to be "Osborne, J." with a stylized flourish at the end.

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**SCHEDULE "A"**

**SALE AND INVESTMENT SOLICITATION PROCESS**

**[ATTACHED]**



**BZAM LTD.**

**SALE AND INVESTMENT SOLICITATION PROCESS**

1. On February 28, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**Initial Order**"), among other things, granting 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 Roads Holdings Corp., and Final Bell Corp. (collectively, the "**Applicants**") relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), and appointed FTI Consulting Canada Inc., as the monitor of the Applicants (the "**Monitor**"). The benefits and protections of the Initial Order were extended to The Green Organic Beverage Corp., TGOD Europe B.V., 9430-6347 Québec Inc., and The Green Organic Dutchman Germany GmbH (collectively, the "**Non-Applicant Stay Parties**" and together with the Applicants, the "**BZAM Entities**").
2. On March 8, 2024, the Court granted (a) an order amending and restating the Initial Order (the "**ARIO**"), and (b) an order (the "**SISP Approval Order**") that, among other things: (i) authorized the Applicants to implement a sale and investment solicitation process ("**SISP**") in respect of the BZAM Entities, including substantially all of the property, assets and undertakings of BZAM Entities (collectively, the "**Business**"), in accordance with the terms hereof; (ii) authorized and empowered BZAM Ltd. to enter into the Share Subscription Agreement dated March 1, 2024 (the "**Stalking Horse Bid**") with 1000816625 Ontario Inc. (the "**Stalking Horse Bidder**"); (iii) approved the Bid Protections; and (iv) granted the Bid Protections Charge. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ARIO, the SISP Approval Order or the Affidavit of Matthew Milich sworn March 1, 2024, as applicable. Copies of the ARIO and the SISP Approval Order can be found at <http://cfcanda.fticonsulting.com/bzam> (the "**Monitor's Website**").
3. This SISP sets out the manner in which: (a) non-binding letters of intent ("**LOIs**") and binding bids for a broad array of executable transaction alternatives (each a "**Transaction**") that are superior to the sale transaction contemplated by the Stalking Horse Bid will be solicited from interested parties; (b) any such LOIs and bids received will be addressed by the Applicants and the Monitor; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought. Such Transaction alternatives may include, among other things, a sale of the Business or an investment in the Applicants, each of which shall be subject to all terms set forth herein.
4. The SISP shall be conducted by the Applicants and the Monitor.
5. Parties who wish to have their bids considered must participate in the SISP.
6. The Monitor, with the assistance of the Applicants, will:
  - (a) disseminate a teaser and a bid process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to potentially

- interested parties identified by the Applicants and the Monitor or any other interested party who contacts the Applicants or the Monitor;
- (b) publish a notice of the SISP in one or more trade industry and/or insolvency-related publications as may be considered appropriate by the Monitor;
  - (c) solicit interest from interested parties with a view to such parties entering into non-disclosure agreements in form and substance satisfactory to the Applicants and the Monitor ("**NDA**");
  - (d) provide interested parties who have executed an NDA with: (i) a confidential information memorandum in respect of the Business, and (ii) access to an electronic data room containing diligence information in respect of the Business and such other diligence opportunities as the Monitor and the Applicants consider advisable;
  - (e) request that such interested parties submit an LOI by the LOI Deadline (as defined below); and
  - (f) to the extent the SISP proceeds to Phase 2 (as defined below), request that Qualified Bidders (as defined below) submit a binding offer that meets at least the requirements set forth in Section 12 below, as determined by the Applicants and the Monitor (a "**Qualified Bid**"), by the Qualified Bid Deadline (as defined below).
7. The SISP shall be conducted subject to the terms hereof and the following key milestones:
- (a) the Court issues the SISP Approval Order approving the: (i) SISP and (ii) the Stalking Horse Bid in the SISP – **March 8, 2024**;
  - (b) the Monitor to commence solicitation process - as soon as possible following issuance of the SISP Approval Order;
  - (c) Deadline to submit an LOI - **5:00 p.m. (Toronto time) on April 8, 2024** (the "**LOI Deadline**");
  - (d) Deadline for Applicants and the Monitor, to determine if any LOIs constitute a Qualified LOI (as defined below) and to proceed to Phase 2 of the SISP - **by no later than April 11, 2024**;
  - (e) Deadline for Qualified Bidders to submit a Qualified Bid - **2:00 p.m. (Toronto time) on April 29, 2024** (the "**Qualified Bid Deadline**");
  - (f) The Applicants and Monitor to commence an Auction (as defined below), if any - **by no later than May 3, 2024**;
  - (g) Approval Order (as defined below) hearing - **by no later than May 21, 2024**, subject to Court availability; and

- (h) closing of the Successful Bid - as soon thereafter as possible and, in any event, **by no later than June 21, 2024** (the "**Outside Date**").
8. Any party that executed an NDA will be prohibited from communicating with any other party who executed an NDA regarding the BZAM Entities during the term of the SISP, without the consent of the Monitor, in consultation with the Applicants.
9. Any interested party who wishes to submit an LOI in the SISP must submit an LOI that complies with the following criteria (it being understood that the Applicants and the Monitor, with the consent of the DIP Lender, may waive strict compliance with any or more of the requirements specified below):
- (a) it sets forth the identity of the interested party, including its contact information, full disclosure of its direct and indirect principals and equity holders, and information as to the interested party's financial wherewithal to complete a transaction pursuant to the SISP;
  - (b) it sets forth the principal terms of the proposed Transaction, including: (i) the nature of the proposed Transaction (e.g. sale, investment, etc.); (ii) the purchase price or other consideration offered in connection with the Transaction, including material assumed liabilities; (iii) a description of any conditions or approvals required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the Transaction; (v) proposed treatment of the BZAM Entities' employees; (vi) proposed treatment of the BZAM Entities' secured indebtedness; (vii) any other terms or conditions that the interested party believes are material to the Transaction; and (viii) any other information as may be reasonably requested by the Applicants and the Monitor; and
  - (c) it is received by the Applicants and the Monitor by the LOI Deadline at the email addresses specified on Schedule "B" hereto.
10. Following the LOI Deadline, the Applicants and the Monitor and, subject to Section 21, the DIP Lender and the Stalking Horse Bidder, will assess the LOIs. If no Qualified LOIs are received by the LOI Deadline, then the Applicants and the Monitor and, subject to Section 21 with the consent of the DIP Lender and the Stalking Horse Bidder, may elect to terminate the SISP and send notice of same to the service list established in the CCAA Proceedings and any interested party who submitted an LOI, and proceed to seek Court approval to implement the transaction contemplated by the Stalking Horse Bid. If the Applicants and the Monitor determine, subject to Section 21, with the consent of the DIP Lender and following consultation with the Stalking Horse Bidder, that the Transaction outlined in an LOI represents a viable potential alternative Transaction that could provide greater value to the BZAM Entities and their stakeholders than the Stalking Horse Bid, including having regard to: (i) the consideration offered; (ii) the interested party's financial capability to complete a Transaction; (iii) the interested party's ability to make a binding offer by the Qualified Bid Deadline; (iv) treatment of the secured indebtedness of the BZAM Entities; and (v) such other factors that the Applicants and the Monitor, consider

relevant, then such LOI shall be deemed a "**Qualified LOI**" and the interested party submitting such Qualified LOI shall be deemed a "**Qualified Bidder**".

11. If one or more LOIs is determined to be a Qualified LOI, then the Applicants and the Monitor shall proceed to a second phase of the SISP ("**Phase 2**"). Only Qualified Bidders shall be permitted to participate in Phase 2. The Applicants and the Monitor will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent to all Qualified Bidders, and (ii) posted on the Monitor's Website. Phase 2 of the SISP shall include, among other things, the opportunity for Qualified Bidders to: (i) conduct additional diligence, including participation in management presentations; and (ii) to prepare and submit a Qualified Bid on or before the Qualified Bid Deadline.
12. In order to constitute a Qualified Bid, a bid must comply with the following:
  - (a) it must be superior to the Stalking Horse Bid and provide for aggregate consideration, payable in cash in full on closing in an amount equal to or greater than (i) all outstanding obligations owing to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; (ii) all outstanding obligations owing to Cortland Credit Lending Corporation under the DIP Agreement; (iii) all outstanding obligations under the DIP Agreement, (iv) any obligations in priority to amounts owing under the DIP Agreement, including any Charges, (v) the amount of \$250,000 to fund any professional fees incurred in connection with the wind-up of the CCAA Proceedings and any further proceedings or wind-up costs; (vi) the amount of \$850,000 to satisfy the Bid Protections (the "**Consideration Value**"), and provides a detailed sources schedule that identifies, with specificity, the composition of the Consideration Value and any assumptions that could reduce the net consideration payable including details of any material liabilities that are being assumed or being excluded;
  - (b) it contemplates closing of the proposed transaction by not later than the Outside Date;
  - (c) it contains:
    - (i) duly executed binding Transaction document(s);
    - (ii) the legal name and identity (including jurisdiction of existence) and contact information of the Qualified Bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
    - (iii) a redline to the Stalking Horse Bid;
    - (iv) evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder's equityholder(s);

- (v) disclosure of any connections or agreements with the BZAM Entities or any of their affiliates, any other bidder participating in the SISP or any officer, manager, director, member or equity security holder of the BZAM Entities or any of their affiliates; and
- (vi) such other information as may be reasonably requested by the Applicants and the Monitor in the Bid Process Letter;
- (d) it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until closing of the Successful Bid; provided, that if such bid is not selected as the Successful Bid or as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (such bid, the "**Back-Up Bid**") it shall only remain irrevocable until selection of the Successful Bid;
- (e) it provides that the bid will serve as a Back-Up Bid if it is not selected as the Successful Bid and if selected as the Back-Up Bid it will remain irrevocable until the earlier of (i) closing of the Successful Bid or (ii) closing of the Back-Up Bid;
- (f) it provides written evidence of the Qualified Bidder's ability to fully fund and consummate the Transaction and satisfy its obligations under the Transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full Consideration Value;
- (g) it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- (h) it is not conditional upon:
  - (i) approval from the Qualified Bidder's board of directors (or comparable governing body) or equityholder(s);
  - (ii) the outcome of any due diligence by the Qualified Bidder; or
  - (iii) the Qualified Bidder obtaining financing;
- (i) it includes an acknowledgment and representation that the Qualified Bidder (i) has had an opportunity to conduct any and all required due diligence prior to making its bid and has relied solely upon its own independent review, investigation and inspection in making its bid, (ii) is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guarantees whatsoever, whether express or implied (by operation of law or otherwise), made by any person or party, including the BZAM Entities, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives, regarding the proposed Transaction, this SISP, or any information (or the completeness of any information) provided in connection therewith, except as expressly stated in the proposed Transaction documents, (iii) is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the BZAM Entities, the Monitor or any of their respective

employees, officers, directors, agents, advisors and other representatives, except to the extent set forth in the proposed Transaction documents, (iv) is bound by this SISP and the SISP Approval Order, and (v) is subject to the exclusive jurisdiction of the Court with respect to any disputes or other controversies arising under or in connection with the SISP or its bid;

- (j) it specifies any regulatory (including Health Canada) or other third-party approvals the Qualified Bidder anticipates would be required to complete the Transaction (including the anticipated timing necessary to obtain such approvals);
  - (k) it includes full details of the Qualified Bidder's intended treatment of the BZAM Entities' employees under the proposed bid;
  - (l) it is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Consideration Value, which Deposit shall be held by the Monitor in a trust account in accordance with the terms hereof;
  - (m) it includes a statement that the Qualified Bidder will bear its own costs and expenses (including ally legal and advisor fees) in connection with the proposed Transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - (n) it is received by the Applicants and the Monitor by the Qualified Bid Deadline at the email addresses specified on Schedule "B" hereto.
13. The Qualified Bid Deadline may be extended by: (a) the Applicants and the Monitor and, subject to Section 21, with the consent of the DIP Lender and the Stalking Horse Bidder; or (b) further order of the Court. In such circumstances, the milestones contained in subsections 7(f) - 7(h) may be extended by Applicants for the same amount of time.
14. The Applicants and the Monitor, may waive strict compliance with any one or more of the requirements specified in Section 12 above and deem a non-compliant bid to be a Qualified Bid, provided that the Applicants shall not waive compliance with the requirements specified in Subsections **Error! Reference source not found.**, (b), (c), (h), (l) or (m) without the prior written consent of the Stalking Horse Bidder and the DIP Lender, each acting reasonably.
15. If one or more Qualified Bids (other than the Stalking Horse Bid) has been received by the Applicants and the Monitor on or before the Qualified Bid Deadline, the Applicants and the Monitor, in consultation with the DIP Lender, may:
- (a) negotiate with one or more of the Qualified Bidders who submitted a Qualified Bid, including requesting that such Qualified Bidder improve or otherwise modify the terms of its Qualified Bid (and any such improved or modified Qualified Bid submitted by a Qualified Bidder shall be deemed to be a Qualified Bid hereunder for all purposes);

- (b) considering the factors set out in Section 12 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or release of liabilities not otherwise accounted for in (i) above, (iii) the likelihood of the Qualified Bidder's ability to close a Transaction by not later than the Outside Date (including factors such as: the Transaction structure and execution risk; conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, (v) the benefit to the BZAM Entities and their stakeholders, including employees and (vi) any other factors the directors or officers of the Applicants may, consistent with their fiduciary duties, reasonably deem relevant (collectively, the "**Consideration Factors**"); and (y) designate any Qualified Bid received (including the Stalking Horse Bid) to be the highest or otherwise best bid in the SISP (as may be designated pursuant to this Section 15 (b) or designated at the Auction, the "**Successful Bid**" and the Qualified Bidder making such bid, the "**Successful Bidder**");
  - (c) having regard to the Consideration Factors, designate any Qualified Bid received as the Back-Up Bid (provided that the Stalking Horse Bid shall not serve as the Back-Up Bid unless agreed to in writing by the Stalking Horse Bidder); or
  - (d) proceed with an auction process to determine the Successful Bid and any Back-Up Bid (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto.
16. If no Qualified Bid (other than the Stalking Horse Bid) has been received by the Applicants and the Monitor by the Qualified Bid Deadline, then the Stalking Horse Bid shall be deemed the Successful Bid and shall be consummated in accordance with and subject to the terms of the Stalking Horse Bid, including obtaining Court approval thereof.
17. Following selection of the Successful Bid, the Applicants, with the assistance of their advisors and the Monitor, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the milestones set out in Section 7. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Applicants and the Monitor, the Applicants shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the BZAM Entities to complete the transactions contemplated thereby, as applicable, and authorizing the applicable BZAM Entities to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid; and (c) implement the Transaction contemplated in such Successful Bid (each, an "**Approval Order**"). If the Successful Bid is not consummated in accordance with its terms, the Applicants shall be authorized, but not required, to elect that the Back-Up Bid (if any) is the Successful Bid.

18. The highest Qualified Bid may not necessarily be accepted by the Applicants. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right not to accept any Qualified Bid or to otherwise terminate the SISP. The Applicants, with the written consent of the Monitor and the DIP Lender, reserve the right to deal with one or more Qualified Bidders to the exclusion of others, to accept a Qualified Bid for different parts of the BZAM Entities' business and assets or to accept multiple Qualified Bids and enter into definitive agreements in respect of all such bids, provide that the aggregate of such Qualified Bids satisfies the requirements of Section 11(a) and (b).
19. If a Successful Bid is selected and an Approval Order authorizing the consummation of the Transaction contemplated thereunder is granted by the Court, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the Transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable Qualified Bidder by the Monitor as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Approval Order or such earlier date as may be determined by the Applicants, with the consent of the Monitor; provided, the Deposit in respect of any Back-Up Bid shall not be returned to the applicable Qualified Bidder until the closing of the Successful Bid.
20. The Applicants and the Monitor shall be permitted, in their discretion, to provide updates and information in respect of the SISP to any creditor (including any advisor thereto) (each a "**Creditor**") on a confidential basis upon: (a) the irrevocable confirmation in writing from such Creditor that the applicable Creditor will not submit any bid in the SISP; and (b) such Creditor executing a confidentiality agreement or undertaking with the Applicants in form and substance satisfactory to the Applicants and the Monitor.
21. The DIP Lender shall only be entitled to the consultation rights specified herein in its favour and confidential updates and information from the BZAM Entities and the Monitor in respect of the SISP, including copies of any LOIs or bids submitted in Phase 2, upon the DIP Lender irrevocably confirming in writing to the Applicants and the Monitor that it will not submit any bid in the SISP. The Stalking Horse Bidder shall only be entitled to the consultation rights specified herein in its favour and confidential updates and information from the BZAM Entities and the Monitor in respect of the SISP, including copies of any LOIs or Qualified Bid, upon the Stalking Horse Bidder irrevocably confirming in writing to the Applicants and the Monitor that it will not submit any bid in the SISP except for the Stalking Horse Bid, except for any revised Stalking Horse Bid that may be submitted in the Auction.
22. Any amendments to this SISP may only be made by the Applicants with the written consent of the Monitor and the DIP Lender, or by further order of the Court, provided that the Applicants shall not amend the requirements specified in Subsections 12(a) or (b) without the prior written consent of the Stalking Horse Bidder, acting reasonably, or approval of the Court.



23. The DIP Lender and any other secured lender of the BZAM Entities shall have the right (subject to compliance with the terms of this SISP) to credit bid their secured debt against the assets secured thereby up to the full face value of such secured lender's claims, including principal, interest and any other obligations owing to such secured lender; provided that any such secured lender shall be required to: (i) pay in full in cash any obligations of the BZAM Entities in priority to its secured debt (including as contemplated by Subsection 12(a) ; and (ii) pay appropriate consideration for any assets of the BZAM Entities which are contemplated to be acquired and that are not subject to such secured lender's security.
24. The Monitor will oversee the conduct of the SISP and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out herein and in the SISP Approval Order, and is entitled to receive all information in relation to the SISP.
25. For the avoidance of doubt, the Stalking Horse Bidder shall be deemed a Qualified Bidder for all purposes hereunder and the Stalking Horse Bid deemed a Qualified Bid.

