

**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 January 13, 2025)**

January 8, 2025

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A	Exhibit "A" – Affidavit of Matthew Milich sworn February 28, 2024
B	Exhibit "B" – Affidavit of Matthew Milich sworn March 1, 2024
C	Exhibit "C" – Amended and Restated Initial Order dated March 8, 2024
D	Exhibit "D" – SISP Approval Order dated March 8, 2024
E	Exhibit "E" – Monitor's Certificate dated December 13, 2024
F	Exhibit "F" – Affidavit of Matthew Milich sworn October 8, 2024
G	Exhibit "G" – Agreement of Purchase and Sale dated January 6, 2025
H	Exhibit "H" – Listing Agreement dated August 15, 2023
I	Confidential Exhibit "I" – Settlement Agreement dated December 13, 2024
3	Draft Edmonton Property AVO
4	Draft Ancillary Order

TAB 1

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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**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 January 13, 2025)**

The Applicants will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Monday, January 13, 2025 at 10:00 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 "**Edmonton Property AVO**"), substantially in the form attached hereto at Tab 3 of this motion record, among other things,

- (a) approving the share purchase agreement dated January 6, 2025 (the "**Purchase Agreement**") among BZAM Cannabis Corp. ("**BZAM Cannabis**"), as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser, *nunc pro tunc*, and the transaction contemplated thereby (the "**Edmonton Property Transaction**"), inclusive of minor amendments the Applicants and the Purchaser, with the consent of the Monitor (as defined below), may deem necessary;
- (b) authorizing and directing BZAM Cannabis to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Edmonton Property Transaction;
- (c) vesting in the Purchaser all of BZAM Cannabis' right, title and interest in and to the Edmonton Property (as defined below), including the lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta and certain equipment and non-cannabis inventory located therein (collectively, the "**Edmonton Property**"); and
- (d) authorizing and directing the Applicants to distribute the Proceeds (as defined below) to: (y) Avison Young, as full satisfaction of its Broker Fee under the Listing Agreement (each as defined below), and (z) to Cortland Credit Lending Corporation ("**Cortland**", and in such capacity, the "**DIP Lender**"), as partial 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; and

2. an order (the "**Ancillary Order**"), substantially in the form attached hereto at Tab 4 of this motion record, among other things:

- (a) abridging the time for service of the motion record returnable January 13, 2025 and dispensing with service on any person other than those served;
- (b) granting an extension of the Stay Period (as defined below) to and including March 31, 2025 (the "**Stay Extension**");
- (c) sealing the Settlement Agreement (as defined below), the Confidential Supplement to the Second Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), dated April 16, 2024 (the "**Confidential Supplement**") and the Confidential Appendix of the Eighth Report (as defined below) (the "**Confidential Appendix**"); and
- (d) approving the Confidential Supplement, the Supplement to the Seventh Report of the Monitor dated December 2, 2024 (the "**Supplemental Report**") and the Eighth Report of the Monitor, to be filed (the "**Eighth Report**", and together with the Confidential Supplement and the Supplemental Report, the "**Monitor's Reports**"), and the activities of the Monitor described therein.

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 (as defined in the ARIO (as defined below)), and their respective Directors and Officers, until and including March 8, 2024 (the "**Initial Stay Period**");
- (c) approved The Green Organic Dutchman Ltd.'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, 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 Edmonton Property 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 an order (the "**SISP Approval Order**") which, among other things:

- (a) authorized and approved BZAM's execution of a share subscription agreement (the "**Stalking Horse Purchase Agreement**") among BZAM and 1000816625 Ontario Inc. (the "**Stalking Horse Purchaser**") 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**"; 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. 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. (the "**BMI Purchaser**"), as purchaser, and Wyld Canada Inc. ("**Wyld**"), 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.

9. The BMI Transaction has closed, and the sale proceeds have been distributed to Cortland. The second part of the transaction, whereby the BMI Purchaser is expected to be acquired by Wyld, is anticipated to close outside of these CCAA proceedings (the "**CCAA Proceedings**") in the near term.

10. Most recently, the Applicants obtained an order on December 2, 2024, which, among other things, extended the Stay Period to and until January 13, 2025 and authorized 9430-6347 Québec Inc. or the Monitor to file an assignment in bankruptcy for 9430 Quebec, as applicable.

Conduct of the SISP

11. 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.

12. Prior to the LOI Deadline (April 8, 2024), the Applicants received a letter of intent from JL Legacy Ltd. (a party related to the Purchaser, "**JL Legacy**") for the Edmonton Property. Under the SISP, JL Legacy's letter of intent (the "**JL LOI**") was the only indication of interest received by the Applicants and the Monitor in respect of the Edmonton Property. Notwithstanding the foregoing, the consideration contemplated under the JL LOI, by itself or coupled with the other letters of intent received, was considerably lower than the total consideration contemplated under

the Stalking Horse Bid. As such, the JL LOI was not considered a "**Qualified LOI**", nor would it have satisfied the requirements under the second phase of the SISP.

13. After evaluating each letter of intent, independently and collectively in a liquidation scenario, the Monitor and the Applicants determined that none of the letters of intent received constituted a Qualified LOI (as defined under the SISP).

Litigation with Final Bell

14. The litigation between the Applicants, Final Bell Holdings International Ltd. ("**Final Bell**") and Cortland has been resolved through a Settlement Agreement dated December 13, 2024 (the "**Settlement Agreement**").

15. Final Bell served a notice of motion on March 18, 2024, requesting, among other things, an order rescinding a share exchange agreement entered into among Final Bell, BZAM and Final Bell Canada Inc. On May 3, 2024, Final Bell abandoned its rescission claim, seeking in the alternative: (i) equitable damages in lieu of rescission, and (ii) a declaration that such damages are subject to a constructive trust (the "**Amended Claim**").

16. On August 6, 2024, Cortland brought a motion seeking a declaration that the claims of Final Bell against the Applicants, including any potential constructive trust claim in relation to the assets of the Applicants or the sale proceeds related thereto, were subordinate to Cortland's secured interest in such assets or proceeds (the "**Threshold Motion**"). BZAM, on behalf of the Applicants, supported Cortland's position on the Threshold Motion.

17. Pursuant to the endorsement of the Honourable Justice Osborne, the Threshold Motion was determined in favour of Cortland (the "**Threshold Endorsement**"). This subsequently led to settlement discussions between the Applicants, Cortland and Final Bell. Ultimately, the litigation parties entered into the Settlement Agreement, whereby, among other things, Final Bell agreed not to appeal the Threshold Endorsement and consented to the dismissal of the Amended Claim.

Edmonton Property Transaction Approval

18. The Applicants are seeking, among other things, approval of the Purchase Agreement with respect to the sale and purchase of a facility owned by BZAM Cannabis located at 8770 24th Street, Sherwood Park, Alberta.