## **SCHEDULE "A": AUCTION PROCEDURES**

1. **Auction.** Instructions to participate in the Auction, which will take place either: (i) via video conferencing, or (ii) at a location to be designated in Toronto, Ontario, that will be provided by the Monitor to Qualified Parties (as defined below) not less than 48 hours prior to the Auction. Such instructions will identify and include a copy of the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the Applicants and the Monitor, to be the initial bid at the Auction (the "**Initial Bid**").
2. **Participation.** Only Qualified Bidders that delivered a Qualified Bid, including, for greater certainty, the Stalking Horse Bidder (collectively the "**Qualified Parties**" and each a "**Qualified Party**"), shall be eligible to participate in the Auction. No later than 2:00 p.m. (Toronto time) on the day prior to the Auction, each Qualified Party must inform the Applicants and the Monitor in writing whether it intends to participate in the Auction. The Monitor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Initial Bid shall be designated as the Successful Bid.
3. **Auction Procedures.** The Auction shall be governed by the following procedures:
  - (a) **Attendance.** Only the Applicants, the Monitor, the Qualified Parties, the DIP Lender and any other secured creditor of the Applicants to the extent agreed to by the Monitor, and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any Overbids (as defined below) at the Auction;
  - (b) **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (a) it has not engaged in any collusion with respect to the Auction and the SISP; and (b) its bid is a good-faith bona fide offer, it is irrevocable and it intends to consummate the proposed transaction if selected as the Successful Bid;
  - (c) **Minimum Overbid and Back-Up Bid.** The Auction shall begin with the Initial Bid, and any bid made at the Auction by a Qualified Party subsequent to the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments (or, if consented to by the Applicants and the Monitor, such other form of consideration being offered by a Qualified Party) of \$100,000, and all such Overbids shall be irrevocable until closing of the Successful Bid; provided, that if such Overbid is not selected as the Successful Bid or as the Back-Up Bid (if any) it shall only remain irrevocable until selection of the Successful Bid. An Overbid must comply with the bid requirements contained in the SISP for a Qualified Bid (including the requirements for payment of (i) all outstanding obligations owing to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; and (ii) all outstanding obligations owing to Cortland Credit Lending Corporation under the DIP Agreement), provided that the deadline to submit a Qualified Bid shall not apply;

- (d) **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference or meeting room (as applicable), on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent Qualified Bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Applicants and the Monitor, in their discretion, may establish separate video conference rooms or meeting breakout rooms to permit interim discussions among the Applicants, the Monitor and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video-conference or meeting room (as applicable), on an open basis;
- (e) **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit an Overbid with full knowledge and confirmation of the then-existing highest or otherwise best bid and no Qualified Party submits an Overbid; and
- (f) **No Post-Auction Bids.** No bids will be considered for any purpose after the Successful Bid has been designated and the Auction has concluded.

#### **Selection of Successful Bid and Back-Up Bid**

- 4. **Selection.** During the Auction, the Applicants and the Monitor, will: (a) review each subsequent Overbid, considering the Consideration Factors; and (b) identify the highest or otherwise best bid received at the Auction and designate such bid as the Successful Bid and such Qualified Party as the Successful Bidder. The Applicants and the Monitor may also elect to designate a bid received at the Auction as the Back-Up Bid (provided that the Stalking Horse Bid shall not serve as the Back-Up Bid unless agreed to in writing by the Stalking Horse Bidder).
- 5. **Acknowledgement.** The Successful Bidder shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the Applicants in their sole discretion, following consultation with the Monitor, subject to the milestones set forth in Section 7 of the SISP.

**SCHEDULE "B"**  
**E-MAIL ADDRESSES FOR DELIVERY OF BIDS**

To counsel for the Applicants:

Bennett Jones LLP  
1 First Canadian Place  
100 King Street West Suite, 3400  
Toronto, ON M5H 2S7

Attention:

Sean Zweig: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)  
Mike Shakra [shakram@bennettjones.com](mailto:shakram@bennettjones.com)

To the Monitor and counsel to the Monitor:

FTI Consulting Canada Inc  
79 Wellington St W  
Suite 2010, Toronto  
ON M5K 1G8

Attention:

Jeffrey Rosenberg: [jeffrey.rosenberg@fticonsulting.com](mailto:jeffrey.rosenberg@fticonsulting.com)  
Kamran Hamidi: [Kamran.Hamidi@fticonsulting.com](mailto:Kamran.Hamidi@fticonsulting.com)

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street, Toronto  
ON M5L 1B9

Attention:

Maria Konyukhova: [mkonyukhova@stikeman.com](mailto:mkonyukhova@stikeman.com)  
[Philip Yang: pyang@stikeman.com](mailto:pyang@stikeman.com)

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

**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.**

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

Proceeding commenced at Toronto

**SISP APPROVAL ORDER**

**BENNETT JONES LLP**

3400 One First Canadian Place  
P.O. Box 130

Toronto, Ontario M5X 1A4

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Email: [ernstj@bennettjones.com](mailto:ernstj@bennettjones.com)

Lawyers for the Applicants

## **EXHIBIT “C”**

### **CCAA APPLICANTS**

- BZAM Ltd.
- BZAM Holdings Inc.
- Folium Life Science Inc.
- High Road Holding Corp.
- BZAM Cannabis Corp.
- 1001028579 Ontario Inc.<sup>1</sup>
- 102172093 Saskatchewan Ltd.
- The Green Organic Dutchman Ltd.
- Medican Organic Inc.
- Final Bell Corp.

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<sup>1</sup> This entity replaced BZAM Management Inc. in the CCAA Proceedings.

## **SCHEDULE “A”**

### **EXCLUDED ASSETS**

The issued and outstanding shares of the following entities:

- BZAM Holdings Inc.
- 1001028579 Ontario Inc.
- BZAM Cannabis Corp.
- The Green Organic Beverage Corp.
- Folium Life Science Inc.
- 102172093 Saskatchewan Ltd.
- Medican Organic Inc.
- TGOD Europe B.V.
- The Green Organic Dutchman Germany GmbH
- High Road Holding Corp.
- Final Bell Corp.
- Residual Co

All other assets of the Company Group Members except for the Retained Assets.

**SCHEDULE “B”**

**EXCLUDED CONTRACTS**

All Contracts except for the Retained Contracts.



## **SCHEDULE “C”**

### **EXCLUDED LIABILITIES**

All Liabilities of the Company Group Members (including, for greater certainty, the Stone Pine Debt) except for the Assumed Liabilities.

## SCHEDULE "D"

### ENCUMBRANCES TO BE DISCHARGED

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars
BZAM Ltd.	Ontario	20240223 1449 9234 2516	2024- Feb-23	Stone Pine Capital Ltd.	Collateral Class.
					CG I E A O MV
					X X X X X X
BZAM Ltd.	Alberta	24022323452	2024- Feb-23	Stone Pine Capital Ltd.	ALL OF THE DEBTOR'S PRESENT AND AFTER- ACQUIRED PERSONAL PROPERTY.
BZAM Ltd.	British Columbia	209624Q	2024- Feb-23	Stone Pine Capital Ltd.	ALL OF THE DEBTOR'S PRESENT AND AFTER- ACQUIRED PERSONAL PROPERTY.
BZAM Ltd.	Saskatchewan	302519334	2024- Feb-23	Stone Pine Capital Ltd.	ALL OF THE DEBTOR'S PRESENT AND AFTER- ACQUIRED PERSONAL PROPERTY.

**SCHEDULE "E"**  
**ASSUMED LIABILITIES**

All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables). To the extent any trade payables or Tax obligations are identified after Closing, which were incurred by a CCAA Applicant following the date of the Initial Order but prior to the Closing Date, and such amounts are finally determined to be legitimate and owing, the Purchaser shall assume such obligations and liabilities.

All mortgages registered on title to the real property owned by any of the Surviving Entities as of the Closing Date.

All of the Surviving Entities' obligations and liabilities owing under any settlement agreement or memorandum of understanding entered into with the Minister of National Revenue (on behalf of the Canada Revenue Agency) and/or Health Canada during the CCAA Proceedings, as applicable.

Other Assumed Liabilities to be designated by the Purchaser, in writing, no later than ten Business Days before the Target Closing Date, and agreed to by the DIP Lender, in writing.

## SCHEDULE "F"

### PERMITTED ENCUMBRANCES

All mortgages and encumbrances registered on title to the real property owned by any of the Surviving Entities as of the Closing Date, including the real property municipally known as 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 and legally described as:

#### **PIN 17409-0129 (LT)**

PT LT 24, CON 2 ANCASTER, AS IN CD339207 (FIRSTLY); ANCASTER CITY OF HAMILTON;  
SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 62R21141 AS IN WE1351917

#### **PIN 17409-0234 (LT)**

PART OF LOT 24 CONCESSION 2 ANCASTER AS IN CD339207 & CD407710; SAVE & EXCEPT  
PART 1, 62R-20696 AND PART 1, PLAN 62R20756; TOGETHER WITH AN EASEMENT AS IN  
CD339207; CITY OF HAMILTON

Charged Entity	Jurisdiction	Registration Number(s)	Date	Secured Party	Particulars
BZAM Ltd.	Ontario	20230920 0946 1532 6062	09/20/2023	BANK OF MONTREAL/ BANQUE DE MONTREAL	LF199 PLEDGE OF STATED SUM AS CASH COLLATERAL
BZAM Ltd.	Ontario	20200330 0933 1590 0499, 20211001 1048 1590 7859, 20230224 0922 9234 6972, 20230224 1426 9234 6977, 20230531 1503 9234 8261	03/30/2023	CORTLAND CREDIT LENDING CORPORATIAON	Collateral Class.
					C G
					I X
					E X
					A X
					O X
					M V
					X

<b>Charged Entity</b>	<b>Jurisdiction</b>	<b>Registration Number(s)</b>	<b>Date</b>	<b>Secured Party</b>	<b>Particulars</b>
BZAM Ltd.	British Columbia	571370P	05/31/2023	CORTLAND CREDIT LENDING CORPORATIAON	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
The Green Organic Dutchman Ltd.	Ontario	20230810 1252 1590 5767	08/10/2023	LINDE CANADA INC.	EQUIPMENT SUPPLIED BY THE SECURED PARTY, CONSISTING OF BULK CRYOGENIC STORAGE TANKS USED FOR THE STORAGE, FILLING AND DELIVERY OF INDUSTRIAL AND MEDICAL GASES INCLUDING, WITHOUT LIMITATION, ARGON, HYDROGEN, CARBON DIOXIDE, NITROGEN, NITROUS OXIDE AND OXYGEN, AND CRYOGENIC FREEZERS, TOGETHER WITH ALL RELATED ACCESSORIES, PARTS, COMPONENTS AND ATTACHMENTS AND ALL PROCEEDS OF OR RELATING TO ANY OF THE FOREGOING AS WELL AS ALL PRESENT OR AFTER-ACQUIRED

Charged Entity	Jurisdiction	Registration Number(s)	Date	Secured Party	Particulars
					PROPERTY THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED HEREIN.
The Green Organic Dutchman Ltd.	Ontario	20200330 0934 1590 0500, 20211001 1048 1590 7858	03/30/2023	CORTLAND CREDIT LENDING CORPORATIAON	Collateral Class.
					C G I E A O M V
					X X X X X X

**SCHEDULE “G”**  
**RETAINED ASSETS**

The issued and outstanding shares of TGOD (and for greater certainty, the Subscribed Shares).

All Permits and Licenses issued to, conferred upon, granted to or otherwise created for the Surviving Entities as of the Closing Date, which for greater certainty, includes, without limitation, the Cannabis Licenses and any excise licenses granted by the Canada Revenue Agency pursuant to the *Excise Act, 2001*, S.C. 2002, c. 22.

All of TGOD's right, title and interest in and to the vendor-take-back mortgage advanced by TGOD in favour of 2627411 Alberta Ltd., in the amount of \$250,000, secured by a charge against the property more particularly described as follows:

PLAN 8720213  
BLOCKS  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

The cash or cash equivalents located in any bank accounts owned or held by a Company Group Member as of the Closing Date.

All accounts receivable and tax refunds that relate to a period or facts occurring prior to the Closing Date, including without limitation excise tax refunds, due to a Company Group Member (subject to applicable pre-filing rights of set-off).

All assets, raw materials, work-in-progress, inventory, equipment, machinery, packaging, and consumables of whatever kind or description located at:

1. 1915/1995 Jerseyville Road W, Jerseyville, Ontario L0R 1R0; and
2. 151 Garden Avenue, Unit 2, Brantford, Ontario N3S 7W4 pursuant to the General Warehousing Services Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025;

All vehicles registered in the name of the Surviving Entities.

Any other assets to be included by the Purchaser no later than ten Business Days before the Target Closing Date.

## SCHEDULE "H"

### RETAINED CONTRACTS

#### **General:**

- All employee contracts for active Employees.

#### **Final Bell Corp.**

- License and Services Agreement between Dreamfields Canada Operations Inc., and Final Bell Corp. effective as of November 16, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time).

#### **The Green Organic Dutchman Ltd.**

- All provincial supply agreements between The Green Organic Dutchman Ltd. ("**Licensed Producer**") and any provincial distributor, including but not limited to:
  - Amended and Restated Standing Offer Contract between Alberta Gaming, Liquor and Cannabis Commission and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Licensed Producer Supply Agreement for Non-Medical Cannabis between His Majesty the King in right of the Province of British Columbia, as represented by the Administrator of the *Cannabis Distribution Act*, SBC 2018, c 28, as amended, and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - NLC Cannabis and Cannabis Related Product Supply Agreement – Supplier Agreement between Newfoundland Labrador Liquor Corporation and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Master Cannabis Supply Agreement between Ontario Cannabis Retail Corporation and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Licensed Producer Registration with Saskatchewan Liquor and Gaming Authority (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Lettre D'Intention between Licensed Producer and Société Québécoise du Cannabis (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Amended and Restated Wholesale Supply Agreement between Licensed Producer and Abba Medix (as such agreement may have been further amended, restated, supplemented or modified from time to time).



- General Warehousing Services Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Customer Shipping Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Lease Agreement (Contract Numbers: 1150287 and #W1237878) between Williams Scotsman of Canada, Inc. and The Green Organic Dutchman Ltd. dated October 2, 2019 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- AB Protection Plan – Service Offer and Service Terms and Conditions between AB Energy Canada, Ltd and The Green Organic Dutchman Ltd. executed May 25, 2020 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Connected Mechanical Service Agreement and Terms and Conditions between Trane Canada ULC and The Green Organic Dutchman Ltd. dated July 31, 2024 and accepted on August 14, 2024 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Software Licence, Support and Services Agreement between Dynamics 365 People Software and Services Ltd. and The Green Organic Dutchman Ltd. effective as of June 4, 2024 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Professional Services Agreement Between Jupiter Energy Advisors Inc. (formerly Aegent Energy Advisors Inc.) and The Green Organic Dutchman Holdings Ltd. (including its affiliates The Green Organic Dutchman Ltd. and Medican Organic Inc.) dated November 1, 2018, inclusive of its Schedules (as such agreements may have been amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Access Gas Services (Ontario) Inc. and The Green Organic Dutchman Ltd. dated December 18, 2020 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- License and Manufacturing Agreement among 1L Botanicals LLC, Cookies Creative Consulting & Promotions, Inc. and Final Bell Corp. effective as of February 9, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time), as assigned by Final Bell Corp. to The Green Organic Dutchman Ltd. pursuant to an assignment and assumption agreement dated January 31, 2025.
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Direct Energy Marketing Limited d/b/a Direct Energy Business and The Green Organic Dutchman Ltd. dated January 3, 2019 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Tidal Energy Marketing Inc. and The Green Organic Dutchman Ltd. dated March 5, 2019 (as such agreement may have been further amended, restated, supplemented or modified from time to time).

- Settlement Agreement among The Green Organic Dutchman Ltd., BZAM Cannabis Corp. Final Bell Corp, Folium Life Science Inc. and Health Canada dated April 25, 2025.
- The Memorandum of Understanding among Final Bell Corp., The Green Organic Dutchman Ltd. and the Minister of National Revenue dated May 9, 2025

### **BZAM Ltd.**

- Contract No. 44360 entered into between Industrial Alliance Insurance and Financial Services Inc. and BZAM Ltd. on May 1, 2023 (as such agreement may have been further amended, restated, supplemented or modified from time to time, including by the Group Annuities Contract – Retirement Savings Plan dated August 23, 2023 and the Acceptance of Contract No. 44360 dated August 25, 2023), which for greater certainty includes the Group Insurance Application No. 27601 executed on April 13, 2023, the Group Insurance Application – Health Spending and Wellness Account (Physical Activity Account - PAA) executed on April 13, 2023 and all implementation request forms.
- T1 Contract with Expansion Facilities - Gas Storage and Distribution Contract between Union Gas Limited and BZAM Ltd. (formerly, the Green Organic Dutchman Holdings Ltd.) dated October 12, 2018, inclusive of all Schedules (as such agreement may have been amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas ("TERMC Base Contract") and Special Provisions to the TERMC Base Contract between Twin Eagle Resource Management Canada, LLC and BZAM Ltd. (formerly, The Green Organic Dutchman Holdings Ltd.) dated February 3, 2021 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Agency Agreement between Twin Eagle Resource Management Canada, LLC, BZAM Ltd. (formerly, The Green Organic Dutchman Holdings Ltd.), and Jupiter Energy Advisors Inc. dated March 22, 2021 (as such agreement may have been further amended, restated, supplemented or modified from time to time).