19. Initially, the Stalking Horse Purchaser intended to sell the Edmonton Property to the Purchaser following the completion of these CCAA Proceedings. However, due to the significant delays in seeking approval of the Stalking Horse Purchase Agreement and the transaction contemplated therein (the "**Stalking Horse Transaction**"), the Stalking Horse Purchaser and the Purchaser wish to move forward with a separate transaction to avoid any further interruptions or delays that may arise in connection with the closing of the Stalking Horse Transaction. The Applicants also wish to close the Edmonton Property Transaction as expeditiously as possible to avoid the incurrence of certain monthly costs associated with the Edmonton Property.

20. Pursuant to the terms of the Purchase Agreement, BZAM Cannabis has agreed to sell, assign, convey and transfer to the Purchaser, and the Purchaser has agreed to purchase, the Edmonton Property, free and clear of all Encumbrances, other than the Permitted Encumbrances (as defined in the Purchase Agreement) for a purchase price of \$8,550,000. The purchase price will be satisfied by: (i) the application of two deposits totaling \$3,300,000 (the "**Proceeds**"), which are currently being held in escrow by the Monitor and the Applicants, (ii) a vendor mortgage in the amount of \$250,000, and (iii) the assumption of the existing mortgage (with a principal value of \$5,000,000).

21. Prior to the commencement of these CCAA Proceedings, BZAM Cannabis engaged Avison Young Commercial Real Estate Services, LP ("**Avison Young**"), as its broker, to sell the Edmonton Property. Pursuant to the terms of the listing agreement between BZAM Cannabis and Avison Young dated August 15, 2023 (the "**Listing Agreement**"), Avison Young is entitled to a commission of 3.0% of the gross sale price plus tax (the "**Broker Fee**"), or in this case approximately \$256,500 plus applicable taxes.

22. The proposed Edmonton Property AVO authorizes and directs the Applicants to distribute the Proceeds as follows: (a) first, the Broker Fee will be distributed to Avison Young, as full

satisfaction for the amounts owing to Avison Young under the Listing Agreement (including any taxes owing), and (b) second, the remainder of the Proceeds will be distributed to Cortland, in its capacity as DIP Lender, as partial satisfaction of the indebtedness owing to Cortland under the DIP Loan, free and clear of all claims.

The Stay Extension

23. The Stay Period is currently set to expire on January 13, 2025. Pursuant to the proposed Ancillary Order, the Applicants are seeking to extend the Stay Period to and including March 31, 2025. The Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the proposed extended Stay Period.

24. The Stay Extension is necessary and in the best interests of the Applicants and their stakeholders to allow the Applicants to continue their operations in the ordinary course, close the Edmonton Property Transaction, finalize the Stalking Horse Purchase Agreement and work towards terminating these CCAA Proceedings.

25. The Monitor, the DIP Lender and the Stalking Horse Purchaser 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.

Sealing

26. The Applicants are seeking to seal the Settlement Agreement, the Confidential Appendix and the Confidential Supplement pending further Order of this Court. The benefits of sealing the Settlement Agreement, the Confidential Appendix and the Confidential Supplement outweigh any deleterious effects.

Approval of the Monitor's Reports

27. The proposed Ancillary Order seeks approval of the Monitor's Reports and the activities of the Monitor described therein, as applicable.

OTHER GROUNDS:

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

29. 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

30. 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 January 8, 2025, and the exhibits attached thereto;
- (b) the Eighth Report;
- (c) the Confidential Supplement; and
- (d) such further and other evidence as counsel may advise and this Court may permit.

January 8, 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
(Edmonton Property AVO & Ancillary
Order)

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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**

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FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH
(Sworn January 8, 2025)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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Applicants

**AFFIDAVIT OF MATTHEW MILICH
(Sworn January 8, 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. 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 ARIO (as defined below). Copies of the First Milich Affidavit (without exhibits), the Second Milich Affidavit (without exhibits) and the ARIO are attached hereto as **Exhibits "A" - "C"**, respectively.

4. 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. RELIEF REQUESTED

5. I swear this affidavit in support of a motion filed by the Applicants for:

(a) an order (the "**Edmonton Property AVO**"), *inter alia*:

(i) approving the agreement of purchase and sale dated January 6, 2025 (the "**Purchase Agreement**") among BZAM Cannabis, as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser, *nunc pro tunc*, and the transaction contemplated thereby (the "**Edmonton Property Transaction**"), inclusive of minor amendments the Applicants and the

Purchaser, with the consent of the Monitor (as defined below), may deem necessary;

- (ii) authorizing and directing BZAM Cannabis to perform its obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Edmonton Property Transaction;
 - (iii) vesting in the Purchaser all of BZAM Cannabis' right, title and interest in and to the assets described in the Purchase Agreement (the "**Purchased Assets**"), including the lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta (the "**Real Property**") and certain equipment and non-cannabis inventory located therein, free and clear of any Encumbrances other than the Permitted Encumbrance (each as defined in the Edmonton Property AVO); and
 - (iv) authorizing and directing the Applicants to distribute the Proceeds (as defined below) to: (y) Avison Young, as full satisfaction of its Broker Fee under the Listing Agreement (each as defined below), and (z) Cortland, as partial repayment of the indebtedness owing by the Applicants to Cortland (together, the "**Proceeds Distributions**"), which shall be applied by Cortland to repay such indebtedness in accordance with the terms of the DIP Loan; and
- (b) an order (the "**Ancillary Order**"), among other things:

- (i) abridging the time for service of the motion record returnable January 13, 2025, and dispensing with service on any person other than those served;
- (ii) granting an extension of the Stay Period (as defined below) to and including March 31, 2025 (the "**Stay Extension**");
- (iii) sealing the Settlement Agreement (as defined below), the Confidential Supplement to the Second Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), dated April 16, 2024 (the "**Confidential Supplement**"), and the Confidential Appendix of the Eighth Report (as defined below) (the "**Confidential Appendix**"); and
- (iv) approving the Supplement to the Seventh Report of the Monitor dated December 2, 2024 (the "**Supplemental Report**"), the Confidential Supplement, and the Eighth Report of the Monitor, to be filed (the "**Eighth Report**", and together with the Confidential Supplement and the Supplemental Report, the "**Monitor's Reports**"), and the activities of the Monitor described therein.

II. OVERVIEW

A. Introduction and Background

6. BZAM is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on the production and sale of various cannabis products.

7. 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.

8. 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 from Cortland under the DIP Loan 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 Edmonton Property Charge, the DIP Lender's Charge and the Directors' Charge.

9. 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 available under the DIP Loan to \$41,000,000.