### **D&O Insurance**

<b>Policy/Agreement<sup>2</sup></b>	<b>Named Insured or BZAM Party</b>	<b>Insurer or Counterparty</b>	<b>Period</b>
Commercial Premium Finance Agreement (QN: 12149597)	BZAM Ltd.	FIRST Insurance Funding of Canada	Nov 1, 2024-25
Berkley Directors' And Officers' Liability Policy (BC07982-2402)	BZAM Ltd.	Berkley Insurance Company	Nov 1, 2024-25

<sup>2</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

Excess Directors' & Officers' Liability Insurance (CAN24091036A)	BZAM Ltd.	Newline Canada Insurance Limited	Nov 1, 2024-25
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### Commercial Liability Insurance

<b>Policy/Agreement<sup>3</sup></b>	<b>Named Insured or BZAM Party</b>	<b>Insurer or Counterparty</b>	<b>Period</b>
Commercial Premium Finance Agreement (QN: 11088374)	BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc BZAM Cannabis Corporation, 14274261 Canada Inc.	FIRST Insurance Funding of Canada	Jul 3, 2024-25
Combined Cannabis and Medical Malpractice Liability Insurance (SUM-LS-34691-002)	BZAM Holdings Inc. et al	Strategic Underwriting Managers Inc.	Jul 3, 2024-25
Excess Liability Insurance (2404012)	BZAM Holdings Inc. and/or subsidiary companies	Strategic Underwriting Managers Inc.	Jul 3, 2024-25
Product Recall Policy (CGIC1002064)	BZAM Holdings Inc., BZAM Management Inc., Folium Life Science Inc., BZAM Cannabis Corp., BZAM Ltd., The Green Organic Dutchman Ltd., 9430-6347 Quebec Inc., TGOD Europe B.V., Medican Organic Inc., 14274261 Canada Inc., 102172093 Saskatchewan Ltd., Final Bell Corp., High Road Holding Corp.	CannGen Insurance Canada	Jul 3, 2024-25
Cannabis Cargo Policy (SUM-CC-32730-003)	BZAM Holdings Inc. and/or BZAM Management Inc. and/or & 10050999 Manitoba Ltd. and/or Folium Life Sciences Inc. and/or Sweet Grass Inc. and/or BZAM Cannabis Corp	Strategic Underwriting Managers Inc.	Jul 3, 2024-25

<sup>3</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

**Commercial Policies Ending January 31, 2025 (or February 12, 2025)**

<b>Policy/Agreement<sup>4</sup></b>	<b>Named Insured or BZAM Party</b>	<b>Insurer or Counterparty</b>	<b>Period</b>
Property Insurance (CGIC1001697)	The Green Organic Dutchman Ltd., TGOD Europe B.V., Medican Organic Inc., 102172093 Saskatchewan Ltd., BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corporation, Folium Life Sciences Inc., 14274261 Canada Inc., 9430-6347 Quebec Inc., 9430-5520 Quebec Inc., High Road Holding Corp., Final Bell Corp.	CannGen Insurance Canada	Jan 31, 2024-25
Commercial Insurance Policy – Property Insurance (CS630067)	BZAM Ltd., 14274261 Canada Inc., 9430-6347 Quebec Inc., 9430-5520 Quebec Inc., High Road Holding Corp., Final Bell Corp, Folium Life Sciences Inc., The Green Organic Dutchman Ltd., TGOD Europe B.V., Medican Organic Inc., 102172093 Saskatchewan Ltd., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corporation	Specialty Program Group Canada Inc. o/a Cansure	Jan 31, 2024-25
Excess Property Insurance (40318894)	The Green Organic Dutchman Ltd. and Medican Biologic Inc. and 9430-5520 Quebec Inc.	Definity Insurance Company - Strategic Underwriting Managers Inc.	Jan 31, 2024-25
Equipment Breakdown Insurance (REB727037)	BZAM Ltd.	Intact Insurance Company	Jan 31, 2024-25
Cyber Liability Insurance (B0180FN2402585)	BZAM Holdings Inc. & BZAM Ltd.	Howden Insurance Brokers Limited	Feb 12, 2024-25

<sup>4</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

## **SCHEDULE “I”**

### **ASSIGNED CONTRACTS**

- License and Services Agreement between Dreamfields Canada Operations Inc., and Final Bell Corp effective as of November 16, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time).

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT  
OF MATTHEW MILICH, SWORN BEFORE ME  
THIS 9TH DAY OF MAY, 2025.



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**JAMIE ERNST**

A Commissioner for taking Affidavits  
(or as may be)

1000816625 ONTARIO INC.

- AND -

BZAM LTD.

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AMENDED AND RESTATED SHARE SUBSCRIPTION AGREEMENT

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DATED ~~MARCH 1~~MAY 9, ~~2024~~2025

<b>ARTICLE 1 INTERPRETATION</b>	<b><del>2</del>1</b>
1.1 Definitions	<del>2</del> 1
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1.3 Currency and Payment Obligations	10
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## AMENDED AND RESTATED SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT dated ~~March 1, 2024~~May 9, 2025 is made by and between:

**1000816625 ONTARIO INC.**, a corporation incorporated under the laws of the Province of Ontario

(hereinafter, the "**Purchaser**")

- and -

**BZAM LTD.**, a corporation incorporated under the laws of Canada

(hereinafter, the "**Company**")

### RECITALS:

- A. The primary business of the Company and its subsidiaries is the cultivation, processing and sale of cannabis in Canada ~~under the core brands BZAM™, ness™, Highly Dutch Organic™, The Green Organic Dutchman™, TABLE TOP™, and third party brands produced under licence, with facilities in British Columbia, Ontario and Quebec, as well as a retail store in Regina, Saskatchewan;~~
- B. ~~The Company holds~~Certain of the Company's subsidiaries hold Cannabis Licenses under the *Cannabis Act* (Canada) and the *Excise Act*, 2001 (Canada) for the cultivation, processing and sale of cannabis;
- C. On February 28, 2024, pursuant to the Initial Order: (i) the CCAA Applicants obtained relief under the CCAA; and (ii) FTI Consulting Canada Inc. was appointed as Monitor in the CCAA Proceedings;
- D. The Company and the other CCAA Applicants commenced the CCAA Proceedings in order to, *inter alia*, seek a stay of proceedings and pursue the SISF with a view to implementing a transaction which will allow the continuation of their Business and operations, as a going concern; and
- E. The Purchaser ~~has~~ agreed to: (i) act as the "stalking horse bidder" in the context of the SISF ~~and~~, (ii) ~~if~~ this Agreement ~~is~~was subsequently determined to be the "Successful Bid" in accordance with the SISF Procedures and ~~the Approval and Reverse Vesting Order is granted by the Court,~~ (iii) in accordance with this Agreement, the Purchaser wishes to subscribe for and purchase from the Company, the Subscribed Shares, on the terms and conditions set out in this Agreement, in order to become the sole shareholder of the Company upon Closing;

**NOW THEREFORE** in consideration of the covenants and mutual promises set forth in this Agreement (including the recitals hereof) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.1 Definitions.

In this Agreement:

"**Action**" means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority.

"**Affiliate**" means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by, or is under direct or indirect common control with, such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to "control" another Person if such Person possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term "controlled" shall have a similar meaning.

"**Agreement**" means this Amended and Restated Share Subscription Agreement between the Purchaser and the Company, as may be amended, supplemented, restated or otherwise modified in accordance with the terms hereof.

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order (including any securities laws or requirements of stock exchanges and any consent decree or administrative Order) or other requirement having the force of law ("**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"**Approval and Reverse Vesting Order**" means an order issued by the Court substantially in the form attached hereto as ~~Exhibit "A"~~Exhibit "A" or otherwise acceptable to the Purchaser, the Company and the Monitor, each acting reasonably, among other things: (i) approving the Transactions; (ii) vesting out of the ~~Company Group Members~~Surviving Entities all Excluded Assets, Excluded Contracts and Excluded Liabilities and discharging all Encumbrances against the ~~Company Group Members~~Surviving Entities, except only the Permitted Encumbrances; (iii) authorizing and directing the Company to adopt and make effective the Articles of Amendment; (iv) terminating and cancelling all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company, if any (other than the rights of the Purchaser under this Agreement), for no consideration; (v) authorizing and directing the Company to issue the Subscribed Shares, and vesting in the Purchaser (or as it may direct) all right, title and interest in and to the Subscribed Shares, free and clear of all Encumbrances; and (vi) authorizing the ~~BZAM Entities~~Company Group Members to make distributions on account of all amounts owing by the CCAA Applicants to Cortland ~~Credit Lending Corporation~~ pursuant to the DIP Facility and the Second Amended and Restated Credit Agreement dated January 8, 2024.

"Approvals and Consents" has the meaning set out in Section ~~5.5(e)~~6.5(c).

"Articles of Amendment" means articles of amendment to the articles of the Company to change the conditions in respect of the Company's authorized and issued share capital to provide for a redemption right in favour of the Company for nil consideration, to create a new class or classes of common shares and to make such other changes as may be requested by the Purchaser, which shall be in a form and substance satisfactory to the Purchaser, as confirmed in writing in advance of the filing thereof.

"Assigned Contracts" means those Contracts listed in Schedule "I".

"Assumed Liabilities" means (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in ~~Schedule "E"~~Schedule "E" (which, for the avoidance of doubt, may be amended by the Purchaser by submitting an amended list no later than ten Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables); (b) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; and (c) any Tax ~~Liabilities~~liabilities and Transaction Taxes referred to in Section ~~3.1(e)~~4.1(c) and Section ~~3.2(e)~~4.2(c).

"Authorization" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"Books and Records" means all books, records, files, papers, books of account and other financial data including Tax Returns related to the Retained Assets in the possession, custody or control of any of the Company Group Members, including sales and advertising materials, sales and purchase data, trade association files, research and development records, lists of present and former customers and suppliers, personnel, employment and other records, and all records, data and information stored electronically, digitally or on computer-related media.

~~"Break Fee" means \$750,000.—~~

~~"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Provinces of Ontario or British Columbia.~~

"Business" means the business and operations carried on by the Company Group Members as at the date of this Agreement and as at the date of Closing pertaining to the cultivation, processing and sale of cannabis in Canada ~~under the core brands BZAM™, ness™, Highly Dutch Organic™, The Green Organic Dutchman™, TABLE TOP™, and third party brands produced under licence, with facilities in British Columbia, Ontario and Quebec, as well as a retail store in Regina, Saskatchewan.~~

"Business Day" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the Province of Ontario.

"Cannabis Licenses" means all Authorizations related to cannabis and issued by Health Canada to the ~~Company Group Members~~Surviving Entities, including Authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

"**Cash Consideration**" means an amount sufficient to pay in full in cash all (i) amounts owing in respect of the DIP Facility; (ii) amounts owing by the CCAA Applicants to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any; and (iii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.3 and ~~6.2(b)~~7.2(b).

"**Cash ~~Deposit~~ Deposits**" has the meaning set out in Section 2.1.

"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36.

"**CCAA Applicants**" means collectively, the Company and those other applicant companies listed in Exhibit "C".

"**CCAA Proceedings**" means the proceedings commenced by the CCAA Applicants under the CCAA.

~~"CCAA" means the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36.~~

"**Closing**" means the completion of the Transactions in accordance with the Closing Sequence and the other provisions of this Agreement.

"**Closing Cash Amount**" has the meaning set out in Section ~~7.2(g)~~8.2(f).

"**Closing Date**" means the date on which Closing occurs.

"**Closing Payments**" has the meaning set out in Section ~~7.2(g)~~8.2(f).

"**Closing Sequence**" has the meaning set out in Section ~~6.2~~7.2.

"**Closing Time**" means the time on the Closing Date at which Closing occurs, as evidenced by the Monitor's Certificate.

"**Company Advisors**" means Bennett Jones LLP.

"**Company Group Members**" means, collectively, the CCAA Applicants and the Non-Applicant Stay Parties, and "**Company Group Member**" means any of them.

"**Conditions Certificates**" has the meaning set out in Section ~~7.3~~8.3.

"**Contracts**" means all written contracts, agreements, leases, understandings and arrangements to which any of the Company Group Members is a party or by which any of the Company Group Members is bound or in which any of the Company Group Members has, or will at Closing have, any rights, including any Personal Property Leases, any Real Property Leases and any Contracts in respect of Employees, in each case excluding Excluded Assets and Excluded Contracts.

"**Cortland**" means Cortland Credit Lending Corporation.

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

~~"**Debt Consideration**" has the meaning set forth in Section 2.2(a)(i).~~

"**DIP Facility**" has the meaning given to it in the Initial Order.

**"DIP Financing"** means the super-priority debtor in possession financing provided to the CCAA Applicants by the DIP Lender.

**"DIP Lender"** means Cortland ~~Credit Lending Corporation~~ (whether in its own capacity or in its capacity as agent for certain lenders).

**"Discharged"** means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, including all proceeds thereof, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

**"Employees"** means all individuals who, as of Closing Time, are employed by any of the ~~Company-Group Members~~ Surviving Entities, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees who are to be terminated pursuant to Section ~~7.1(h)~~ 8.1(g), and **"Employee"** means any one of them.

~~**"Encumbrances To Be Discharged"** means all Encumbrances on the Subscribed Shares and the Retained Assets, including without limitation the Encumbrances listed in Schedule "D", and excluding only the Permitted Encumbrances.~~

**"Encumbrances"** means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

~~**"Excluded Assets and Contracts Promissory Note"** has the meaning set out in Section 3.2(b).~~

~~**"Encumbrances To Be Discharged"** means all Encumbrances on the Subscribed Shares and the Retained Assets, including without limitation the Encumbrances listed in Schedule "D", and excluding only the Permitted Encumbrances.~~

**"Excluded Assets"** means collectively those assets listed in each of Section ~~3.34.3~~ and ~~Schedule "A"~~ Schedule "A", an amended list of which (solely in respect of ~~Schedule "A"~~ Schedule "A") may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date.  
~~**"Excluded Assets"**~~

~~**"Excluded Assets and Contracts Promissory Note"** has the meaning set out in Section 4.2(b).~~

~~**"Excluded Assets Bill of Sale"** has the meaning set out in Section ~~3.2(b)~~ 4.2(b).~~

**"Excluded Contracts"** means those contracts listed in ~~Schedule "B"~~ Schedule "B", as may be amended by the list sent pursuant to Section ~~7.1(h)~~ 8.1(k).

**"Excluded Contracts Assignment Agreement"** has the meaning set out in Section ~~3.2(b)~~ 4.2(b).

**"Excluded Liabilities"** means all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, contracts, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent,

accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against any of the Company Group Members or relating to any Excluded Assets and Excluded Contracts as at the Closing Time, other than Assumed Liabilities, including, *inter alia*, (i) the non-exhaustive list of those certain Liabilities set forth in ~~Schedule "C"~~Schedule "C" – *Excluded Liabilities of the Company Group Members*, (ii) any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transactions and to which any of the Company Group Members may be bound as at the Closing Time, (iii) all Liabilities relating to or under the Excluded Contracts and Excluded Assets, (iv) all Liabilities for those employees of a ~~Company Group Members~~Surviving Entity who are Terminated Employees.

"**Excluded Liability Assumption Agreement**" has the meaning set out in Section ~~3.1(a)~~4.1(a).

"**Excluded Liability Promissory Note**" has the meaning set out in Section ~~3.1(a)~~4.1(a).

"**Existing Shares**" means all issued and outstanding shares of the Company prior to the Closing Time.

~~"Expense Reimbursement" means \$100,000.~~

"**Filing Date**" means February 28, 2024.

"**Governmental Authority**" means the government of Canada, or any other nation, or of any political subdivision thereof, whether state, provincial (including the government of Ontario), territorial, municipal or local, and any agency, authority, instrumentality, regulatory body, court, arbitrator or arbitrators, tribunal, central bank or other entity exercising executive, legislative, judicial or arbitral, taxing, regulatory or administrative powers or functions (including any applicable stock exchange).

"**GST/HST**" means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada), and any provincial, territorial or foreign legislation imposing a similar value added or multi-staged tax.

"**Initial Order**" means the Initial Order of the Court dated February 28, 2024, as may be amended, restated or varied from time to time.

~~"Interim Period"~~ means the period from the date this Agreement is entered into by the Parties to the Closing Time.

~~"Investment Canada Act"~~ means the *Investment Canada Act*, R.S.C., 1985, c. 28 and the regulations promulgated thereunder.

~~"Law"~~ has the meaning set out in the definition of ~~"Applicable Law"~~.

~~"Legal Proceeding"~~ means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave to appeal or review.

~~"Liability"~~ means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to



become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"Management Employees" has the meaning set out in Section 8.2(g).

"Material Adverse Effect" means any change, event, development, occurrence, facts, condition or effect (each, an "Effect") that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business or condition (financial or otherwise), assets, liabilities, operations, earnings of the ~~Company Group Members~~ Surviving Entities or results of the Business taken as a whole, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), (b) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities markets in general, including changes in interest rates; or (c) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the ~~Company Group Members~~ Surviving Entities with any third party, including any customers, employees, shareholders, financing sources, vendors, licensors, licensees, distributors, partners or suppliers as a direct result of the announcement of this Agreement, shall not qualify as a Material Adverse Effect.

"Monitor" means FTI Consulting Canada Inc. in its capacity as court-appointed monitor in the CCAA Proceedings, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of Residual Co to the extent subsequently appointed as such.

**"Monitor Advisors"** means Stikeman Elliott LLP.

**"Monitor's Certificate"** means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor to the Company and the Purchaser in accordance with Section ~~7.3~~ 8.3, and thereafter filed by the Monitor with the Court.

**"Non-Applicant Stay Parties"** means collectively, The Green Organic Beverage Corp., TGOD Europe B.V., 9430-6347 Québec Inc. and The Green Organic Dutchman Germany GmbH.

**"Order"** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

**"Organizational Documents"** means any trust document, charter, certificate, memorandum or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

**"Outside Date"** means ~~June 21~~ August 15, 2024 ~~2025~~, or such other date as the Purchaser and the Company (with the consent of the Monitor and the DIP Lender) may agree to in writing.

**"Party"** means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and **"Parties"** means more than one of them.

**"Permits and Licenses"** means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business, including: (i) the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Company Group Members; and (ii) the Cannabis Licenses.



**"Permitted Encumbrances"** means the Encumbrances related to the Retained Assets listed in ~~Schedule "F"~~Schedule "F", an amended list of which may be agreed to by the Purchaser, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

**"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

**"Personal Property"** means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

**"Personal Property Lease"** means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the Company Group Members is a party or under which it has rights to use Personal Property.

**"Purchase and Sale Transactions"** means the transactions contemplated by this Agreement which provide for, among other things, (a) ~~the assumption~~payment by the Purchaser ~~from the Company~~ of the ~~Stone Pine Debt~~Cash Consideration, (b) the ~~payment by the Purchaser on behalf of the Company of the Cash Consideration~~ (c) ~~the~~ issuance by the Company of the Subscribed Shares to the Purchaser in consideration for the Subscription Price, and (d) ~~the~~ assignment by the ~~Company Group Members~~Surviving Entities to Residual Co of the Excluded Liabilities, Excluded Assets, if any, and Excluded Contracts in consideration for the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note.

**"Real Property Lease"** means a lease and other similar agreement relating to real property that is Related to the Business to which any of the Company Group Members is a party or under which it has rights to use real property.

**"Related to the Business"** means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

**"Representative"** when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

**"Residual Co."** means ~~a corporation to be incorporated under the laws of Canada or a province thereof in advance of Closing~~1001105728 Ontario Inc., to which the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred as part of the Closing Sequence, which shall have no issued and outstanding shares.

**"Retained Assets"** ~~has the meaning set out in Section 3.2~~means those assets listed in Schedule "G", an amended list of which may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date.