10. 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 "**Stalking Horse Subscription Agreement**") among BZAM and the Stalking Horse Purchaser 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 Subscription Agreement served as the "**Stalking Horse Bid**"; 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.

11. The Monitor's and the Company's administration of the SISP and the results of the sales process are described in greater detail below. A copy of the SISP Approval Order is attached hereto as **Exhibit "D"**.

12. On October 15, 2024, the Applicants obtained two orders:

- (a) an order (the "**BMI RVO**"), which, among other things,
 - (i) approved the share purchase agreement dated August 23, 2024 (the "**BMI Purchase Agreement**") among BZAM Holdings, as vendor, BZAM Management, as target, 1000912353 Ontario Inc. (the "**BMI Purchaser**"),

as purchaser, and Wyld Canada Inc. ("**Wyld**"), as an interested third-party, and the transaction contemplated thereby (the "**BMI Transaction**");

- (ii) authorized and directed BZAM Holdings and BZAM Management to perform their obligations under the BMI Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the BMI Transaction and for the conveyance of the shares of BZAM Management (the "**BMI Shares**") to the BMI Purchaser;
 - (iii) 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., and discharged all Encumbrances against BZAM Management and the Retained Assets other than the Permitted Encumbrances (each as defined in the BMI Purchase Agreement);
 - (iv) vested in the BMI Purchaser all of BZAM Holdings' right, title and interest in and to the BMI Shares, free and clear of any Encumbrances (as defined in the BMI RVO); and
 - (v) approved the removal of BZAM Management as an Applicant in these CCAA Proceedings; and
- (b) an order (the "**BMI 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 (the "**Indebtedness**").

13. The BMI Transaction has closed, and the sale proceeds have been distributed to Cortland in accordance with the BMI RVO, the BMI Ancillary Order and the terms of the DIP Loan. In connection with the closing of the BMI Transaction, the Monitor served a Monitor's Certificate dated December 13, 2024 (the "**Monitor's Certificate**") upon the service list. A copy of the Monitor's Certificate is attached hereto as **Exhibit "E"**.

14. As previously discussed in the affidavit I swore on October 8, 2024 (the "**BMI Milich Affidavit**"), the BMI Transaction was the first part of a two-step transaction. As part of the first step, Wyld acquired the option to purchase 100% of the share capital of the BMI Purchaser and become the indirect owner of the BMI Shares pursuant to a call option agreement dated August 23, 2024. The second part of the transaction is anticipated to close outside of these CCAA Proceedings in the near term. A copy of the BMI Milich Affidavit (without exhibits) is attached hereto as **Exhibit "F"**.

15. Most recently, the Applicants obtained an order on December 2, 2024 (the "**Bankruptcy Order**") which, among other things, extended the Stay Period to and until January 13, 2025 (the "**Fifth Stay Extension**"), and authorized 9430-6347 Québec Inc. ("**9430 Quebec**") or the Monitor to file an assignment in bankruptcy for 9430 Quebec, as applicable.

B. Conduct and Result of the SISP

16. As previously discussed in the BMI Milich Affidavit, I was advised by the Monitor that 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 purposefully designed to maximize opportunities for the sale of, or investment in, all or part of the Applicants' assets and/or business.

17. 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 local and international third parties that may have been interested in the opportunity. In addition, the Monitor prepared a teaser letter and other marketing materials that were disseminated into the market broadly.

18. Prior to the LOI Deadline (April 8, 2024), the Applicants received a letter of intent from JL Legacy Ltd. (a party related to the Purchaser, "**JL Legacy**") for the Edmonton Property. JL Legacy's letter of intent (the "**JL LOI**") was the only indication of interest received as part of the SISP in respect of the Edmonton Property. Notwithstanding the foregoing, the consideration contemplated under the JL LOI, by itself or coupled with the other letters of intent received, was considerably lower than the total consideration contemplated under the Stalking Horse Bid. As such, the JL LOI was not considered a "**Qualified LOI**", nor would it have satisfied the requirements under the second phase of the SISP.

19. Following certain discussions between the Monitor and potential bidders, on April 16, 2024, the Monitor and the Applicants determined that none of the letters of intent received (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.

20. 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.

C. The Purchase Agreement

21. Pursuant to the proposed Edmonton Property AVO, the Applicants are seeking, among other things, approval of the Purchase Agreement with respect to the sale and purchase of a facility located at 8770 24th Street, Sherwood Park, Alberta, including all equipment and the non-cannabis inventory situated therein (collectively, the "**Edmonton Property**").

22. Following the termination of the SISP, BZAM Cannabis and JL Legacy entered into an Offer to Purchase Agreement on June 13, 2024 (as subsequently amended and restated from time to time, the "**Edmonton Agreement**"). Pursuant to the terms of the Edmonton Agreement, JL Legacy agreed to purchase and BZAM Cannabis agreed to sell the Edmonton Property.

23. Initially, the Edmonton Property was intended to be sold outside of these CCAA Proceedings at the request of JL Legacy, who at the time did not wish to engage insolvency counsel to effectuate the transaction pursuant to an approval and vesting order. However, due to the significant delays in seeking approval of the Stalking Horse Subscription Agreement and the transaction contemplated therein (the "**Stalking Horse Transaction**"), the Stalking Horse Purchaser and JL Legacy wish to move forward with a separate transaction to avoid any further interruptions or delays that may arise in connection with the closing of the Stalking Horse Transaction (as once the Applicants seek approval of the Stalking Horse Transaction, they will still require certain Canada Revenue Agency and Health Canada approvals prior to closing, as applicable, that may take some additional time to obtain).

24. In addition, the Applicants also wish to close the Edmonton Property Transaction as expeditiously as possible to avoid the incurrence of certain monthly costs associated with the Edmonton Property. BZAM Cannabis estimates that it incurs approximately \$50,000 of overhead

costs per month for insurance, utilities and other general occupancy costs (collectively, the "**Occupancy Costs**"). As consideration for agreeing to seek separate approval of the Edmonton Property Transaction, JL Legacy has agreed to cover the Occupancy Costs commencing no later than January 1, 2025 (however, the Applicants will become responsible for such costs again if the Edmonton Property Transaction does not close).

25. The Edmonton Property is encumbered by a mortgage (the "**Mortgage Loan**") and is subject to the Edmonton Property Charge, which is subordinate to the Administration Charge, but superior to the DIP Lender's Charge, the Directors' Charge and the Bid Protection Charge. As of the date of this affidavit, the principal amount of \$5,000,000 remains owing under the Mortgage Loan. Pursuant to the terms of the Purchase Agreement, the Purchaser will assume the Mortgage Loan on closing (as the new mortgagor).