**"Retained Contracts"** means those Contracts listed in ~~Schedule "G"~~Schedule "H".

**"Secured Demand Promissory Notes"** means collectively, the following Secured Demand Promissory Notes entered into between the Company and Stone Pine, as amended pursuant to the Amending Agreement made as of January 4, 2024:

Date	Principal Amount
March 3, 2023	\$2,500,000
August 30, 2023	\$1,325,000
October 27, 2023	\$1,190,000
November 8, 2023	\$600,000
November 30, 2023	\$2,000,000
December 4, 2023	\$900,000

"SISP" means the Sale and Investment Solicitation Process ~~to be~~ conducted by the CCAA Applicants and the Monitor in the context of the CCAA Proceedings in accordance with the SISP Procedures.

"SISP Order" means the order ~~to be~~ issued by the Court on March 8, 2024 approving, among other things, the SISP and the SISP Procedures and authorizing the CCAA Applicants to negotiate and finalize this Agreement as the "stalking horse bid".

"SISP Procedures" means the procedures governing the SISP as outlined in the SISP Order.

"Statement of Trade Payables" means a statement from the Company, certified by an officer of the Company and acceptable to the Monitor, setting out (a) a list of vendors that have provided goods and/or services to the ~~Company Group Members~~ CCAA Applicants in the ordinary course of business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, and (b) the corresponding amounts owing to each such vendor.

"Stone Pine" means Stone Pine Capital Ltd., a corporation existing under the laws of Bahamas.

~~"Stone Pine Consent" means the written consent of Stone Pine to the assumption by the Purchaser from the Company of the Stone Pine Debt, in form and substance satisfactory to the Parties and Stone Pine.~~

~~"Stone Pine Debt"~~ means the aggregate principal amount outstanding under the Secured Demand Promissory Notes, plus accrued and unpaid interest thereon.

~~"Stone Pine Debt Assumption Agreement" means an assumption agreement between the Purchaser and the Company, pursuant to which the Purchaser will assume from the Company and agree to pay in full when due all of the Stone Pine Debt, in form and substance satisfactory to the Purchaser, Stone Pine, the Company and the Monitor.~~

"Subscribed Shares" means such number of common shares in the capital of the Company, to be advised by the Purchaser, which will be issued on Closing and which will, immediately following Closing, represent 100% of the equity interests in the Company.

"Subscription Price" has the meaning set out in Section ~~2.1~~ 2.2.

**"Surviving Entities"** means together the Company and TGOD.

**"Target Closing Date"** means June ~~1230, 2024~~2025, or such other date as the Company (with the consent of the Monitor and the DIP Lender) and the Purchaser may agree to in writing.

**"Tax Act"** means the *Income Tax Act* (Canada).

**"Tax Returns"** means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

**"Taxes" or "Tax"** means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes or premiums, pension plan premiums and contributions, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

**"Terminated Employees"** means those individuals employed by the ~~Company Group Members~~Surviving Entities whose employment will be terminated prior to Closing, as listed in a terminated employee list to be sent by the Purchaser to the Company no later than ten Business Days before the Target Closing Date.

**"TGOD"** means The Green Organic Dutchman Ltd.

**"Transaction Taxes"** means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including GST/HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax arising from, or relating to, or in respect of the consummation of the Transactions.

**"Transactions"** means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

**"Wind-Up Reserve"** means \$~~250,000~~430,000 (inclusive of tax) or such lesser amount as the Purchaser, the Company and the Monitor may agree.

## **1.2 Actions on Non-Business Days**

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

### 1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

### 1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Eastern time) on the next succeeding Business Day.

### 1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmation from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in

accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

## 1.6 Exhibits and Schedules

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

### **EXHIBITS**

- ~~Exhibit "A"~~ Exhibit "A" - Form of Approval and Reverse Vesting Order
- ~~Exhibit "B"~~ Exhibit "B" - SISP Order
- ~~Exhibit "C"~~ Exhibit "C" - CCAA Applicants

### **SCHEDULES**

- ~~Schedule "A"~~ Schedule "A" - Excluded Assets
- ~~Schedule "B"~~ Schedule "B" - Excluded Contracts
- ~~Schedule "C"~~ Schedule "C" - Excluded Liabilities
- ~~Schedule "D"~~ Schedule "D" - Encumbrances To Be Discharged
- ~~Schedule "E"~~ Schedule "E" - Assumed Liabilities
- ~~Schedule "F"~~ Schedule "F" - Permitted Encumbrances
- Schedule "G" - Retained Assets
- ~~Schedule "G"~~ Schedule "H" - Retained Contracts
- Schedule "I" - Assigned Contracts

- (b) Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

## ARTICLE 2 SUBSCRIPTION FOR SUBSCRIBED SHARES AND RELATED MATTERS

### 2.1 Deposit

As a deposit for the Subscription Price, the Purchaser ~~shall pay~~paid to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 (the ~~"Cash First Deposit"~~), within two (2) days of the granting of the SISP Order by the Court, which ~~Cash Deposit shall be~~has been held in escrow by the Monitor in a ~~non-interest-bearing~~non-interest-bearing account on behalf of the Company.

As a second deposit for the Subscription Price, the Purchaser paid to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 prior to October 18, 2024 (the "Second Deposit" and together with the First Deposit, the "Cash Deposits"), which has been held in escrow by the Monitor in a non-interest-bearing account on behalf of the Company.

If the Closing does not occur for any reason and the Agreement is terminated, the Cash ~~Deposit~~Deposits will be forthwith refunded in full to the Purchaser (without interest, offset or deduction) except:

- (a) if this Agreement is terminated by the Company pursuant to Section ~~8.1(a)(v)~~9.1(a)(iv); or
- (b) if this Agreement is terminated by the Company pursuant to Section ~~8.1(a)(iv)~~9.1(a)(iii), except if (i) at the time of such termination the condition in Section ~~7.1(k)~~8.1(j) has not been satisfied and (ii) the Purchaser has requested an extension of the Outside Date and has not received consent to such extension, in which case the Cash ~~Deposit~~Deposits will be forthwith refunded in full to the Purchaser (without interest, offset or deduction).

If this Agreement is terminated by the Company in the circumstances set forth in Sections 2.1(a) or 2.1(b), the Cash ~~Deposit~~Deposits shall become the property of, and shall be transferred to, the Company as liquidated damages (and not as a penalty) to compensate the Company for the expenses incurred and opportunities foregone as a result of the failure to close the Transactions.

### 2.2 Subscription Price

- (a) The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the "**Subscription Price**");

~~(i) Assumption of Stone Pine Debt: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall enter into the Stone Pine Debt Assumption Agreement pursuant to which the Purchaser will assume from the Company and agree to pay in full when due the Stone Pine Debt plus accrued and unpaid interest thereon as of the Closing Date and the Company shall thereupon be released from all obligations and liabilities under the Stone Pine Debt (collectively, the "Debt Consideration"); and~~

(i) (ii) Cash Consideration: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall pay the Cash Consideration as follows: (A) by the release of the Cash ~~Deposit~~Deposits by the Monitor to the Company, and (B) by wire transfer ~~to, at the direction of the Company, to either (1)~~ an account designated by the Monitor, on behalf of the Company, or (2) an account

designated by Cortland, of immediately available funds in the amount of the balance of the Cash Consideration.

- (ii) ~~(b)~~ Assumption of Assumed Liabilities: On the Closing Date and in accordance with the Closing Sequence, the ~~Company Group Members~~ Surviving Entities shall retain the Assumed Liabilities. For greater certainty, all Assumed Liabilities, including, but not limited to, the Statement of Trade Payables amounts, will be assumed and retained by the Company and paid on the later of (a) Closing, and (b) when such Assumed Liabilities become due and owing in accordance with their current payment terms and conditions, absent any acceleration that may be asserted to be caused by or associated with the Company Group Members' insolvency or the CCAA Proceedings.

## 2.3 Payment of the Closing Payments

On the Closing Date, the Company shall satisfy, in accordance with the Closing Sequence and Section ~~7.2(g)~~ 8.2(f), the Closing Payments from the Closing Cash Amount such that all the Closing Payments shall be satisfied in full concurrently with the Closing.

## ARTICLE 3 ASSIGNED CONTRACTS

### 3.1 Assigned Contracts

On the Closing Date and in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and Section 11.3 of the CCAA, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOD.

## ARTICLE 4~~ARTICLE 3~~ **EXCLUDED ASSETS AND EXCLUDED LIABILITIES**

### 4.1 ~~3.1~~ **Transfer of Excluded Liabilities to Residual Co**

- (a) On the Closing Date and in accordance with the Closing Sequence, the Excluded Liabilities shall be assumed by Residual Co and the Company shall issue to Residual Co an interest-free promissory note (the "**Excluded Liability Promissory Note**") in the amount equal to \$5.00 in consideration for Residual Co assuming the Excluded Liabilities. The Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser, the Company and the Monitor (the "**Excluded Liability Assumption Agreement**").
- (b) Notwithstanding any other provision of this Agreement, neither the Purchaser nor ~~any of the Company Group Members~~ either of the Surviving Entities shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the ~~Company Group Members~~ Surviving Entities and their assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order.



- (c) For greater certainty, the Purchaser shall be solely liable for all Tax ~~Liabilities~~liabilities and Transaction Taxes, if any, of the ~~Company Group Members~~Surviving Entities arising in connection with the assignment of the Excluded Liabilities to Residual Co and the assumption by Residual Co of same.

#### 4.2     ~~3.2~~ Transfer of Excluded Assets and Excluded Contracts to Residual Co

- (a) The Company Group Members shall retain all of the assets owned by them on the date of this Agreement and any assets acquired by them up to ~~and including~~ Closing, including their respective Contracts, Permits and Licenses and Books and Records (~~the "Retained Assets"~~), except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts, and any Contracts disclaimed by any of the Company Group Members with the consent of the Purchaser.
- (b) On the Closing Date and in accordance with the Closing Sequence, the ~~Company Group Members~~Surviving Entities shall transfer or cause to be transferred the Excluded Assets, if any, and the Excluded Contracts to Residual Co, in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co pursuant to the Approval and Reverse Vesting Order by a bill of sale (the "**Excluded Assets Bill of Sale**") and assignment of contracts (the "**Excluded Contracts Assignment Agreement**"), in form and substance satisfactory to the Purchaser, the Company and the Monitor, all in consideration of an interest-free promissory note from the Company (the "**Excluded Assets and Contracts Promissory Note**") in the amount equal to \$5.00.
- (c) For greater certainty, the Purchaser shall be solely liable for all Tax ~~Liabilities~~liabilities and Transaction Taxes, if any, of the ~~Company Group Members~~Surviving Entities arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to Residual Co.

#### 4.3     ~~3.3~~ Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the ~~Company~~Surviving Entities shall not include any of the assets listed on ~~Schedule "A"~~Schedule "A" nor any of the following assets:

- (a) the portion of the Cash Consideration transferred to Residual Co~~;~~ in accordance with the Closing Sequence;
- (b) the Closing Cash Amount, which for the avoidance of doubt, shall be paid in accordance with Sections 2.3 and ~~6.2(b)~~7.2(b), and shall not be transferred to Residual Co pursuant to Section ~~3.24.2~~;
- (c) all written information or records that are solely related to any Excluded Asset or any Excluded Liability; provided, however that the ~~Company Group Members~~Surviving Entities shall retain such items and provide copies thereof to Residual Co as soon as reasonably practicable after Residual Co request for same;
- (d) the Excluded Contracts; and
- (e) any rights which accrue to Residual Co under this Agreement and the other documents required to be delivered pursuant to this Agreement.



~~ARTICLE 5~~  
~~ARTICLE 4~~  
**REPRESENTATIONS AND WARRANTIES**

**5.1     ~~4.1~~ Representations and Warranties as to the Company**

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the subscription by the Purchaser for the Subscribed Shares:

- (a) Incorporation and Status. Each of the ~~Company Group Members~~Surviving Entities is a corporation incorporated or limited liability company organized, as applicable, and existing under the laws of its jurisdiction of incorporation or formation, is in good standing under such laws and, with respect to the Company, has the power and authority to enter into, deliver and perform its obligations under this Agreement subject only to SISP Order and the Approval and Reverse Vesting Order.
- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate actions on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of its Organizational Documents.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms.
- (e) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company Group Members of any of the Subscribed Shares or other securities of the ~~Company Group Members~~Surviving Entities or the Retained Assets.
- (f) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (g) Proceedings. There are no Legal Proceedings pending against any of the ~~Company Group Members~~Surviving Entities or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of all or any part of the Subscribed Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of their obligations set forth in this Agreement.

- (h) Authorized and Issued Capital. The authorized capital of the Company consists of an unlimited number of common shares, of which 273,578,952 common shares are issued and outstanding. Except for the foregoing issued and outstanding shares, there are no other issued and outstanding common shares or other securities of either of the Company, nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.
- (i) Cannabis Licenses. The Cannabis Licenses are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licenses.
- (j) Tax. To the Company's knowledge, except as disclosed to the Purchaser: (i) all Taxes shown as due and owing on the Tax Returns and any related notices of assessment for the Company for all Tax periods ending on or prior to the Closing Date have been duly and timely paid; and (ii) the Company has withheld and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld or deducted.
- (k) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and ~~(ii) the Stone Pine Consent, and (iii)~~ any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Company, and each of the agreements to be executed and delivered by the Company hereunder, the issuance by the Company of the Subscribed Shares hereunder.

## 5.2     ~~4.2~~ **Representations and Warranties as to the Purchaser**

The Purchaser represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the issuance by the Company of the Subscribed Shares.

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (f) Financial Ability. The Purchaser will have on closing cash on hand and/or firm financing commitments from lenders in amounts sufficient to allow it to pay the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions.
- (g) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Subscription Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (h) Investment Canada Act. The Purchaser is a WTO investor within the meaning of the Investment Canada Act.
- (i) Security Clearances. Each officer, director, or any other Person that may exercise, or is in a position to exercise, direct control over either holder of the Cannabis Licenses or of the Purchaser have obtained security clearances as required to maintain the Cannabis Licenses under Applicable Law.
- (j) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; and ~~(ii) the Stone Pine Consent, and (iii)~~ any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, the purchase of the Subscribed Shares hereunder.

### 5.3     ~~4.3~~ As is, Where is

The Subscribed Shares shall be issued, sold and delivered to the Purchaser subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to same). For greater certainty, the Retained Assets shall be retained by the ~~Company Group Members~~ Surviving Entities in the context of the Transactions on an "as is where is" basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to

rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the ~~Company Group Members~~ Surviving Entities in order to make an independent analysis of same.

## ~~ARTICLE 6~~ ~~ARTICLE 5~~ COVENANTS

### 6.1 ~~5.1~~ Target Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on the Target Closing Date.

### 6.2 ~~5.2~~ Application for Approval and Reverse Vesting Order

As soon as practicable after the execution of this Agreement, the Company shall ~~following the conduct of the SISP and if this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures,~~ serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order with the Court.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order ~~(if this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures)~~ and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of such order. ~~If this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures, the Company's motion and~~ The Company's motion materials seeking the Approval and Reverse Vesting Order shall be in form and substance satisfactory to the Purchaser, acting reasonably. ~~The Company will provide to the Purchaser a reasonable opportunity to review a draft of the application and application materials to be served and filed with the Court, it being acknowledged that such motion and motion materials should be served as promptly as reasonably possible following the determination that this Agreement is the "Successful Bid" in accordance with the SISP Procedures,~~ and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on such other interested parties, and in such manner, as the Purchaser may reasonably require. The Company will promptly inform counsel for the Purchaser of any and all threatened or actual objections to the application for the issuance of the Approval and Reverse Vesting Order of which it becomes aware, and will promptly provide to the Purchaser a copy of all written objections received. ~~However, and notwithstanding the foregoing, the Company will have no obligation to provide the Purchaser with any motion materials or draft motion materials for the issuance of the Approval and Reverse Vesting Order if this Agreement is not determined to be the "Successful Bid" pursuant to the SISP Procedures.~~

### 6.3 ~~5.3~~ Interim Period

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order); (ii) as necessary in connection with the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and Company, such consent not to be unreasonably withheld, conditioned or delayed: (A) the Company shall, and shall cause each of the other Company Group Members to, continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement including preserving, renewing and keeping in full force its

corporate existence as well as its Permits and Licenses and Contracts; and (B) other than the Excluded Assets and the ~~Company Group Members~~ Surviving Entities' cannabis inventory pursuant to purchase orders from third parties, the Company shall not, and the Company shall not permit the Company Group Members to, transport, remove or dispose of, any of their assets out of their current locations.

- (b) During the Interim Period, and subject to the terms of the SISP and the SISP Order, except as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order), neither the Company nor any of the other Company Group Members shall enter into any non-arms' length transactions involving the Company Group Members or ~~its~~ their assets or the Business without the prior approval of the Purchaser.
- (c) During the Interim Period, the Purchaser shall furnish to the Company such information concerning the Purchaser as shall be reasonably requested, including all such information as shall be necessary to enable the Company to verify that the representations and warranties and covenants of the Purchaser contained in this Agreement have been complied with.

#### 6.4    ~~5.4~~ Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the customers and contractual counterparties of the Company Group Members. Such investigations shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the Company Group Members, and the Company shall, and shall cause the other Company Group Members, to co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

#### 6.5    ~~5.5~~ Regulatory Approvals and Consents

~~If this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures:-~~

##### During the Interim Period:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper

or advisable under any Applicable Law or otherwise to consummate and make effective the Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the Cannabis Act and the regulations thereto.

- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section ~~5.5~~6.5.
- (c) The Parties shall cause their respective affiliates to, promptly give each other and the Monitor reasonable advance notice of all information, documents and data as may be requested, required or ordered to be provided to Governmental Authorities pursuant to statutory or non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section ~~5.5~~6.5.

## 6.6     ~~5.6~~ Insurance Matters

During the Interim Period, the Company shall keep, and shall cause the other Company Group Members to keep, in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company Group Members in the ordinary course of business.

## 6.7     ~~5.7~~ Books and Records

The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as they may reasonably require.