26. To effectuate the Edmonton Property Transaction as part of these CCAA Proceedings, the Edmonton Agreement was abandoned, and the Purchase Agreement was executed by BZAM Cannabis and the Purchaser on January 6, 2025. The Purchase Agreement includes the same economic terms as the Edmonton Agreement. A copy of the Purchase Agreement is attached hereto as **Exhibit "G"**.

27. The principal terms of the Purchase Agreement are summarized below for ease of reference:

Term	Details¹
Vendor	BZAM Cannabis Corp.
Purchaser	2627411 Alberta Ltd.

¹ All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the Purchase Agreement.

<p>1.1 Purchased Assets</p>	<p>"Purchased Assets" means (a) the Property; (b) the full benefit of any and all prepaid expenses or deposits with any Person, public utility or Governmental Authority relating to the Property; (c) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and (d) the Assumed Liabilities.</p> <p>"Property" means (i) the Real Property, together with all rights and benefits appurtenant thereto, (ii) the buildings constructed on the Lands, together with all other improvements to the Real Property, and (iii) all surplus non-cannabis inventory and non-fixed equipment located in the Buildings.</p>
<p>1.1 Vendor Mortgage</p>	<p>The vendor mortgage (the "Vendor Mortgage") shall be a second charge against the Real Property granted at Closing in favor of TGOD and registered against the title to the Property forthwith thereafter, and shall contain, among other things, the following terms:</p> <ul style="list-style-type: none"> (a) Principal Sum: \$250,000 (b) Interest Rate: Five (5%) percent per annum, paid monthly (c) Term: Twelve (12) months (d) Repayment: The Purchaser can repay any amount of the Principal Sum throughout the Term of the Vendor Mortgage without penalty.
<p>1.1 Closing Date</p>	<p>"Closing Date" means the first Business Day which is ten (10) days after the date on which the Edmonton Property AVO is issued by the Court, or, if the Parties agree, such other date as agreed in writing by the Parties.</p>
<p>3.1 Purchase and Sale</p>	<p>Subject to the terms and conditions of the Purchase Agreement, BZAM Cannabis agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser agrees to purchase, the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.</p> <p>Subject to closing the Edmonton Property Transaction, BZAM Cannabis remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, Claims, interests and demands, past or present, whether known or unknown, fixed or contingent or otherwise, whatsoever in the Purchased Assets.</p>
<p>3.3 Excluded Liabilities</p>	<p>With the sole exception of the Permitted Encumbrances and Assumed Liabilities, the Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of BZAM Cannabis or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Business or BZAM Cannabis' ownership or interest therein, whether pursuant to this Agreement or as a result of the Edmonton Property Transaction.</p>

4.1 Purchase Price	The purchase price for the Purchased Assets shall be \$8,550,000 (the " Purchase Price "),
4.2 Deposit	The Purchaser has paid deposits in the amount of: (i) \$600,000 to the Monitor, and (ii) \$2,700,000 to BZAM Cannabis's counsel (together, the " Deposit ").
4.3 Satisfaction of Purchase Price	<p>The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:</p> <ul style="list-style-type: none">(a) by crediting the following against the Purchase Price:<ul style="list-style-type: none">i. the Deposit (i.e., \$3,300,000 (the "Proceeds"));ii. the remaining amount outstanding against the Assumed Mortgage; andiii. the amount of the Vendor Mortgage; and(b) as to the balance of the Purchase Price (if any), as adjusted pursuant to Section 4.6 of the Purchase Agreement.
7.1 Conditions – Vendor	<p>The Purchase Agreement contains standard conditions in favour of BZAM Cannabis, including:</p> <ul style="list-style-type: none">(d) the terms of the Vendor Mortgage must be settled by the Purchaser to be effective on the Closing Date; <p style="text-align: center;">[...]</p> <ul style="list-style-type: none">(f) the Court shall have issued the Edmonton Property AVO.
7.2 Conditions – Purchaser	<p>The Purchase Agreement contains standard conditions in favour of the Purchaser, including:</p> <ul style="list-style-type: none">(e) from the date of the Purchase Agreement to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the date of the Purchase Agreement, in each case which are not otherwise vested-out pursuant to the Edmonton Property AVO;(f) from the date of the Purchase Agreement to Closing, there shall not have been any emission, release, discharge, disposal, or other deposit of a hazardous substance occurring on or which has migrated onto the Lands which has a material adverse effect on the Lands, and there shall not have been any material adverse change in the condition or operation of the Lands; and(g) the Court shall have issued the Edmonton Property AVO.

Schedule "C" - Permitted Encumbrances / Assumed Liabilities	<p>"Permitted Encumbrance" means all those Encumbrances described in Schedule "C" to the Purchase Agreement (which includes the existing charge in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636).</p> <p>"Assumed Liabilities" means those liabilities identified in Schedule "C", Part III.</p>
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28. Prior to the commencement of these CCAA Proceedings, BZAM Cannabis engaged Avison Young Commercial Real Estate Services, LP ("**Avison Young**"), as its broker, to sell the Edmonton Property and conduct a sales process. Pursuant to the terms of the listing agreement between BZAM Cannabis and Avison Young dated August 15, 2023 (the "**Listing Agreement**"), if the Edmonton Property is sold during the Listing Agreement's term, Avison Young is entitled to a commission of 3.0% of the gross sale price plus tax (the "**Broker Fee**"), or in this case approximately \$256,500 plus applicable taxes.

29. While the Listing Agreement was entered into prior to the commencement of the CCAA Proceedings, it was automatically renewed on its terms several times during the pendency of the CCAA Proceedings and remains in force at this time. In addition, Avison Young was involved in the structuring and negotiation of the terms of the Edmonton Agreement, which as noted above, contains the same economic terms as the Purchase Agreement.

30. It is anticipated that the Edmonton Property Transaction will close during the Listing Agreement's term (subject to Court approval). A copy of the Listing Agreement is attached hereto as **Exhibit "H"**.

31. Since the JL LOI was the only letter of intent received in respect of the Edmonton Property, the Edmonton Property Transaction is the only viable and best option available for the Applicants and their stakeholders.

D. Litigation with Final Bell

32. The litigation between the Applicants, Final Bell Holdings International Ltd. ("**Final Bell**") and Cortland has been resolved through a Settlement Agreement dated December 13, 2024 (the "**Settlement Agreement**").

33. As previously discussed in the other affidavits I swore in these CCAA Proceedings, Final Bell served a notice of motion on March 18, 2024, requesting, among other things, an order rescinding a share exchange agreement entered into among Final Bell, BZAM and Final Bell Canada Inc. On May 3, 2024, Final Bell abandoned its rescission claim, seeking in the alternative: (i) equitable damages in lieu of rescission, and (ii) a declaration that such damages are subject to a constructive trust (the "**Amended Claim**").