# ARTICLE 7~~ARTICLE 6~~ CLOSING ARRANGEMENTS

## 7.1     ~~6.1~~ Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.



## 7.2 ~~6.2~~ Closing Sequence

On the Closing Date, Closing shall take place in the following sequence (the "Closing Sequence"):

- (a) First, Residual Co shall be deemed to be a company to which the CCAA applies and shall be added to the CCAA Proceedings as an CCAA Applicant;
- (b) ~~(a) First~~Second, the Purchaser shall ~~deposit Stone Pine Debt Assumption Agreement duly executed by the Purchaser in respect of the Debt Consideration and~~ pay the unpaid balance of the Cash Consideration to (i) Cortland in accordance with Section 2.2, or (ii) the Monitor, which ~~Debt Consideration and~~ Cash Consideration shall be held in escrow by the Monitor, on behalf of the Company, to be released in accordance with this Closing Sequence;
- (c) Third, the Company shall pay, or direct to be paid, to Cortland, from the Cash Consideration, the amounts necessary to satisfy in full each of (i) amounts owing in respect of the DIP Facility; and (ii) amounts owing by the CCAA Applicants to Cortland pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any;
- (d) ~~(b) Second~~Fourth, the Company shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (e) Fifth, all of the Retained Assets of the Company Group Members, other than the Surviving Entities, shall be transferred to TGOD;
- (f) Sixth, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOD pursuant to the Approval and Reverse Vesting Order and section 11.3 of the CCAA;
- (g) ~~(e) Third~~Seventh, the Company shall (i) transfer or cause to be transferred to and cause Residual Co to assume the Excluded Assets and the Excluded Contracts pursuant to the Approval and Reverse Vesting Order, the Excluded Assets Bill of Sale and the Excluded Contracts Assignment Agreement, (ii) issue the Excluded Assets and Contracts Promissory Note to Residual Co, (iii) transfer to and cause Residual Co to assume the Excluded Liabilities pursuant to the Approval and Reverse Vesting Order and the Excluded Liabilities Assumption Agreement, and (iv) issue the Excluded Liability Promissory Note to Residual Co;
- (h) ~~(d) Fourth~~Eighth, the Company shall file the Articles of Amendment, and all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;
- (i) ~~(e) Fifth~~Ninth, the Company shall issue the Subscribed Shares and the Purchaser shall subscribe for and purchase the Subscribed Shares, and the ~~Debt Consideration and the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) shall be released from escrow for the benefit of the Company in satisfaction of the Subscription Price for the

Subscribed Shares, but shall continue to be held by the Monitor, in escrow on the Company's behalf and in accordance with Section ~~6.2(f)~~7.2(g); and

- (j) ~~(f) Sixth Tenth~~, the Company shall satisfy all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note using a portion of the Cash Consideration (including the Cash ~~Deposit~~Deposits), and irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration (including the Cash ~~Deposit~~Deposits) held by the Monitor, although such amount shall continue to be held by the Monitor on behalf of Residual Co., at which point both the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note shall be irrevocably and indefeasibly satisfied, in full, and terminated.

### 7.3     ~~6.3~~The Company's Closing Deliveries

At or before the Closing (as applicable), the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note;
- (b) a copy of the Excluded Liability Assumption Agreement, signed by the Company and Residual Co;
- (c) a copy of the ~~Canadian~~Excluded Assets Bill of Sale, signed by the Company and Residual Co;
- (d) a copy of the Excluded Contracts Assignment Agreement, signed by the Company and Residual Co;
- (e) a copy of the Approval and Reverse Vesting Order;

~~(f) a copy of the Stone Pine Debt Assumption Agreement, signed by the Company;~~

- (f) ~~(g)~~share certificates representing the Subscribed Shares registered in the name of the Purchaser;

- (g) ~~(h)~~the Statement of Trade Payables, reviewed by the Monitor;

- (h) ~~(i)~~a certificate of compliance with respect to the Company issued by the appropriate government official of its jurisdiction of incorporation;

- (i) ~~(j)~~a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections ~~7.1(d), 7.1(e), 7.1(f) and 7.1(g)~~ 8.1(c), 8.1(d), 8.1(e) and 8.1(f) have been satisfied;

- (j) ~~(k)~~an irrevocable mutual release between Residual Co, on the one hand, and the Company Group Members, on the other hand, releasing such respective parties and each of their respective directors, officers, employees, agents, representatives, legal and financial advisors from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims, of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present, or future, direct or



indirect, whether known or unknown, except any covenants and obligations hereunder which survive Closing, in a form and substance acceptable to the Purchaser, the Company, and the Monitor, acting reasonably; and

- (k) ~~(j)~~ such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions (including the Purchase and Sale Transactions and the Closing Sequence) provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

#### 7.4 ~~6.4~~ The Purchaser's Closing Deliveries

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each the conditions in Sections ~~7.2(e), 7.2(d), 7.2(e) and 7.2(f)~~ 8.2(b), 8.2(c), 8.2(d) and 8.2(e) have been satisfied;
- ~~(e) the Debt Consideration (including a copy of the Stone Pine Debt Assumption Agreement, signed by the Purchaser), in accordance with Section 6.2(a);~~
- (c) ~~(d)~~ the unpaid balance of the Cash Consideration in accordance with Section ~~6.2(a)~~ 7.2(a); and
- (d) ~~(e)~~ such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

### ARTICLE 8 ~~ARTICLE 7~~ CONDITIONS OF CLOSING

#### 8.1 ~~7.1~~ The Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section ~~7.1~~ 8.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that if the Purchaser does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Company shall take, and cause the Company Group Members to take, all such commercially reasonable actions, steps and proceedings as are reasonably within their control to ensure that the conditions listed below in this Section ~~7.1~~ 8.1 are fulfilled at or before the Closing Time.

- ~~(a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.~~

- (a) ~~(b)~~ Court Approval. The ~~following conditions have been met: (i) the Initial Order, the SISP Order and the~~ Approval and Reverse Vesting Order shall have been issued by the Court;<sup>2</sup> and ~~(ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order~~ shall not have been vacated, set aside or stayed.
- (b) ~~(c)~~ The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section ~~6.3~~7.3.
- (c) ~~(d)~~ No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, ~~or~~ (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) the effect of modifying or amending the Approval and Reverse Vesting Order without the consent of the Purchaser.
- (d) ~~(e)~~ No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (e) ~~(f)~~ No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section ~~4.15.1~~4.15.1 shall be true and correct in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (f) ~~(g)~~ No Breach of Covenants. The Company shall have performed in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.
- (g) ~~(h)~~ The Terminated Employees. The ~~Company Group Members~~Surviving Entities shall have terminated the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, vacation pay, termination payments, severance, ~~vacation pay~~, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Reverse Vesting Order, subject to any amounts that rank in priority to the DIP Facility.
- (h) ~~(i)~~ Residual Co. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to Residual Co or Discharged; and (ii) the ~~Company Group Members~~Surviving Entities, their businesses and properties shall have been released and forever Discharged of all claims and Encumbrances (other than Assumed Liabilities, if any); such that, from and after Closing the businesses and properties of the ~~Company Group Members~~Surviving Entities shall exclude the Excluded Assets and the Excluded Contracts, and shall not be subject to any Excluded Liabilities.

- (i) ~~(i)~~ CCAA Proceedings. Upon Closing, the CCAA Proceedings will have been terminated in respect of the ~~Company Group Members~~, Surviving Entities and their businesses and properties, as set out in the Approval and Reverse Vesting Order.
- (j) ~~(j)~~ Cannabis Licenses. (i) ~~the~~ The Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension; and (ii) all required Authorizations from Health Canada in connection with the Closing of the Transactions shall have been obtained.
- (k) ~~(k)~~ Disclaim Contracts. The CCAA Applicants shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Company and which shall be delivered by the Purchaser no later than 20 days before the Target Closing Date.
- (l) ~~(m)~~ DIP Financing. The DIP Financing shall not have been terminated by the DIP Lender and shall remain in effect.

## 8.2 ~~7.2~~ The Company's Conditions

The Company shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section ~~7.28.2~~ have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and complete the Closing, such condition(s) shall be deemed to have been waived by the Company. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section ~~7.28.2~~ are fulfilled at or before the commencement of the first step in the Closing Sequence.

- ~~(a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.~~
- (a) ~~(b)~~ Court Approval. The ~~following conditions have been met: (i) the Initial Order, the SISP Order and the~~ Approval and Reverse Vesting Order shall have been issued by the Court; ~~and (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order,~~ shall not have been appealed, vacated, set aside or stayed.
- (b) ~~(c)~~ Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section ~~6.47.4~~.
- (c) ~~(d)~~ No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (d) ~~(e)~~ No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically

contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section ~~4.2~~5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(e) ~~(f)~~ No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

(f) ~~(g)~~ Closing Cash Amount. On the Closing Date, prior to Closing, the Company shall have cash in an amount sufficient to satisfy the following payments in full on Closing (the "**Closing Cash Amount**") and such payments shall have been made on or before the Closing:

- (i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;
- (ii) the reasonable and documented outstanding legal and financial advisor fees and expenses up to and including Closing of the DIP Lender; and
- (iii) the Wind-Up Reserve payable to the Monitor (collectively, (i) through (iii), the "**Closing Payments**").

(g) New Employee Contracts. Prior to Closing, the Purchaser shall have entered into new employment agreements with Matthew Milich and up to three other key management employees to be identified by the Company (collectively, the "**Management Employees**"), in form satisfactory to both the Purchaser and the Management Employees.

(h) Shareholders Agreement. Prior to Closing, the Purchaser and the Management Employees shall have entered into a shareholders' agreement in respect of the Company which shall be effective as of Closing.

(i) Releases. Prior to Closing, releases in favour of the directors and officers of the Company shall be approved by the Court, in form and substance satisfactory to the Company.

### 8.3 ~~7.3~~ **Monitor's Certificate**

When the conditions to Closing set out in Section ~~7.1~~8.1 and Section ~~7.2~~8.2 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Purchaser, at which time the Closing Sequence will be deemed to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchaser). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

~~ARTICLE 9~~  
~~ARTICLE 8~~  
**TERMINATION**

**9.1     ~~8.1~~ Grounds for Termination**

- (a) Subject to Section ~~8.1(b)~~9.1(b), this Agreement may be terminated on or prior to the Closing Date:
- (i) by the mutual agreement of the Company and the Purchaser;
  - (ii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, if the Court declines at any time to grant the Approval and Reverse Vesting Order; provided that the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
  - ~~(iii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, if this Agreement is determined not to be the "Successful Bid", as defined in and in accordance with the SISP Procedures; provided, however, that the Company shall pay to the Purchaser the Break Fee and Expense Reimbursement in accordance with the terms of the SISP;~~
  - (iii) ~~(iv)~~ by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
  - (iv) ~~(v)~~ by the Company (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser, of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section ~~7.28.2~~8.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Purchaser within five (5) Business Days of the Company providing notice to the Purchaser of such breach, unless the Company is itself in material breach of its own obligations under this Agreement at such time; or
  - (v) ~~(vi)~~ by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section ~~7.4~~8.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Company within five (5) Business Days of the Purchaser providing notice to the Company of such breach, unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time.

- (b) Prior to the Company agreeing to or electing to any termination pursuant to this Section ~~8.1~~9.1, the Company shall first obtain the consent of the Monitor and DIP Lender; provided, however, DIP Lender consent shall not be required where the Company ~~agree~~agrees or ~~elect~~elects to terminate this Agreement pursuant to Section ~~8.1(a)(iii)~~9.1(a)(iii).
- (c) The Party desiring to terminate this Agreement pursuant to this Section ~~8.1~~9.1 (other than pursuant to Section ~~8.1(a)~~9.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, and the Monitor specifying in reasonable detail the basis for such Party's exercise of its termination rights.

## 9.2 ~~8.2~~ Effect of Termination.

If this Agreement is terminated pursuant to Section ~~8.1~~9.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1 (~~Cash Deposit~~), ~~8.1(a)(iii) (Break Fee and Expense Reimbursement)~~, ~~8.2~~Deposits, 9.2(b) (Effect of Termination), ~~9.4~~10.4 (Public Announcements), ~~9.5~~10.5 (Notices), ~~9.9~~10.9 (Waiver and Amendment), ~~9.12~~10.12 (Governing Law), ~~9.13~~10.13 (Dispute Resolution), ~~9.14~~10.14 (Attornment), ~~9.15~~10.15 (Successors and Assigns), ~~9.16~~10.16 (Assignment), ~~9.17~~10.17 (No Liability), and ~~9.18~~10.18 (Third Party Beneficiaries), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) if, prior to the termination, the ~~Debt Consideration or~~ Cash Consideration has been paid to the Monitor pursuant to Section ~~6.2(a)~~7.2(a), the Parties shall jointly instruct the Monitor in writing to return the ~~Debt Consideration and the~~ Cash Consideration to the Purchaser.

## ARTICLE 10~~ARTICLE 9~~ GENERAL

### 10.1 ~~9.1~~ Tax Returns.

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the ~~Company Group Members~~Surviving Entities for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the ~~Company Group Members~~Surviving Entities to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. The Purchaser will use best efforts to provide drafts of all Tax Returns required to be prepared by the Purchaser to Residual Co and the Monitor in advance of their filing with the relevant Governmental Authority. The Purchaser, Residual Co and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as Residual Co or the Monitor may request.

### 10.2 ~~9.2~~ Survival.

All representations, warranties, covenants and agreements of the Company or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall

not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

### 10.3    ~~9.3~~ Expenses.

Each of the Company and the Purchaser shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

### 10.4    ~~9.4~~ Public Announcements.

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser reasonably advises the Company in writing as being confidential (in which case, the CCAA Applicants will apply for a sealing Order in respect of such information), and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein), the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties.

### 10.5    ~~9.5~~ Notices.

- (a)    Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company:

**BZAM Ltd.**

~~19100 Airport Way #518~~

~~Pitt Meadows, BC V3Y 0E2~~ 1915 Jerseyville Road West  
Jerseyville, ON L0R 1R0

Attention:        Matthew Milich  
E-mail:            mmilich@bzam.com

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

**Bennett Jones LLP**

100 King Street West  
1 First Canadian Place  
Suite 3400, P.O. Box 50  
Toronto ON M5X 1B8



Attention: Sean Zweig / Mike Shakra  
E-mail: zweigs@bennettjones.com / shakram@bennettjones.com

with a copy to the Monitor:

**FTI Consulting Canada Inc.**

Attention: Jeffrey Rosenberg / ~~Kamran.Hamidi@fticonsulting.com~~ / [Kamran Hamidi](mailto:Kamran.Hamidi@fticonsulting.com)  
E-mail: Jeffrey.Rosenberg@fticonsulting.com / ~~Kamran.Hamidi@fticonsulting.com~~ / [Kamran.Hamidi@fticonsulting.com](mailto:Kamran.Hamidi@fticonsulting.com)

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

**Stikeman Elliott LLP**

Attention: Maria Konyukhova <~~MKonyukhova@stikeman.com~~>  
E-mail: ~~MKonyukhova@stikeman.com~~ / [MKonyukhova@stikeman.com](mailto:MKonyukhova@stikeman.com)

If to the Purchaser:

**1000816625 ~~ONTARIO INC~~ [Ontario Inc.](#)**

Attention: Alberto Montagne  
E-mail: ~~amontagne@cycadmanagement.com~~ / [amontagne@cycadmanagement.com](mailto:amontagne@cycadmanagement.com)

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

**Chaitons LLP**

Attention: Harvey Chaiton  
E-mail: ~~harvey@chaitons.com~~ / [harvey@chaitons.com](mailto:harvey@chaitons.com)

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Eastern time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section ~~9.5~~[10.5](#) by notice to the other Parties given in the manner provided by this Section ~~9.5~~[10.5](#).

**10.6 ~~9.6~~ Time of Essence.**

Time shall be of the essence of this Agreement in all respects.



**10.7 ~~9.7~~ Further Assurances.**

The Company and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

**10.8 ~~9.8~~ Entire Agreement.**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

**10.9 ~~9.9~~ Waiver and Amendment.**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

**10.10 ~~9.10~~ Severability.**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

**10.11 ~~9.11~~ Remedies Cumulative.**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

**10.12 ~~9.12~~ Governing Law.**

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

**10.13 ~~9.13~~ Dispute Resolution.**

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of ~~Article 8~~ Article 9, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or

in such other manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

#### 10.14 ~~9.14~~ Attornment.

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section ~~9.14~~10.14. Each Party agrees that service of process on such Party as provided in this Section ~~9.14~~10.14 shall be deemed effective service of process on such Party.

#### 10.15 ~~9.15~~ Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

#### 10.16 ~~9.16~~ Assignment.

The Company shall not be permitted to assign any of its rights or delegate any of its obligations under this Agreement, without the prior written consent of the Purchaser. Prior to the issuance of the Approval and Reverse Vesting Order, the Purchaser shall be entitled and permitted to assign any or all or any portion of Company and the Monitor have confirmed in writing that they are satisfied, in their sole discretion that such Affiliate assignee has the ability to perform all of the Purchaser's rights, duties, and obligations hereunder. Any purported assignment or delegation in violation of this Section ~~9.16~~10.16 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

#### 10.17 ~~9.17~~ No Liability.

The Purchaser and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the ~~Debt Consideration and the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) or the filing of the Monitor's Certificate) or any portion thereof, whether in its capacity as Monitor, in its personal capacity or otherwise; save and except for any claim or liability arising out of gross negligence or willful misconduct on the part of the Monitor or such Monitor's Affiliates. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company and the Purchaser with respect to the holding or disposition of any portion of the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) or any other obligation of the Monitor hereunder in respect of the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits), or if at any time the Monitor is unable to determine the proper disposition of any portion of the ~~Debt Consideration or the~~ Cash Consideration or its proper actions with respect to its obligations hereunder in respect of the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits), then the Monitor may: (i) make an application to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court or (ii) hold the ~~Debt Consideration or the~~

Cash Consideration (including the Cash ~~Deposit~~Deposits) or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company and the Purchaser directing the Monitor to disburse the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) or any portion thereof in the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse the ~~Debt Consideration or the~~ Cash Consideration (including the Cash ~~Deposit~~Deposits) in the manner provided for in the order.

#### 10.18 ~~9.18~~ **Third Party Beneficiaries.**

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section ~~9.17~~10.17), (ii) the DIP Lender; and (iii) Residual Co as relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to Residual Co as an Excluded Asset, or Excluded Contract at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

#### 10.19 ~~9.19~~ **Counterparts.**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

*[Remainder of page intentionally left blank. Signature page follows.]*

|

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

**BZAM LTD.**

By: \_\_\_\_\_  
Name:  
Title:

**1000816625 ONTARIO INC.**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT “A”**

**FORM OF APPROVAL AND REVERSE VESTING ORDER**

~~To be agreed by the Parties.~~

Attached.

**EXHIBIT “B”**

**SISP ORDER**

Attached.

**EXHIBIT “C”**

**CCAA APPLICANTS**

- BZAM Ltd.
- BZAM Holdings Inc.
- Folium Life Science Inc.
- High Road Holding Corp.
- BZAM Cannabis Corp.
- ~~BZAM Management~~ [1001028579 Ontario Inc.](#)<sup>1</sup>
- 102172093 Saskatchewan Ltd.
- The Green Organic Dutchman Ltd.
- Medican Organic Inc.
- Final Bell Corp.

<sup>1</sup> [This entity replaced BZAM Management Inc. in the CCAA Proceedings.](#)

**SCHEDULE "A"**

**EXCLUDED ASSETS**

The issued and outstanding shares of the following entities:

- BZAM Holdings Inc.
- 1001028579 Ontario Inc.
- BZAM Cannabis Corp.
- The Green Organic Beverage Corp.
- Folium Life Science Inc.
- 102172093 Saskatchewan Ltd.
- Medican Organic Inc.
- TGOD Europe B.V.
- The Green Organic Dutchman Germany GmbH
- High Road Holding Corp.
- Final Bell Corp.
- Residual Co

All other assets of the Company Group Members except for the Retained Assets.



~~To be agreed by the Parties.~~

**SCHEDULE "B"**

**EXCLUDED CONTRACTS**

~~To be agreed by the Parties.~~

All Contracts except for the Retained Contracts.

**SCHEDULE “C”**

**EXCLUDED LIABILITIES**

All Liabilities of the Company Group Members (including, for greater certainty, the Stone Pine Debt) except for the Assumed Liabilities.

~~To be agreed by the Parties.~~

## SCHEDULE "D"

### ENCUMBRANCES TO BE DISCHARGED

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars
<a href="#">BZAM Ltd.</a>	<a href="#">Ontario</a>	<a href="#">20240223 1449 9234 2516</a>	<a href="#">2024-Feb- 23</a>	<a href="#">Stone Pine Capital Ltd.</a>	<a href="#">Collateral Class.</a>
					<a href="#">CG</a> <a href="#">I</a> <a href="#">E</a> <a href="#">A</a> <a href="#">O</a> <a href="#">MV</a>
					<a href="#">X</a> <a href="#">X</a> <a href="#">X</a> <a href="#">X</a> <a href="#">X</a>
<a href="#">BZAM Ltd.</a>	<a href="#">Alberta</a>	<a href="#">24022323452</a>	<a href="#">2024-Feb- 23</a>	<a href="#">Stone Pine Capital Ltd.</a>	<a href="#">ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.</a>
<a href="#">BZAM Ltd.</a>	<a href="#">British Columbia</a>	<a href="#">209624Q</a>	<a href="#">2024-Feb- 23</a>	<a href="#">Stone Pine Capital Ltd.</a>	<a href="#">ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.</a>
<a href="#">BZAM Ltd.</a>	<a href="#">Saskatchewan</a>	<a href="#">302519334</a>	<a href="#">2024-Feb- 23</a>	<a href="#">Stone Pine Capital Ltd.</a>	<a href="#">ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.</a>

~~To be agreed by the Parties.~~

**SCHEDULE "E"**  
**ASSUMED LIABILITIES**

All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables). To the extent any trade payables or Tax obligations are identified after Closing, which were incurred by a CCAA Applicant following the date of the Initial Order but prior to the Closing Date, and such amounts are finally determined to be legitimate and owing, the Purchaser shall assume such obligations and liabilities.

All mortgages registered on title to the real property owned by any of the ~~Company Group Members~~ Surviving Entities as of the Closing Date.

~~All amounts owing under the existing charge on Plan 8720213, Block 5, Lot 4, excepting thereout all mines and minerals and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8, in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636.~~

All of the Surviving Entities' obligations and liabilities owing under any settlement agreement or memorandum of understanding entered into with the Minister of National Revenue (on behalf of the Canada Revenue Agency) and/or Health Canada during the CCAA Proceedings, as applicable.

Other Assumed Liabilities to be ~~agreed by the Parties~~ designated by the Purchaser, in writing, no later than ten Business Days before the Target Closing Date, and agreed to by the DIP Lender, in writing.

## SCHEDULE "F"

### PERMITTED ENCUMBRANCES

~~To be agreed by the Parties.~~

All mortgages and encumbrances registered on title to the real property owned by any of the Surviving Entities as of the Closing Date, including the real property municipally known as 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 and legally described as:

#### PIN 17409-0129 (LT)

PT LT 24, CON 2 ANCASTER, AS IN CD339207 (FIRSTLY); ANCASTER CITY OF HAMILTON; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 62R21141 AS IN WE1351917

#### PIN 17409-0234 (LT)

PART OF LOT 24 CONCESSION 2 ANCASTER AS IN CD339207 & CD407710; SAVE & EXCEPT PART 1, 62R-20696 AND PART 1, PLAN 62R20756; TOGETHER WITH AN EASEMENT AS IN CD339207; CITY OF HAMILTON

<u>Charged Entity</u>	<u>Jurisdiction</u>	<u>Registration Number(s)</u>	<u>Date</u>	<u>Secured Party</u>	<u>Particulars</u>												
<u>BZAM Ltd.</u>	<u>Ontario</u>	<u>20230920 0946</u> <u>1532 6062</u>	<u>09/20/2023</u>	<u>BANK OF MONTREAL/</u> <u>BANQUE DE MONTREAL</u>	<u>LF199 PLEDGE OF</u> <u>STATED SUM AS</u> <u>CASH COLLATERAL</u>												
<u>BZAM Ltd.</u>	<u>Ontario</u>	<u>20200330 0933</u> <u>1590 0499,</u> <u>20211001 1048</u> <u>1590 7859,</u> <u>20230224 0922</u> <u>9234 6972,</u> <u>20230224 1426</u> <u>9234 6977,</u> <u>20230531 1503</u> <u>9234 8261</u>	<u>03/30/2023</u>	<u>CORTLAND</u> <u>CREDIT LENDING</u> <u>CORPORATIAON</u>	<div> <u>Collateral Class.</u> </div> <table> <tr> <td><u>C</u> <u>G</u></td><td><u>I</u></td><td><u>E</u></td><td><u>A</u></td><td><u>O</u></td><td><u>M</u> <u>V</u></td></tr> <tr> <td></td><td><u>X</u></td><td><u>X</u></td><td><u>X</u></td><td><u>X</u></td><td><u>X</u></td></tr> </table>	<u>C</u> <u>G</u>	<u>I</u>	<u>E</u>	<u>A</u>	<u>O</u>	<u>M</u> <u>V</u>		<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>C</u> <u>G</u>	<u>I</u>	<u>E</u>	<u>A</u>	<u>O</u>	<u>M</u> <u>V</u>												
	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>												
<u>BZAM Ltd.</u>	<u>British Columbia</u>	<u>571370P</u>	<u>05/31/2023</u>	<u>CORTLAND</u> <u>CREDIT LENDING</u>	<u>ALL OF THE</u> <u>DEBTOR'S PRESENT</u>												

<u>Charged Entity</u>	<u>Jurisdiction</u>	<u>Registration Number(s)</u>	<u>Date</u>	<u>Secured Party</u>	<u>Particulars</u>
				<u>CORPORATIAON</u>	<u>AND</u> <u>AFTER-ACQUIRED</u> <u>PERSONAL</u> <u>PROPERTY</u>
<u>The Green Organic Dutchman Ltd.</u>	<u>Ontario</u>	<u>20230810 1252</u> <u>1590 5767</u>	<u>08/10/2023</u>	<u>LINDE CANADA INC.</u>	<u>EQUIPMENT</u> <u>SUPPLIED BY THE</u> <u>SECURED PARTY,</u> <u>CONSISTING OF</u> <u>BULK CRYOGENIC</u> <u>STORAGE TANKS</u> <u>USED</u> <u>FOR THE STORAGE,</u> <u>FILLING AND</u> <u>DELIVERY OF</u> <u>INDUSTRIAL AND</u> <u>MEDICAL GASES</u> <u>INCLUDING,</u> <u>WITHOUT</u> <u>LIMITATION,</u> <u>ARGON, HYDROGEN,</u> <u>CARBON DIOXIDE,</u> <u>NITROGEN, NITROUS</u> <u>OXIDE AND</u> <u>OXYGEN, AND</u> <u>CRYOGENIC</u> <u>FREEZERS,</u> <u>TOGETHER WITH</u> <u>ALL RELATED</u> <u>ACCESSORIES,</u> <u>PARTS,</u> <u>COMPONENTS AND</u> <u>ATTACHMENTS AND</u> <u>ALL PROCEEDS OF</u> <u>OR RELATING TO</u> <u>ANY OF THE</u> <u>FOREGOING AS</u> <u>WELL AS ALL</u> <u>PRESENT OR</u> <u>AFTER-ACQUIRED</u> <u>PROPERTY THAT</u> <u>MAY BE DERIVED</u> <u>FROM THE SALE OR</u> <u>OTHER DISPOSITION</u> <u>OF THE</u> <u>COLLATERAL</u> <u>DESCRIBED HEREIN.</u>

<u>Charged Entity</u>	<u>Jurisdiction</u>	<u>Registration Number(s)</u>	<u>Date</u>	<u>Secured Party</u>	<u>Particulars</u>
<u>The Green Organic Dutchman Ltd.</u>	<u>Ontario</u>	<u>20200330 0934 1590 0500, 20211001 1048 1590 7858</u>	<u>03/30/2023</u>	<u>CORTLAND CREDIT LENDING CORPORATIAON</u>	<u>Collateral Class.</u>
					<u>C</u> <u>G</u>
					<u>I</u> <u>X</u>
					<u>E</u> <u>X</u>
					<u>A</u> <u>X</u>
					<u>O</u> <u>X</u>
					<u>M</u> <u>V</u>
					<u>X</u>



**SCHEDULE "G"**  
**RETAINED ASSETS**

The issued and outstanding shares of TGOD (and for greater certainty, the Subscribed Shares).

All Permits and Licenses issued to, conferred upon, granted to or otherwise created for the Surviving Entities as of the Closing Date, which for greater certainty, includes, without limitation, the Cannabis Licenses and any excise licenses granted by the Canada Revenue Agency pursuant to the *Excise Act*, 2001, S.C. 2002, c. 22.

All of TGOD's right, title and interest in and to the vendor-take-back mortgage advanced by TGOD in favour of 2627411 Alberta Ltd., in the amount of \$250,000, secured by a charge against the property more particularly described as follows:

PLAN 8720213  
BLOCKS  
LOT 4  
EXCEPTING THEREOUT ALL MINES AND MINERALS

The cash or cash equivalents located in any bank accounts owned or held by a Company Group Member as of the Closing Date.

All accounts receivable and tax refunds that relate to a period or facts occurring prior to the Closing Date, including without limitation excise tax refunds, due to a Company Group Member (subject to applicable pre-filing rights of set-off).

All assets, raw materials, work-in-progress, inventory, equipment, machinery, packaging, and consumables of whatever kind or description located at:

1. 1915/1995 Jerseyville Road W, Jerseyville, Ontario L0R 1R0; and
2. 151 Garden Avenue, Unit 2, Brantford, Ontario N3S 7W4 pursuant to the General Warehousing Services Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025;

All vehicles registered in the name of the Surviving Entities.

Any other assets to be included by the Purchaser no later than ten Business Days before the Target Closing Date.

SCHEDULE "H"~~SCHEDULE "G"~~

RETAINED CONTRACTS

General:

- ~~To be agreed by the Parties~~ All employee contracts for active Employees.

Final Bell Corp.

- License and Services Agreement between Dreamfields Canada Operations Inc., and Final Bell Corp. effective as of November 16, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time).

## The Green Organic Dutchman Ltd.

- All provincial supply agreements between The Green Organic Dutchman Ltd. ("Licensed Producer") and any provincial distributor, including but not limited to:
  - Amended and Restated Standing Offer Contract between Alberta Gaming, Liquor and Cannabis Commission and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Licensed Producer Supply Agreement for Non-Medical Cannabis between His Majesty the King in right of the Province of British Columbia, as represented by the Administrator of the *Cannabis Distribution Act*, SBC 2018, c 28, as amended, and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - NLC Cannabis and Cannabis Related Product Supply Agreement – Supplier Agreement between Newfoundland Labrador Liquor Corporation and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Master Cannabis Supply Agreement between Ontario Cannabis Retail Corporation and Licensed Producer (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Licensed Producer Registration with Saskatchewan Liquor and Gaming Authority (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Lettre D'Intention between Licensed Producer and Société Québécoise du Cannabis (as such agreement may have been further amended, restated, supplemented or modified from time to time).
  - Amended and Restated Wholesale Supply Agreement between Licensed Producer and Abba Medix (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- General Warehousing Services Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Customer Shipping Agreement between The Green Organic Dutchman Ltd. and Tenaxx Logistics Ltd. dated January 2, 2025 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Lease Agreement (Contract Numbers: 1150287 and #W1237878) between Williams Scotsman of Canada, Inc. and The Green Organic Dutchman Ltd. dated October 2, 2019 (as such agreement may have been amended, restated, supplemented or modified from time to time).

- AB Protection Plan – Service Offer and Service Terms and Conditions between AB Energy Canada, Ltd and The Green Organic Dutchman Ltd. executed May 25, 2020 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Connected Mechanical Service Agreement and Terms and Conditions between Trane Canada ULC and The Green Organic Dutchman Ltd. dated July 31, 2024 and accepted on August 14, 2024 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Software Licence, Support and Services Agreement between Dynamics 365 People Software and Services Ltd. and The Green Organic Dutchman Ltd. effective as of June 4, 2024 (as such agreement may have been amended, restated, supplemented or modified from time to time).
- Professional Services Agreement Between Jupiter Energy Advisors Inc. (formerly Aegent Energy Advisors Inc.) and The Green Organic Dutchman Holdings Ltd. (including its affiliates The Green Organic Dutchman Ltd. and Medican Organic Inc.) dated November 1, 2018, inclusive of its Schedules (as such agreements may have been amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Access Gas Services (Ontario) Inc. and The Green Organic Dutchman Ltd. dated December 18, 2020 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- License and Manufacturing Agreement among 1L Botanicals LLC, Cookies Creative Consulting & Promotions, Inc. and Final Bell Corp. effective as of February 9, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time), as assigned by Final Bell Corp. to The Green Organic Dutchman Ltd. pursuant to an assignment and assumption agreement dated January 31, 2025.
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Direct Energy Marketing Limited d/b/a Direct Energy Business and The Green Organic Dutchman Ltd. dated January 3, 2019 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas between Tidal Energy Marketing Inc. and The Green Organic Dutchman Ltd. dated March 5, 2019 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Settlement Agreement among The Green Organic Dutchman Ltd., BZAM Cannabis Corp. Final Bell Corp, Folium Life Science Inc. and Health Canada dated April 25, 2025.
- The Memorandum of Understanding among Final Bell Corp., The Green Organic Dutchman Ltd. and the Minister of National Revenue dated May 9, 2025

**BZAM Ltd.**

- Contract No. 44360 entered into between Industrial Alliance Insurance and Financial Services Inc. and BZAM Ltd. on May 1, 2023 (as such agreement may have been further amended, restated, supplemented or modified from time to time, including by the Group Annuities Contract – Retirement Savings Plan dated August 23, 2023 and the Acceptance of Contract No. 44360 dated August 25, 2023), which for greater certainty includes the Group Insurance Application No. 27601 executed on April 13, 2023, the Group Insurance Application – Health Spending and Wellness Account (Physical Activity Account - PAA) executed on April 13, 2023 and all implementation request forms.
- T1 Contract with Expansion Facilities - Gas Storage and Distribution Contract between Union Gas Limited and BZAM Ltd. (formerly, the Green Organic Dutchman Holdings Ltd.) dated October 12, 2018, inclusive of all Schedules (as such agreement may have been amended, restated, supplemented or modified from time to time).
- GasEDI Base Contract for Sale and Purchase of Natural Gas ("TERMC Base Contract") and Special Provisions to the TERMC Base Contract between Twin Eagle Resource Management Canada, LLC and BZAM Ltd. (formerly, The Green Organic Dutchman Holdings Ltd.) dated February 3, 2021 (as such agreement may have been further amended, restated, supplemented or modified from time to time).
- Agency Agreement between Twin Eagle Resource Management Canada, LLC, BZAM Ltd. (formerly, The Green Organic Dutchman Holdings Ltd.), and Jupiter Energy Advisors Inc. dated March 22, 2021 (as such agreement may have been further amended, restated, supplemented or modified from time to time).

## D&O Insurance

<u>Policy/Agreement<sup>2</sup></u>	<u>Named Insured or BZAM Party</u>	<u>Insurer or Counterparty</u>	<u>Period</u>
<u>Commercial Premium Finance Agreement (QN: 12149597)</u>	<u>BZAM Ltd.</u>	<u>FIRST Insurance Funding of Canada</u>	<u>Nov 1, 2024-25</u>
<u>Berkley Directors' And Officers' Liability Policy (BC07982-2402)</u>	<u>BZAM Ltd.</u>	<u>Berkley Insurance Company</u>	<u>Nov 1, 2024-25</u>
<u>Excess Directors' &amp; Officers' Liability Insurance (CAN24091036A)</u>	<u>BZAM Ltd.</u>	<u>Newline Canada Insurance Limited</u>	<u>Nov 1, 2024-25</u>

## Commercial Liability Insurance

<sup>2</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

<u>Policy/Agreement<sup>3</sup></u>	<u>Named Insured or BZAM Party</u>	<u>Insurer or Counterparty</u>	<u>Period</u>
<u>Commercial Premium Finance Agreement (QN: 11088374)</u>	<u>BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc BZAM Cannabis Corporation, 14274261 Canada Inc.</u>	<u>FIRST Insurance Funding of Canada</u>	<u>Jul 3, 2024-25</u>
<u>Combined Cannabis and Medical Malpractice Liability Insurance (SUM-LS-34691-002)</u>	<u>BZAM Holdings Inc. et al</u>	<u>Strategic Underwriting Managers Inc.</u>	<u>Jul 3, 2024-25</u>
<u>Excess Liability Insurance (2404012)</u>	<u>BZAM Holdings Inc. and/or subsidiary companies</u>	<u>Strategic Underwriting Managers Inc.</u>	<u>Jul 3, 2024-25</u>
<u>Product Recall Policy (CGIC1002064)</u>	<u>BZAM Holdings Inc., BZAM Management Inc., Folium Life Science Inc., BZAM Cannabis Corp., BZAM Ltd., The Green Organic Dutchman Ltd., 9430-6347 Quebec Inc., TGOD Europe B.V., Medican Organic Inc., 14274261 Canada Inc., 102172093 Saskatchewan Ltd., Final Bell Corp., High Road Holding Corp.</u>	<u>CannGen Insurance Canada</u>	<u>Jul 3, 2024-25</u>
<u>Cannabis Cargo Policy (SUM-CC-32730-003)</u>	<u>BZAM Holdings Inc. and/or BZAM Management Inc. and/or &amp; 10050999 Manitoba Ltd. and/or Folium Life Sciences Inc. and/or Sweet Grass Inc. and/or BZAM Cannabis Corp</u>	<u>Strategic Underwriting Managers Inc.</u>	<u>Jul 3, 2024-25</u>

#### Commercial Policies Ending January 31, 2025 (or February 12, 2025)

<u>Policy/Agreement<sup>4</sup></u>	<u>Named Insured or BZAM</u>	<u>Insurer or</u>	<u>Period</u>
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<sup>3</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

<sup>4</sup> As such agreement may have been amended, restated, supplemented, renewed or modified from time to time.