34. The Amended Claim was amended again by Final Bell on September 5, 2024 in order to request additional relief, including, among other things, a declaration that Cortland knowingly received the proceeds of "fraud" committed by the Applicants. In response to the Amended Claim, Cortland brought a motion seeking a declaration that the claims of Final Bell against the Applicants, including any potential constructive trust claim in relation to the assets of the Applicants or the sale proceeds related thereto, were subordinate to Cortland's secured interest, including the DIP Lender's Charge, in such assets and proceeds (the "**Threshold Motion**"). BZAM, on behalf of the Applicants, supported Cortland's position on the Threshold Motion.

35. An endorsement in respect of the Threshold Motion was issued on December 2, 2024 (the "**Threshold Endorsement**"). Pursuant to the Threshold Endorsement, the Honourable Justice Osborne found that the constructive trust claim advanced by Final Bell was inescapably a collateral attack on the ARIO and that Final Bell's claim was one in equity that "ranks behind the claims of

all creditors, not just creditors with court-ordered priority charges." Accordingly, the Threshold Motion was determined in favour of Cortland.

36. Following the issuance of the Threshold Endorsement, the Applicants, Cortland and Final Bell engaged in settlement discussions, which ultimately led to the execution of the Settlement Agreement. Pursuant to the terms of the Settlement Agreement, Final Bell has agreed not to appeal the Threshold Endorsement and consented to the dismissal of the Amended Claim.

37. The Applicants understand that the Monitor had an opportunity to review the Settlement Agreement and is supportive of its terms. The Settlement Agreement is attached hereto as **Confidential Exhibit "I"**.

E. The Bankruptcy Assignment of 9430 Quebec

38. 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.

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

40. 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.

41. In an effort to reach a consensual resolution and avoid incurring additional costs in respect of the Disclaimer Objection Notice of Motion, the Applicants, in consultation with the Monitor, determined that it was in the best interests of the Applicants, the Disclaimer Motion Parties and their respective stakeholders to have 9430 Quebec assigned into bankruptcy (the "**Bankruptcy Assignment**"). The Disclaimer Motion Parties consented to the Bankruptcy Assignment on December 2, 2024, pursuant to the terms set out in paragraph 14 of the Supplemental Report.

42. In accordance with the Bankruptcy Order, 9430 Quebec and the Monitor are authorized to file the Bankruptcy Assignment. As of the date of this affidavit, the Applicants have taken steps to remove the former directors (Ms. Boisvert and Mr. Fontaine) from the corporate registry of 9430 Quebec. Once that process is finalized, I understand from the Monitor that FTI will proceed with the Bankruptcy Assignment.

F. DIP Amendment

43. The DIP Loan has been amended four times during the pendency of these CCAA Proceedings. Most recently, the DIP Loan was amended on November 27, 2024 to, among other things, extend the maturity date of the DIP Loan to January 13, 2025.

44. Pursuant to a fifth amending agreement (the "**DIP Amendment**"), Cortland is prepared to extend the maturity date of the DIP Loan to March 31, 2025. I understand from the Monitor that the DIP Amendment will be attached to the Eighth Report.

III. THE APPROVAL AND VESTING ORDER

A. The Approval of the Edmonton Property Transaction

45. The Stalking Horse Purchaser has decided that it is most cost effective and efficient to sell the Edmonton Property prior to the closing of the Stalking Horse Transaction. I understand from the Stalking Horse Purchaser that this structuring is entirely motivated by timing (i.e., to allow the Purchaser to proceed with the sale of the Edmonton Property without further delay) and is not intended to prejudice any of the Applicants' stakeholders. The Edmonton Property Transaction does not materially change the economic terms of the Stalking Horse Transaction – as Cortland is still expected to be paid all its obligations in full upon the closing of both transactions.

46. The Edmonton Property Transaction provides the best outcome for the Applicants and their stakeholders in the circumstances given that, among other things:

- (a) the JL LOI was the only indication of interest received by the Applicants and the Monitor for the Edmonton Property under the SISP. As such, the Edmonton Property Transaction is the only viable transaction available to the Applicants in respect of the Edmonton Property that will result in any recovery for its stakeholders (other than pursuant to a liquidation process);
- (b) the Purchaser has demonstrated considerable patience in waiting for the Applicants to seek approval of the Edmonton Property Transaction (especially since the Edmonton Agreement was first executed in June 2024) and the Applicants and the Stalking Horse Purchaser have reasonable concerns that further delays may put the transaction at risk;

- (c) the Purchase Agreement contemplates the assumption of the existing Mortgage Loan and is not anticipated to prejudice the mortgage lender, or any other party with an existing encumbrance registered against the Real Property;
- (d) the Proceeds Distributions will enable the Applicants to pay down a portion of the DIP Loan, thereby reducing interest and other carrying costs; and
- (e) the Edmonton Property Transaction is supported by the Monitor, the Stalking Horse Purchaser and the DIP Lender.

B. The Proceeds Distributions

47. The proposed Edmonton Property AVO authorizes and directs the Applicants to distribute the Proceeds from the Edmonton Property Transaction as follows: (a) first, the Broker Fee will be distributed to Avison Young, as broker for the Edmonton Property Transaction, as full satisfaction for the amounts owing to Avison Young under the Listing Agreement (this will include any taxes owing with respect to the services provided by Avison Young under the Listing Agreement), and (b) second, the remainder of the Proceeds will be distributed to Cortland, in its capacity as DIP Lender, as partial satisfaction of the indebtedness owing to Cortland under the DIP Loan, free and clear of all claims.

48. The Proceeds Distributions to Cortland act as a pre-payment of the cash consideration required to be paid by the Stalking Horse Purchaser under the Stalking Horse Subscription Agreement. The Proceeds Distributions reduce the aggregate amount of Indebtedness owing to Cortland, meaning that the consideration required to be paid upon the closing of the Stalking Horse Transaction will be correspondingly reduced by the amount paid to Cortland as part of the Proceeds

Distributions (i.e., \$3,300,000 minus the Broker Fee). When considering the Edmonton Property Transaction and the Stalking Horse Transaction together, the total amount of consideration to be paid to Cortland will be equal to and consistent with the terms of the Stalking Horse Subscription Agreement.

49. I understand that the Monitor supports the Proceeds Distributions and does not believe that any stakeholder will be materially prejudiced. I also understand that Cortland does not object to payment of the Broker Fee to Avison Young.

IV. THE ANCILLARY ORDER

A. Stay Extension

50. The Stay Period is currently set to expire on January 13, 2025. Pursuant to the proposed Ancillary Order, the Applicants are seeking to extend the Stay Period to and including March 31, 2025. 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 their business without disruption in the ordinary course, close the Edmonton Property Transaction, finalize the Stalking Horse Transaction and work towards terminating these CCAA Proceedings.

51. Following the resolution of the Final Bell litigation, the Applicants have made significant progress in finalizing the terms of the Stalking Horse Transaction. The Applicants have circulated a draft of an amended and restated Stalking Horse Subscription Agreement, inclusive of substantially finalized schedules, to the DIP Lender and the Monitor for their review. It is the transaction parties' intention to execute the final agreement in the very near term and seek approval of the Stalking Horse Transaction shortly thereafter. In light of the foregoing, a further extension

of the Stay Period is necessary to provide the Applicants and the Stalking Horse Purchaser with additional time to finalize the amended Stalking Horse Purchase Agreement.

52. The Applicants have acted, and continue to act, in good faith and with due diligence. Since the granting of the Fifth Stay Extension, the Applicants have diligently, among other things:

- (a) negotiated and finalized the terms of the Edmonton Property Transaction and executed the definitive documents related to same;
- (b) closed the BMI Transaction;
- (c) finalized and executed the Settlement Agreement with Cortland and Final Bell;
- (d) negotiated extensions to the maturity date under the DIP Loan; and
- (e) engaged with the Canada Revenue Agency to initiate preparations for the Applicants' exit from these CCAA Proceedings.

53. 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 March 31, 2025. I understand that a copy of the Revised Cash Flow Forecast will be attached to the Eighth 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.

54. I also understand that the Monitor, the DIP Lender and Stone Pine 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. Sealing

55. Pursuant to the proposed Ancillary Order, the Applicants are seeking to seal the Settlement Agreement, the Confidential Appendix and the Confidential Supplement pending further Order of this Court.

56. The relief is required for the following reasons:

- (a) the Settlement Agreement contains confidentiality provisions that require the terms of the agreement to be kept confidential, and such confidentiality provisions were relied upon by the settlement parties in executing such agreement in order to protect commercially sensitive information;
- (b) I understand that the Confidential Appendix will include commentary on the Settlement Agreement and discuss certain terms included therein. Such information is prohibited to be disclosed (except directly to this Court) by the terms of the Settlement Agreement;
- (c) the Confidential Supplement contains commercially sensitive information, including the economic terms of the LOIs and details regarding other third-parties, that should not be included as part of the public record. If for whatever reason the Stalking Horse Transaction does not close (as applicable), the disclosure of such information could prejudice the Applicants' ability to sell parts of the business in the future and would impact the integrity of any such sales process; and

- (d) the sealing of the Settlement Agreement, the Confidential Supplement and the Confidential Appendix is not indefinite, and the information may be released by further Order of this Court.

57. Accordingly, the benefits of sealing the Settlement Agreement, the Confidential Appendix and the Confidential Supplement outweigh any deleterious effects and are reasonable in the circumstances. The Applicants and the Monitor are not aware of any opposition to the relief being sought.

C. Approval of the Monitor's Reports

58. The proposed Ancillary Order seeks approval of the Monitor's Reports, 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 Monitor's Reports.


V. CONCLUSION

59. 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. As discussed, the granting of the Edmonton Property AVO will allow the Applicants to achieve a value-maximizing result for their stakeholders in respect of the Edmonton Property. Further, I believe that the proposed Ancillary Order is necessary to, among other things, provide the Applicants with sufficient time to close the Edmonton Property Transaction, finalize the terms of the Stalking

Horse Transaction, and distribute the Proceeds, while also allowing them to continue their operations in the ordinary course.

60. I swear this affidavit in support of the Applicants' motion for the proposed Edmonton Property AVO and Ancillary Order and for no other or improper purpose.

SWORN REMOTELY by Matthew)
Milich stated as being located in the City of)
Long Beach, in the State of California,)
before me at the City of Toronto, in the)
Province of Ontario, on January 8, 2025 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)



MATTHEW MILICH

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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 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 subsidiaries¹ (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

¹ 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.

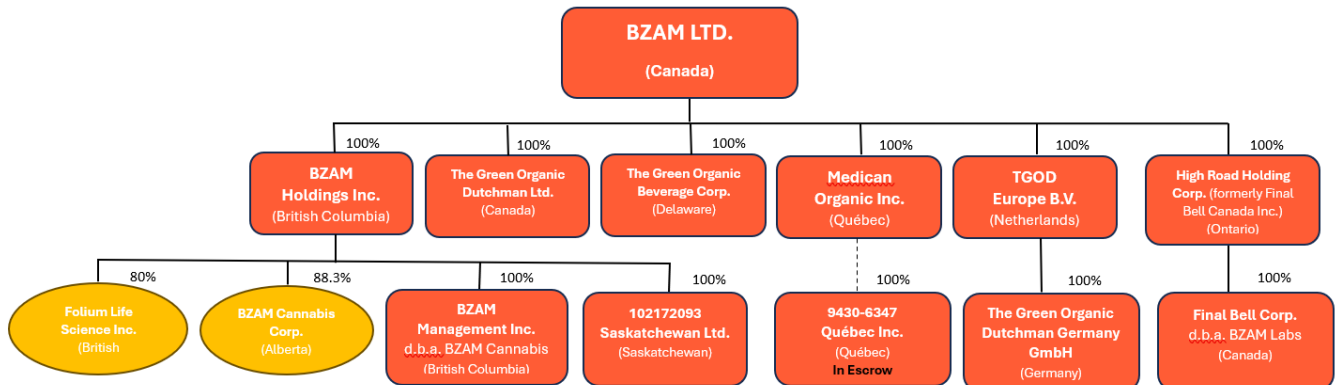
10. The Company’s existing senior secured creditor, Cortland Credit Lending Corporation ("**Cortland**"), has agreed to provide additional financing through the DIP Loan (in its capacity as lender, the "**DIP Lender**") to, among other things, provide the Applicants with the immediate access to funding 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 SISP. 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 Fénélon, 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:

Asset Type	Book Value (Consolidated)
Current Assets (Total):	\$100,203,370
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
Non-Current Assets (Total):	\$95,507,710
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)
Total	\$195,711,080

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)
Current Liabilities (Total):	(\$100,883,319)
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)
Non-Current Liabilities (Total):	(\$11,990,520)
Lease Liabilities	(\$11,990,520)
Total	(\$112,873,839)

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:

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

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 Bovington, 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-Applicant 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 28th,)
2024 in accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely.)

DocuSigned by:
Jamie Ernst
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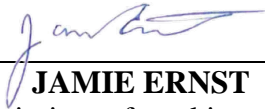
JAMIE ERNST

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

DocuSigned by:
MM
ED78A780251C4ED...