	<b><u>Party</u></b>	<b><u>Counterparty</u></b>	
<b><u>Property Insurance</u></b> <b><u>(CGIC1001697)</u></b>	<b><u>The Green Organic Dutchman Ltd., TGOD Europe B.V., Medican Organic Inc., 102172093 Saskatchewan Ltd., BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corporation, Folium Life Sciences Inc., 14274261 Canada Inc., 9430-6347 Quebec Inc., 9430-5520 Quebec Inc., High Road Holding Corp., Final Bell Corp.</u></b>	<b><u>CannGen Insurance Canada</u></b>	<b><u>Jan 31, 2024-25</u></b>
<b><u>Commercial Insurance</u></b> <b><u>Policy – Property Insurance</u></b> <b><u>(CS630067)</u></b>	<b><u>BZAM Ltd., 14274261 Canada Inc., 9430-6347 Quebec Inc., 9430-5520 Quebec Inc., High Road Holding Corp., Final Bell Corp, Folium Life Sciences Inc., The Green Organic Dutchman Ltd., TGOD Europe B.V., Medican Organic Inc., 102172093 Saskatchewan Ltd., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corporation</u></b>	<b><u>Specialty Program</u></b> <b><u>Group Canada Inc. o/a</u></b> <b><u>Cansure</u></b>	<b><u>Jan 31, 2024-25</u></b>
<b><u>Excess Property Insurance</u></b> <b><u>(40318894)</u></b>	<b><u>The Green Organic Dutchman Ltd. and Medican Biologic Inc. and 9430-5520 Quebec Inc.</u></b>	<b><u>Definity Insurance</u></b> <b><u>Company - Strategic</u></b> <b><u>Underwriting Managers</u></b> <b><u>Inc.</u></b>	<b><u>Jan 31, 2024-25</u></b>
<b><u>Equipment Breakdown</u></b> <b><u>Insurance</u></b> <b><u>(REB727037)</u></b>	<b><u>BZAM Ltd.</u></b>	<b><u>Intact Insurance</u></b> <b><u>Company</u></b>	<b><u>Jan 31, 2024-25</u></b>
<b><u>Cyber Liability Insurance</u></b> <b><u>(B0180FN2402585)</u></b>	<b><u>BZAM Holdings Inc. &amp; BZAM Ltd.</u></b>	<b><u>Howden Insurance</u></b> <b><u>Brokers Limited</u></b>	<b><u>Feb 12, 2024-25</u></b>

SCHEDULE "T"

ASSIGNED CONTRACTS

- License and Services Agreement between Dreamfields Canada Operations Inc., and Final Bell Corp effective as of November 16, 2023 (as such agreement may have been amended, restated, supplemented or modified from time to time).



<b>Summary report:</b> <b>Litera Compare for Word 11.11.0.158 Document comparison done on</b> <b>5/9/2025 1:47:55 PM</b>	
<b>Style name:</b> Standard	
<b>Intelligent Table Comparison:</b> Active	
<b>Original DMS:</b> iw://bjwork.legal.bjlocal/wslegal/37106950/7 - BZAM - Share Subscription Agreement Draft.docx	
<b>Modified DMS:</b> iw://bjwork.legal.bjlocal/wslegal/37106950/15 - BZAM - Amended and Restated Share Subscription Agreement - May, 2025 [DRAFT].docx	
<b>Changes:</b>	
<u>Add</u>	604
<del>Delete</del>	497
<del>Move From</del>	12
<u>Move To</u>	12
<u>Table Insert</u>	11
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	1136

**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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF MATTHEW MILICH**  
**(Sworn May 9, 2025)**

**BENNETT JONES LLP**

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P.O. Box 130  
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Lawyers for the Applicants

TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE	)	THURSDAY THE 15 <sup>TH</sup>
	)	
JUSTICE OSBORNE	)	DAY OF MAY, 2025

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  
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL  
BELL CORP. AND 1001028579 ONTARIO INC.

Applicants

**APPROVAL AND REVERSE VESTING ORDER  
(STALKING HORSE TRANSACTION)**

**THIS MOTION**, made by BZAM Ltd., BZAM Holdings Inc., 1001028579 Ontario 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. (the “**Applicants**”), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), for an order, among other things: (i) approving an amended and restated share subscription agreement dated May 9, 2025 (the “**Subscription Agreement**”) between BZAM Ltd. (“**BZAM**”) and 1000816625 Ontario Inc. (the “**Purchaser**”), *nunc pro tunc*, (ii) approving the purchase and sale, issuance and subscription, and all related steps contemplated in the Subscription Agreement (the “**Transaction**”), (iii) adding 1001105728 Ontario Inc. (“**ResidualCo**”) as an applicant to these CCAA Proceedings and removing BZAM Ltd. and The Green Organic Dutchman Ltd. as Applicants to these CCAA Proceedings, (iv) approving the

assignment of all rights and obligations under the Assigned Contracts to The Green Organic Dutchman Ltd., subject to the conditions herein, and (v) approving and authorizing all such reorganization transactions contemplated in Article 4 of the Subscription Agreement (the “**Reorganization**”) and forming part of this Order (such transactions contemplated as part of the Reorganization, including for avoidance of doubt the closing sequence described at Article 7.2 of the Subscription Agreement (the “**Closing Sequence**”), being collectively referred to as the “**Restructuring Steps**”), was heard this day by judicial teleconference via Zoom.

**ON READING** the affidavit of Matthew Milich dated May 9, 2025, and the Exhibits thereto (the “**Milich Affidavit**”) and the Tenth Report of FTI Consulting Canada Inc., in its capacity as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”) dated May [●], 2025 and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, and such other counsel appearing on the Participant Information Form, no one appearing for any other party although duly served as appears from the affidavit of service of Jamie Ernst, filed:

## **DEFINED TERMS**

1. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit, the Subscription Agreement or the Amended and Restated Initial Order granted by this Court on March 8, 2024, as applicable.

## **SERVICE**

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

## **APPROVAL AND VESTING**

3. **THIS COURT ORDERS** that the Subscription Agreement and the Transaction are hereby approved and the execution of the Subscription Agreement by BZAM is hereby authorized and approved, *nunc pro tunc*, with such minor amendments as the parties may deem necessary, with the consent of the Monitor. The BZAM Entities and their successors are hereby authorized and directed to perform their obligations under the Subscription Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision of this Order, the BZAM Entities and their successors are hereby authorized and directed to implement and complete the Transaction and the Restructuring Steps. The closing of the Transaction shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by BZAM and the Purchaser, with the prior written consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which BZAM or the Applicants' stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by BZAM and the BZAM Entities, and their successors, to proceed with the Transaction and the

Restructuring Steps and that no director, shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, ResidualCo is deemed to be a company to which the CCAA applies and shall be added to these CCAA Proceedings as an Applicant;
- (b) second, in accordance with the terms of this Order and the Subscription Agreement, the Stalking Horse Purchaser shall pay the Cash Distribution (as defined below) to the Monitor or Cortland, as directed by the Applicants;
- (c) third, the Company shall pay, or direct to be paid, to Cortland, from the Cash Consideration, the amounts necessary to satisfy in full each of (i) amounts owing in respect of the DIP Facility; and (ii) amounts owing by the CCAA Applicants to Cortland pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024, if any;
- (d) fourth, BZAM shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (e) fifth, any of the Retained Assets held by the BZAM Entities other than the Purchased Entities (as defined below) shall be transferred to The Green Organic Dutchman Ltd. ("**TGOD**");

- (f) sixth, the Assigned Contracts shall be assigned, conveyed, transferred and assumed by TGOD in accordance with section 11.3 of the CCAA;
- (g) seventh,
  - (i) in accordance with the terms of the Subscription Agreement, all of the Purchased Entities' right, title and interest in and to the Excluded Assets and Excluded Contracts shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined herein) shall continue to attach to the Excluded Assets, the Excluded Contracts and to the proceeds from the purchase price in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
  - (ii) BZAM shall issue the Excluded Assets and Contracts Promissory Note to ResidualCo;
  - (iii) all Excluded Liabilities (which, for greater certainty, shall include all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims (as defined herein), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise)) of the Purchased Entities shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that



the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Purchased Entities. The Purchased Entities shall be forever released and discharged from such Excluded Liabilities, and all Encumbrances (other than the Permitted Encumbrances) securing the Excluded Liabilities shall be forever released and discharged; and

- (iv) BZAM shall issue the Excluded Liability Promissory Note to ResidualCo;
- (h) eighth, upon BZAM filing Articles of Amendment, all Existing Shares, as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of BZAM, or otherwise relating thereto, shall be deemed terminated and cancelled for no consideration;
- (i) ninth, in satisfaction of the Subscription Price (which shall be released from escrow for the benefit of BZAM in accordance with the terms of the Subscription Agreement), BZAM shall issue the Subscribed Shares, and the Purchaser shall subscribe for and purchase the Subscribed Shares. All right, title and interest in and to the Subscribed Shares, as well as the Retained Assets, shall vest absolutely in the Purchaser, free and clear of and from any and all civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any kind (including any cross-claim or counterclaim), demand, investigation, chose in action, default, assessment, litigation, third party action, judgement, or proceedings by or before any person, security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, reservations of ownership, rights of retention, royalties,

- options, rights of pre-emption, privileges, assignments (as security), any and all restrictions on the transfer of shares, equity securities, partnership or membership units or interests or other interests in property, including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders, members or lenders in respect of such interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, writs of enforcement, writs of seizure, or any other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the SISP Approval Order or any other Orders in these CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems, with the exception of the Permitted Encumbrances, and (iii) all Claims that are not the Permitted Encumbrances listed on **Schedule “B”** attached hereto (all of which are collectively referred to as “**Encumbrances**”); for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Subscribed Shares or the Retained Assets are hereby expunged and discharged as against the Subscribed Shares or the Retained Assets, and, for greater certainty, this court orders that, notwithstanding anything else in this Order, the Encumbrances and the Claims do not include the Permitted Encumbrances; and
- (j) tenth, upon BZAM satisfying all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note in accordance with the terms of the Subscription Agreement, including through the

irrevocable direction to the Monitor to cause such payments to be made from the Cash Consideration held by the Monitor, both the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note shall be irrevocably and indefeasibly satisfied, in full, and terminated.

7. **THIS COURT ORDERS AND DECLARES** that, effective one moment following the Closing Time, any and all Liabilities arising from or relating to: (a) the change of control resulting from the Transaction; and (b) the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; and to which the Purchased Entities may be bound at the Closing Time, including, for greater certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Purchased Entities shall have no obligation in connection with such Liabilities or Taxes.

8. **THIS COURT ORDERS AND DECLARES** that, following the Closing Time, the CCAA Proceedings shall be terminated in respect of TGOD and BZAM (collectively, the “**Purchased Entities**”) and their business and property, and the Purchased Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects. For greater certainty, these CCAA Proceedings shall continue in respect of the remaining Applicants (including ResidualCo).

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of any Claims, the net proceeds from the issuance and sale of the Subscribed Shares (the “**Proceeds**”) shall stand in the place and stead of the Subscribed Shares and Retained Assets and that from and after the delivery of the Monitor’s Certificate, all Claims and Encumbrances shall attach to the

Proceeds and the Excluded Assets with the same priority as they had with respect to the Subscribed Shares and Retained Assets immediately prior to the sale.

10. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Applicants and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Subscription Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

12. **THIS COURT ORDERS** that upon delivery and filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the BZAM Entities, the Retained Assets, the Subscribed Shares or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Subscription Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for all Governmental Authorities to make and register transfers of interest against any of the Retained Assets, and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

13. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Purchased Entities or the Monitor,

as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of the Purchased Entities pertaining to past and current employees of the Purchased Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities prior to the Closing Time.

14. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraphs 6 and 9 hereof, the Purchased Entities shall be released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) owed or owing, including assessed or accrued Taxes, against the Applicants for the period prior to February 28, 2024. For greater certainty, nothing in this Order or the Subscription Agreement precludes the Minister of National Revenue from exercising its rights with respect to any Taxes owed or owing, including assessed or accrued Taxes, against any of the Purchased Entities for the period on or after February 28, 2024.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Subscription Agreement, all contracts to which the BZAM Entities are party to upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right

of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Applicants);
- (b) the insolvency of the Applicants or the fact that the Applicants sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Subscription Agreement, the Transaction or the provisions of this Order, or any other Order of the court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of the BZAM Entities arising from the implementation of the Subscription Agreement, the Transaction or the provisions of this Order.

16. **THIS COURT ORDERS** that for greater certainty, (a) nothing in paragraph 15 hereof shall waive, compromise or discharge any obligations of the Purchased Entities or the Purchaser in respect of any Assumed Liabilities, which for greater certainty includes the obligations of TGOB pursuant to the Memorandum of Understanding among the Minister of National Revenue, TGOB and Final Bell Corp. dated May 9, 2025, (b) the designation of any Claim as an Assumed Liability is without prejudice to any of the Purchased Entities' or the Purchaser's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or

the Subscription Agreement shall affect or waive any of the Purchased Entities' or the Purchaser's rights and defenses, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

17. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Purchased Entities then existing or previously committed by the Purchased Entities, or caused by the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and any of the Purchased Entities arising directly or indirectly from the filing of the Purchased Entities under the CCAA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 15 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Purchased Entities from performing their obligations under the Subscription Agreement or be a waiver of defaults by the Purchased Entities under the Subscription Agreement or related documents.

18. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entities relating in any way to or in respect of any

Taxes, Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Assumed Liabilities retained by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;
- (c) any Person that prior to the Closing Time had a valid right or claim against the Purchased Entities under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Purchased Entities but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Purchased Entities prior to the Closing Time.

20. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, ResidualCo shall be added as an Applicant in these CCAA Proceedings and any reference in any Order of this



Court in respect of these CCAA Proceedings to an “Applicant” or the “Applicants” shall also refer to ResidualCo.

21. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, all references in any Order of this court in respect of these CCAA Proceedings to “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each of the Charges (as defined in the ARIO, as amended and restated from time to time) shall constitute a charge on the ResidualCo Property.

22. **THIS COURT ORDERS** that the Director appointed pursuant to section 260 of the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, as amended, or any other appointed official under applicable provincial legislation, shall accept and receive any articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, filed by BZAM or ResidualCo.

23. **THIS COURT ORDERS** that BZAM and ResidualCo are hereby permitted to execute and file articles of amendment, amalgamation, continuance, or reorganization or such other documents or instruments as may be required to permit or enable and effect the Transaction, including without limitation the issuance of shares, and such articles, documents, or other instruments shall be deemed to be duly authorized, valid, and effective notwithstanding any requirement under federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Transaction.

24. **THIS COURT ORDERS** that no director or shareholder approval shall be required and no authorization, approval or other action by notice to or filing with any governmental authority or regulatory body exercising jurisdiction in respect to BZAM is required for the due execution, delivery and performance by BZAM and ResidualCo of the Subscription Agreement and the completion of the Transaction. Without limiting the generality of the foregoing, BZAM shall not be required to comply with the provisions of Multilateral Instrument 61-101 “Protection of Minority Security Holders in Special Transactions” relating to the requirement for “minority” shareholder approval in certain circumstances, no meeting of shareholders or other holders of equity interests in BZAM is required to be held in respect of the Transaction, and accordingly, there is no requirement to send any disclosure document related to the Transaction, to such shareholders or other holders of equity interests.

#### **APPROVAL OF THE ASSIGNMENTS**

25. **THIS COURT ORDERS** that once the Monitor’s Certificate has been delivered, and either: (i) all cure costs owing by the applicable Applicant under the respective Assigned Contract have been satisfied prior to Closing, or (ii) the contractual parties to any Assigned Contract have reached a consensual agreement in respect of all cure costs under such Assigned Contract and have agreed to deem all cure amounts owing by the Applicants satisfied:

- (a) all of the rights and obligations of the applicable Applicant under an Assigned Contract set forth in Schedule “I” of the Subscription Agreement shall be assigned, conveyed, transferred and assumed by TGOD pursuant to section 11.3 of the CCAA and such assignment is valid and binding upon all of the counterparties to the respective Assigned Contract notwithstanding any restriction or prohibition, if any, contained in any such Assigned Contract relating to the assignment thereof, including but not limited

- to, provisions, if any, relating to a change of control or requiring the consent of or notice for any period in advance of the assignment to any party to any such Assigned Contract;
- (b) the Assigned Contracts shall remain in full force and effect and the counterparties under the respective Assigned Contracts are prohibited from exercising any rights or remedies (including, without limitation, any right of set-off) under the Assigned Contracts, and shall be forever barred, enjoined and estopped from taking such action, by reason solely of:
- (i) any circumstance that existed or event that occurred on or prior to the Closing Date that would have entitled such counterparty to the Assigned Contract to enforce those rights or remedies or caused an automatic termination to occur;
  - (ii) any defaults arising from the insolvency of the Applicants or any of its affiliates;
  - (iii) the commencement of these CCAA Proceedings;
  - (iv) any defaults that arise upon the assignment of the Assigned Contracts to TGOD;
  - (v) any change of control of an Applicant arising from the implementation of the Subscription Agreement and/or the Transaction and its implementation shall be deemed not to constitute a change in ownership or change in control under any Assigned Contract; or

- (vi) any Applicant having breached a non-monetary obligation under the Assigned Contract,

and the counterparties under the respective Assigned Contracts are hereby deemed to waive any defaults relating thereto. For greater certainty: (A) without limiting the foregoing, no counterparty under an Assigned Contract shall rely on a notice of default sent prior to the filing of the Monitor's Certificate to terminate an Assigned Contract as against TGOD; and (B) nothing herein shall limit or exempt TGOD in respect of obligations accruing, arising or continuing after the Closing of the Transaction under the Assigned Contracts other than in respects of items (i) to (vi) above.

26. **THIS COURT ORDERS** that no Assigned Contract may be assigned hereunder unless all amounts owing in respect of monetary defaults under the Assigned Contract, other than those arising by reason only of the Applicants' insolvency, the commencement of these CCAA Proceedings, or the applicable Applicant's failure to perform a non-monetary obligation, are paid or a consensual resolution is reached in respect of such amounts on or by the Closing Date, or such later date as may be agreed to by TGOD and the applicable counterparty under the Assigned Contract on prior written notice to the Monitor.

27. **THIS COURT ORDERS** that, subject to paragraphs 25 and 26 herein, upon delivery of the Monitor's Certificate, except as expressly set out to the contrary in any agreement among TGOD and the applicable Applicant and counterparty under the Assigned Contract, TGOD shall be entitled to all of the rights and benefits and subject to all of the obligations pursuant to the terms of the applicable Assigned Contracts.

28. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, nothing shall derogate from the obligations of TGOD to assume the Assigned Contracts and to perform

TGOD's obligations under the Assigned Contracts, except as expressly set out to the contrary in this Order or any agreement among TGOD, the applicable Applicant and counterparty under the Assigned Contract.

29. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the "**BIA**"), in respect of any of the BZAM Entities and any bankruptcy or receivership order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of any of the BZAM Entities,

the Subscription Agreement and the implementation of the Transaction (including without limitation: (i) the assignment of the Assigned Contracts, and (ii) the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the issuance and vesting of the Subscribed Shares in and to the Purchaser) and any payments by or to the Purchaser or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the BZAM Entities and shall not be void or voidable by creditors of any BZAM Entity, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **APPROVAL OF THE CASH DISTRIBUTIONS**

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to distribute an amount sufficient to pay in full in cash all: (i) amounts owing in respect of the DIP Facility, and (ii) amounts owing by the Applicants to Cortland pursuant to the Second ARCA, to Cortland, as the DIP Lender and the Applicants' senior secured creditor, as full repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland to repay such indebtedness in accordance with the terms of the DIP Loan (together, the "**Cash Distributions**"). Such Cash Distributions shall be free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including, without limiting the generality of the foregoing: (i) the Charges; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec.

31. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy or receivership order now or hereafter issued pursuant to the BIA, in respect of the Applicants or their property, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and
- (d) the provision of any federal or provincial statute,

the Cash Distributions and the Subscription Agreement shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any Applicant or its property and shall not be void or voidable by creditors of such Applicant, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal, provincial, or territorial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

## **GENERAL**

32. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and/or the BZAM Entities and their representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Subscribed Shares and the Retained Assets.

33. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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 HOLDINGS INC., BZAM CANNABIS  
CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN  
LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,  
FINAL BELL CORP., 1001028579 ONTARIO INC. AND 1001105728  
ONTARIO INC.

34. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere,

to give effect to this Order and to assist the BZAM Entities, the Monitor, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the BZAM Entities and to the Monitor, as an officer of this court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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

36. **THIS COURT ORDERS** that this Order is effective as of 12:01 AM from the date that it is made and is enforceable without the need for entry and filing.

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## SCHEDULE “A” – FORM OF MONITOR’S CERTIFICATE

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  
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL  
CORP. AND 1001028579 ONTARIO INC.

**Applicants**

### RECITALS

A. Pursuant to the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated February 28, 2024, as amended on March 8, 2024, the Applicants were granted protection from their creditors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (in such capacity, the “**Monitor**”).

B. Pursuant to the Approval and Reverse Vesting Order of the Court (Stalking Horse Transaction), granted May [●], 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by the amended and restated share subscription agreement dated May 9, 2025 (the “**Subscription Agreement**”) between BZAM Ltd. (“**BZAM**”) and 1000816625 Ontario Inc. (the “**Purchaser**”), for the subscription and purchase of the Subscribed Shares and authorizing and directing BZAM and the BZAM Entities to perform their obligations under the Subscription Agreement; (ii) approved the addition of 1001028579 Ontario Inc. (“**ResidualCo**”) as an applicant to these CCAA Proceedings and the removal of BZAM Ltd. and The Green Organic Dutchman Ltd. as Applicants to these CCAA Proceedings; (iii) approved the assignment of all rights and obligations under the Assigned Contracts to The Green Organic Dutchman Ltd., subject to certain conditions; (iv) transferred and vested all of the Purchased

Entities' right, title and interest in and to the Excluded Liabilities and the Excluded Assets to and in ResidualCo; (v) approved the Reorganization and Restructuring Steps; and (vi) vested in the Purchaser or its nominee all of the right, title and interest in and to the Subscribed Shares and the Retained Assets owned by the Purchased Entities on the Closing Date, free and clear of all Encumbrances other than the Permitted Encumbrances, which vesting is, in each case, to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and BZAM that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order or the Subscription Agreement.

**THE MONITOR CERTIFIES** the following:

1. The Monitor has received written confirmation from the Purchaser and BZAM in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Subscription Agreement.
2. This certificate was delivered by the Monitor at \_\_\_\_\_ on \_\_\_\_\_, 2025.

) **FTI CONSULTING CANADA INC.**, in  
) its capacity as court-appointed monitor of  
) the Applicants and not in its personal  
) capacity  
) Per: \_\_\_\_\_  
) Name: [●]  
) Title: [●]  
)

## SCHEDULE “B” – PERMITTED ENCUMBRANCES

All mortgages and encumbrances registered on title to the real property owned by any of the Purchased Entities as of the Closing Date, including the real property municipally known as 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 and legally described as:

### **PIN 17409-0129 (LT)**

PT LT 24, CON 2 ANCASTER, AS IN CD339207 (FIRSTLY); ANCASTER CITY OF HAMILTON; SUBJECT TO AN EASEMENT IN GROSS OVER PART 1 62R21141 AS IN WE1351917

### **PIN 17409-0234 (LT)**

PART OF LOT 24 CONCESSION 2 ANCASTER AS IN CD339207 & CD407710; SAVE & EXCEPT PART 1, 62R-20696 AND PART 1, PLAN 62R20756; TOGETHER WITH AN EASEMENT AS IN CD339207; CITY OF HAMILTON

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars
BZAM Ltd.	Ontario	20230920 0946 1532 6062	09/20/2023	BANK OF MONTREAL/ BANQUE DE MONTREAL	LF199 PLEDGE OF STATED SUM AS CASH COLLATERAL
BZAM Ltd.	Ontario	20200330 0933 1590 0499	03/30/2023	CORTLAND CREDIT LENDING CORPORATIAON	Collateral Class.
					CG I E A O MV
					X X X X X
BZAM Ltd.	British Columbia	571370P	05/31/2023	CORTLAND CREDIT LENDING CORPORATIAON	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY
The Green Organic Dutchman Ltd.	Ontario	20230810 1252 1590 5767	08/10/2023	LINDE CANADA INC.	EQUIPMENT SUPPLIED BY THE SECURED PARTY, CONSISTING OF

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars					
					BULK CRYOGENIC STORAGE TANKS USED FOR THE STORAGE, FILLING AND DELIVERY OF INDUSTRIAL AND MEDICAL GASES INCLUDING, WITHOUT LIMITATION, ARGON, HYDROGEN, CARBON DIOXIDE, NITROGEN, NITROUS OXIDE AND OXYGEN, AND CRYOGENIC FREEZERS, TOGETHER WITH ALL RELATED ACCESSORIES, PARTS, COMPONENTS AND ATTACHMENTS AND ALL PROCEEDS OF OR RELATING TO ANY OF THE FOREGOING AS WELL AS ALL PRESENT OR AFTER-ACQUIRED PROPERTY THAT MAY BE DERIVED FROM THE SALE OR OTHER DISPOSITION OF THE COLLATERAL DESCRIBED HEREIN.					
The Green Organic Dutchman Ltd.	Ontario	20200330 0934 1590 0500	03/30/2023	CORTLAND CREDIT LENDING CORPORATION	Collateral Class.					
					CG	I	E	A	O	MV
						X	X	X	X	X

**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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

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

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

Proceeding commenced at Toronto

**APPROVAL AND REVERSE VESTING  
ORDER**

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Lawyers for the Applicants

TAB 4

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

THE HONOURABLE	)	THURSDAY, THE 15 <sup>th</sup>
	)	
JUSTICE OSBORNE	)	DAY OF MAY, 2025

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  
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL  
CORP. AND 1001028579 ONTARIO INC. (collectively the “**Applicants**”, and  
each an “**Applicant**”)

**CCAA TERMINATION ORDER**

**THIS MOTION**, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, among other things, (i) extending the stay of proceedings, (ii) approving the Tenth Report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as Court-appointed monitor (in such capacity, the “**Monitor**”) dated May [●], 2025 (the “**Tenth Report**”), (iii) approving the fees and disbursements of the Monitor and the Monitor’s counsel, (iv) terminating these CCAA proceedings upon the Monitor’s service of the Monitor’s Termination Certificate (as hereinafter defined) on the service list in these CCAA proceedings (the “**Service List**”); (v) discharging FTI as Monitor at the CCAA Termination Time (as hereinafter defined); (vi) terminating certain charges at the

CCAA Termination Time; and (vii) approving certain releases was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavit of Matthew Milich dated May 9, 2025, and the Exhibits thereto (the “**Milich Affidavit**”) and the Tenth Report, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule “A” hereto, counsel for the Monitor, counsel for the DIP Lender, and such other counsel that were present, no one else appearing although duly served as appears from the affidavit of service of Jamie Ernst, filed:

### **SERVICE AND DEFINITIONS**

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

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit or the Amended and Restated Initial Order dated March 8, 2024 (the “**ARIO**”), as applicable.

### **EXTENSION OF THE STAY PERIOD**

3. **THIS COURT ORDERS** that the Stay Period as defined in paragraph 15 of the ARIO is hereby extended until the earlier of: (i) August 15, 2025, and (ii) the CCAA Termination Time.

### **APPROVAL OF THE MONITOR’S ACTIVITIES AND REPORT**

4. **THIS COURT ORDERS** that the Tenth Report is hereby approved, and the activities and conduct of the Monitor as described therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.



5. **THIS COURT ORDERS** that the fees and disbursements of the Monitor for the period from August 1, 2024 to April 30, 2025, as set out in the Tenth Report and the Affidavit of Jeffrey Rosenberg sworn May [●], 2025, appended thereto, are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of Stikeman Elliott LLP (“**Stikeman Elliott**”), legal counsel to the Monitor, for the period from August 1, 2024 to April 30, 2025, as set out in the Tenth Report and the Affidavit of Maria Konyukhova sworn May [●], 2025, appended thereto, are hereby approved.

7. **THIS COURT ORDERS** that the Fee Accrual of the Monitor and Stikeman Elliott in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings is hereby approved, and the Monitor and Stikeman Elliott shall not be required to pass their accounts in respect of any further activities in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings.

8. **THIS COURT ORDERS** that the Monitor is authorized and directed to pay any balance remaining in the Fee Accrual after payment of all fees and disbursements of the Monitor and Stikeman Elliott incurred in connection with the completion by the Monitor of its remaining duties and administration of these CCAA proceedings to the Stalking Horse Purchaser.

#### **TERMINATION OF CCAA PROCEEDINGS**

9. **THIS COURT ORDERS** that upon service by the Monitor of an executed certificate substantially in the form attached hereto as Schedule “A” (the “**Monitor’s Termination Certificate**”) on the Service List certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed, these CCAA proceedings shall be terminated without any further act or formality (the “**CCAA Termination Time**”), save and except as expressly provided in this Order, and provided that nothing herein

impacts the validity of this Order, or any other Orders made in these CCAA proceedings, or any actions or steps taken by any Person in connection therewith.

10. **THIS COURT ORDERS** that the Monitor shall file a copy of the Monitor's Termination Certificate with the Court and post a copy of the Monitor's Termination Certificate on the case website maintained by the Monitor as soon as is practicable following the CCAA Termination Time.

#### **DISCHARGE OF THE MONITOR**

11. **THIS COURT ORDERS** that effective at the CCAA Termination Time, FTI shall be and is hereby discharged from its duties as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time; provided that, notwithstanding its discharge as Monitor, FTI shall have the authority to carry out, complete or address any matters in its role as Monitor that are ancillary or incidental to these CCAA proceedings following the CCAA Termination Time, as may be required or appropriate (collectively, the "**Monitor Incidental Matters**"). In completing any such Monitor Incidental Matters, FTI and its advisors shall continue to have the benefit of the provisions of all Orders made in these CCAA proceedings and all protections under the CCAA, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in these CCAA proceedings.

12. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor's discharge or the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, or any other Order of this Court in these CCAA proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with the Monitor Incidental Matters and any other actions taken by FTI following the CCAA Termination Time with respect to the Applicants or these CCAA proceedings.

## **TERMINATION OF PRIORITY CHARGES**

13. **THIS COURT ORDERS** that each of the Charges and the Bid Protections Charge (as defined in the SISP Approval Order) shall be and are hereby terminated, released and discharged at the CCAA Termination Time without any further act or formality.

## **BANKRUPTCY**

14. **THIS COURT ORDERS** that, from and after the CCAA Termination Time: (a) each of the Applicants is hereby authorized, but not required, to make an assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (“**BIA**”); (b) the Monitor is hereby authorized and empowered, as a Monitor Incidental Matter, to file any such assignment in bankruptcy for and on behalf of any of the Applicants, and to take any steps incidental thereto; and (c) FTI is hereby authorized and empowered, but not required, to act as trustee in bankruptcy (in such capacity, the “**Trustee**”) in respect of any of the Applicants, and to fund reasonable retainers to any such Trustee from the Fee Accrual.

15. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates of the Applicants as if such estates were in respect of a single bankrupt for the purposes of carrying out its duties and responsibilities as trustee under the BIA (the “**Consolidated Proceedings**”), including, without limitation:

- (a) administering the bankruptcy estates of the Applicants under a single court file number and title of proceeding;
- (b) sending a notice of the first meeting of creditors (the “**Notice**”) in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Applicants to accompany the Notice set out in subsection 102(2) of the BIA;
- (c) convening meetings of creditors and inspectors in the bankrupt estates of the Applicants through one combined advertisement and conducting such meetings

jointly provided that the results of any creditors' vote shall be separately tabulated for each such bankrupt estate;

- (d) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (e) maintaining a consolidated bank account with respect to the Applicants' respective bankruptcy estates;
- (f) issuing consolidated reports in respect of the bankruptcy estates of the Applicants;
- (g) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Applicants required under the BIA; and
- (h) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Applicants.

16. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Applicants and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Applicants.

17. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

- (a) affect the separate legal status of the corporate structure of the Applicants;
- (b) cause any of the bankrupt estates of the Applicants to be liable for any claim for which it is otherwise not liable, or cause any of the Applicants to have any interest in any asset which it otherwise would not have; or
- (c) affect the bankrupt estates of the Applicants filing obligations under the BIA.

## RELEASES

18. **THIS COURT ORDERS** that effective upon the issuance of the Monitor's Termination Certificate, each of (a) the current and former directors, officers, employees, consultants, legal counsel and advisors of the Applicants; (b) the current directors, officers, employees, consultants legal counsel and advisors to ResidualCo; and (c) the Monitor and its legal counsel and their respective current and former directors, officers, partners, employees, consultants and advisors (the Persons listed in (a), (b), and (c) being collectively, the "**Released Parties**") shall be deemed to be forever and irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, offer, dealing, or other fact, matter, occurrence or thing existing or taking place prior to the delivery of the Monitor's Termination Certificate, or arising in connection with or relating to the CCAA proceedings, the Subscription Agreement, the consummation of the Stalking Horse Transaction, any closing document, agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing, and/or any matter relating to the Applicants' cannabis current or previous excise licenses and/or GST/HST arrears owing by any of the Applicants for the period prior to the date of the Initial Order (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other entity and are extinguished, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar (i) any claim for fraud or wilful misconduct, (ii) any claim against ResidualCo in respect of the Excluded Liabilities (as defined in the Subscription Agreement) transferred pursuant to the Closing (as defined in the

Subscription Agreement), or (iii) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

19. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Termination Certificate, the Stalking Horse Purchaser and its counsel shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing, or other occurrence existing or taking place prior to the filing of the Monitor's Termination Certificate, undertaken or completed in connection with or pursuant to the terms of this Order and that relate in any manner whatsoever to the Subscription Agreement, the DIP Loan, the consummation of the Stalking Horse Transaction (except for any claims or liabilities related to the Assumed Liabilities (as defined in the Subscription Agreement)) and/or any closing document, agreement, document, instrument, matter or transaction involving the Surviving Entities arising in connection with or pursuant to any of the foregoing, which are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Stalking Horse Purchaser and its counsel.

#### **GENERAL**

20. **THIS COURT ORDERS** that this Order is effective as of 12:01 AM from the date that it is made and is enforceable without the need for entry and filing.

21. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in

carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

22. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

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**SCHEDULE “A”**  
**NON - APPLICANT STAY PARTIES**

1. The Green Organic Beverage Corp.
2. TGOD Europe B.V.
3. 9430-6347 Québec Inc.
4. The Green Organic Dutchman Germany GmbH



## SCHEDULE “B”

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

### *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 HOLDINGS INC., BZAM CANNABIS CORP.,  
FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL  
CORP., 1001028579 ONTARIO INC. AND 1001105728 ONTARIO INC.  
(collectively the “**Applicants**”, and each an “**Applicant**”)

### MONITOR’S TERMINATION CERTIFICATE

#### RECITALS

A. FTI Consulting Canada Inc. (“**FTI**”) was appointed as Monitor (in such capacity, the “**Monitor**”) in the within proceedings commenced under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated February 28, 2024 (Court File No. CV-24-00715773-00CL).

B. Pursuant to an Order of this Court dated May 15, 2025 (the “**CCAA Termination Order**”), among other things, FTI shall be discharged as Monitor and these CCAA proceedings shall be terminated upon the service of this Monitor’s Termination Certificate on

the service list in these CCAA proceedings, all in accordance with the terms of the CCAA Termination Order.

**THE MONITOR HEREBY CERTIFIES** the following:

1. To the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed.

**ACCORDINGLY**, the CCAA Termination Time (as defined in the CCAA Termination Order) has occurred.

**DATED** at Toronto, Ontario this \_\_\_\_ day of \_\_\_\_\_, 2025.

**FTI Consulting Canada Inc.**, solely in its capacity as court-appointed Monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: \_\_\_\_\_  
Name:  
Title:

**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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,  
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL  
CORP. AND 1001028579 ONTARIO INC.**

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

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

Proceeding commenced at Toronto

**CCAA TERMINATION ORDER**

**BENNETT JONES LLP**

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Lawyers for the Applicants

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 CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093  
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC  
INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.

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

Proceeding commenced at Toronto

**MOTION RECORD**  
**(Returnable May 15, 2025)**

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