MATTHEW MILICH

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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 subsidiaries¹ (each subsidiary of BZAM individually a "**Subsidiary**" and together

¹ 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 ARIO, 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.² (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 ARIO;
 - (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

² 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	Details³
1.1 "Assumed Liabilities"	<p>"Assumed Liabilities" 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>

³ 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>
<p>1.1 "Cash Consideration"</p>	<p>"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; and (iii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.3 and 6.2(b).</p>
<p>2.1 Deposit</p>	<p>The Purchaser shall pay to the Monitor, by wire transfer of immediately available funds, an amount of \$2,250,000 (the "Cash Deposit"), 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>
<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 (the "Subscription Price"):</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 "Debt Consideration"); 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>
7.1 The Purchaser's Conditions	<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>
7.2 The Company's Conditions	<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 "Closing Cash Amount") and such payments shall have been made on or before the Closing:</p> <ul style="list-style-type: none">(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 (\$250,000) payable to the Monitor.

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 ⁴	Date
Phase 1	
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).

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

Milestone⁴	Date
Deadline to submit an LOI.	April 8, 2024 at 5:00 p.m. (EST) (the " LOI Deadline ")
Deadline for the Applicants and the Monitor to determine if any LOIs constitute a Qualified LOI.	By no later than April 11, 2024.
Phase 2	
Deadline for Qualified Bidders to submit a Qualified Bid.	April 29, 2024 at 2:00 p.m. (EST) (the " Qualified Bid Deadline ")
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 " Outside Date ").

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.

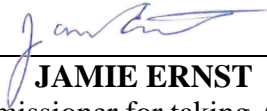
A copy of the letter from counsel for BZAM is attached hereto as **Exhibit "E"**.

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.

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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)
JUSTICE OSBORNE)
FRIDAY, THE 8th
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.

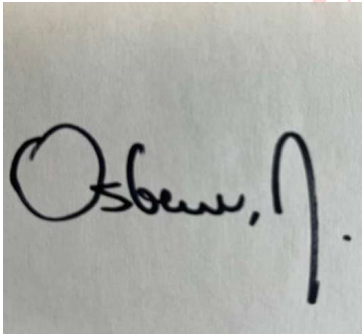
55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this 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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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

**IRS 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)

Tel: (416) 777-7867

Email: ernstj@bennettjones.com

Lawyers for the Applicants

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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



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

THE HONOURABLE

)

FRIDAY, THE 8th

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

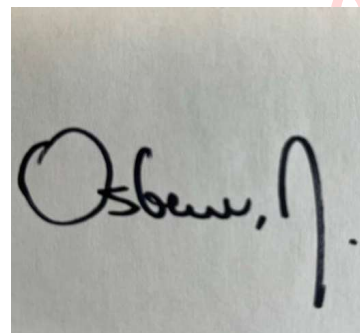
shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that 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." written in a cursive style.

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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 guaranties 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
Mike Shakra 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
Kamran Hamidi: Kamran.Hamidi@fticonsulting.com

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

Attention:

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

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

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

SISP APPROVAL ORDER

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Lawyers for the Applicants

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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

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

MONITOR'S CERTIFICATE

RECITALS

- A. Pursuant to 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 (“**Initial Order**”) the Applicants were granted protection from their creditors pursuant to the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (“**CCAA**”), and FTI Consulting Canada Inc. was appointed as CCAA monitor (the “**Monitor**”) of the Applicants.
- B. Pursuant to the Approval and Vesting Order of the Court, granted October 15, 2024 (the “**Order**”), the court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by the share purchase agreement (the “**Purchase Agreement**”) between BZAM Holdings Inc. (the “**Vendor**”), BZAM Management Inc. (the “**Company**”), Wyld Canada Inc., and 1000912353 Ontario Inc. (the “**Purchaser**”), for the purchase and sale of the Company Shares and authorizing and directing the Vendor and the Company to perform their obligations under the Purchase Agreement; (ii) added 1001028579 Ontario Inc. (“**ResidualCo**”) as an applicant to these CCAA proceedings and removing the Company as an applicant to these CCAA proceedings in order to carry out the Transaction; (iii)

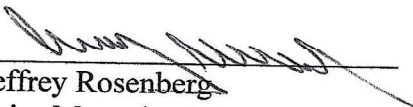
transferred and vested all of the Company's right, title and interest in and to the Excluded Liabilities and the Excluded Assets to and in ResidualCo; and (iv) vested in the Purchaser or its nominee all of the right, title and interest in and to the Company Shares and the Retained Assets owned by the Company on the Closing Date, free and clear of all Encumbrances other than 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, the Vendor, and the Company that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser, the Vendor, and the Company, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.
2. This certificate was delivered by the Monitor at 7:50 PM on December 13, 2024.

) FTI CONSULTING CANADA INC., in its
) capacity as court-appointed monitor of the
) Applicants and not in its personal capacity
)
)

) Per: 
) Name: Jeffrey Rosenberg
) Title: Senior Managing Director
)

THIS IS **EXHIBIT "F"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

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)**

**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 October 8, 2024)**

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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ROAD HOLDING CORP., AND FINAL BELL CORP.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH
(Sworn October 8, 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 Holdings**"), BZAM Management Inc. ("**BZAM Management**"), BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd. ("**TGOD**"), Medican Organic Inc. ("**Medican**"), 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 (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. This affidavit should be read in conjunction with the affidavits that I previously swore in these proceedings, including on:

- (a) February 28, 2024 (the "**First Milich Affidavit**");
- (b) March 1, 2024 (the "**Second Milich Affidavit**");
- (c) May 10, 2024 (the "**Fourth Milich Affidavit**");
- (d) July 8, 2024 (the "**Fifth Milich Affidavit**"); and
- (e) August 19, 2024 (the "**Sixth Milich Affidavit**" and together with the First Milich Affidavit, the Second Milich Affidavit, the Fourth Milich Affidavit and the Fifth Milich Affidavit, the "**Milich Affidavits**").

4. Copies of the Milich Affidavits are available on the Monitor's (as defined below) website: <http://cfcanada.fticonsulting.com/bzam/>.

5. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the First Milich Affidavit, the Second Milich Affidavit or the ARIO (as defined below), as applicable. Copies of the First Milich Affidavit (without exhibits), the Second Milich Affidavit (without exhibits) and the ARIO are attached hereto as **Exhibit "A" - "C"**, respectively.

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.

RELIEF REQUESTED

7. I swear this affidavit in support of a motion filed by the Applicants for:

- (a) an order (the "**Approval and Vesting Order**"), *inter alia*:
 - (i) abridging the time for service of the motion record returnable October 15, 2024 and dispensing with service on any person other than those served;
 - (ii) approving the share purchase agreement dated August 23, 2024 (the "**Purchase Agreement**") among BZAM Holdings, as vendor, BZAM Management, as target, 1000912353 Ontario Inc. (the "**Purchaser**"), as purchaser, and Wyld Canada Inc. ("**Wyld**"), as an interested third-party, and the transaction contemplated thereby (the "**Transaction**"), inclusive of minor amendments the Applicants and the Purchaser, with the consent of the Monitor, may deem necessary;
 - (iii) authorizing and directing BZAM Holdings and BZAM Management to perform their obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of BZAM Management's shares (the "**Purchased Shares**") to the Purchaser;

- (iv) approving the addition of 1001028579 Ontario Inc. ("**ResidualCo**") as an Applicant in these CCAA proceedings (the "**CCAA Proceedings**") and vesting all Excluded Assets, Excluded Contracts, and Excluded Liabilities (as such terms are defined in the Purchase Agreement) out of BZAM Management and into ResidualCo, and discharging all Encumbrances against BZAM Management and the Retained Assets other than the Permitted Encumbrances (each as defined in the Purchase Agreement);
 - (v) vesting in the Purchaser all of BZAM Holdings' right, title and interest in and to the Purchased Shares, free and clear of any Encumbrances (as defined in the Approval and Vesting Order); and
 - (vi) removing BZAM Management as an Applicant in these CCAA Proceedings.
- (b) an order (the "**Ancillary Order**"), among other things:
- (i) abridging the time for service of the motion record returnable October 15, 2024 and dispensing with service on any person other than those served;
 - (ii) granting an extension of the Stay Period (as defined below) to and including December 2, 2024 (the "**Stay Extension**");
 - (iii) approving an amendment to the DIP Agreement (as defined in the ARIO (as defined below)) which, among other things, extends the maturity date under the DIP Loan (as defined below) to December 2, 2024, and reduces the maximum principal amount that the Applicants can borrow under the DIP

Loan and the quantum of the DIP Lender's Charge from \$41 million to \$37 million;

- (iv) authorizing and directing the Applicants to distribute the Cash Consideration (as defined below) to Cortland Credit Lending Corporation ("**Cortland**" and in its capacity as lender, the "**DIP Lender**"), as partial repayment of the indebtedness owing by the Applicants to Cortland (the "**Cash Distribution**"), which shall be applied by Cortland to reduce such indebtedness in accordance with the terms of the DIP Loan; and
- (v) approving the Sixth Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), to be filed prior to the hearing of the motion (the "**Sixth Report**"), and the activities of the Monitor described therein.

I. OVERVIEW

A. Introduction and Background

8. BZAM is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on the production and sale of various cannabis products.

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. 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 under a debtor-in-possession credit facility (the "**DIP Loan**") from the Company's existing senior secured creditor, Cortland, 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; and
 - (d) granted the Administration Charge, the DIP Lender's Charge and the Directors' Charge.

11. At the comeback hearing on March 8, 2024, the Court granted an amended and restated Initial Order (the "**ARIO**") which, *inter alia*:
 - (a) granted an extension of the Initial Stay Period to and including May 25, 2024 (the "**Stay Period**");
 - (b) increased the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41,000,000; and

- (c) approved increases to the Administration Charge, the DIP Lender's Charge and the Directors' Charge up to the maximum amounts of \$1,000,000, \$41,000,000 and \$12,900,000, respectively.

B. The SISP

12. 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 "**Stalking Horse Purchase Agreement**") among BZAM and 1000816625 Ontario Inc. (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, with the priority set out in the ARIO;
- (c) approved a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase 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.

13. I am advised by the Monitor that 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 purposefully designed to maximize opportunities for the sale of, or investment in, all or part of the Applicants' assets and business. Under the SISP, a potential transaction included a restructuring, recapitalization, or other form of reorganization of the business and affairs of one or more of the Applicants as a going concern, or a sale of all, substantially all, or one or more components of the assets of the Applicants.

14. As part of its marketing efforts, 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 local and international third parties that may be interested in the opportunity. In addition, the Monitor prepared a Teaser Letter and other marketing materials, which were disseminated into the market broadly.

15. As a result of these efforts, the Applicants and the Monitor received a number of LOIs by the LOI Deadline (April 8, 2024) – none of which contemplated a purchase of the Applicants' entire business and operations. Rather, each bid was for unique components of the Applicants' assets. Notably, despite the Monitor and the Applicants conducting an extensive marketing process and engaging with several prospective purchasers, no bids were received in respect of BZAM Management or its assets.

16. 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.

17. On April 16, 2024, following certain discussions between the Monitor and potential bidders, the Monitor and the Applicants determined that none of the LOIs constituted a Qualified Bid. Accordingly, with the consent of the DIP Lender, the SISP was terminated and the Stalking Horse Purchase Agreement was deemed the successful bid. It is my understanding that the Monitor will provide a more detailed summary of the SISP in a future report, which will be prepared in connection with the Applicants seeking approval of the Stalking Horse Purchase Agreement and the transaction contemplated therein (the "**Stalking Horse Transaction**").

C. The Purchase Agreement

18. Pursuant to the proposed Approval and Vesting Order, the Applicants are seeking, *inter alia*, approval of the Purchase Agreement and the Transaction. The Purchase Agreement is effectively a spinoff transaction from the original Stalking Horse Purchase Agreement and is the product of extensive discussion and negotiation among BZAM Management, BZAM Holdings, the Purchaser and Wyld (the "**Transaction Parties**"), in consultation with the Monitor and the DIP Lender.

19. The Purchaser under the Purchase Agreement is a numbered company that is 100% owned and controlled by Mr. Bassam Alghanim – BZAM's largest shareholder, its current Chairman and the controller of Stone Pine Capital Inc. ("**Stone Pine**", a secured creditor of the Applicants). Mr. Alghanim is also the same individual who ultimately controls the Stalking Horse Purchaser.

20. Following the termination of the SISP, the Stalking Horse Purchaser communicated to the Applicants, and the Applicants agreed, that BZAM Management should not continue into the post-CCAA company. Instead, the parties agreed that BZAM Management should be transferred to a residual corporation for eventual liquidation (the "**Stalking Horse ResidualCo**"), as part of the

Stalking Horse Transaction. As a result of these discussions, the Applicants began disclaiming several agreements entered into by BZAM Management, including its 40% interest in a joint venture (the "**JV**") with Northwest Confections Canada Inc. ("**Northwest**"). The notice of disclaimer (the "**Disclaimer**") was sent to Northwest on May 15, 2024.

21. Following receipt of the Disclaimer, Wyld, an affiliate to Northwest and an arm's length party to the Applicants, expressed interest in acquiring BZAM Management to continue operating the JV and selling products under the "Wyld" brand. However, due to certain licensing and approval requirements, Wyld cannot immediately acquire BZAM Management until certain regulatory approvals are obtained.

22. Following certain discussions between the Transaction Parties, the Stalking Horse Purchaser ultimately agreed to purchase BZAM Management pursuant to a separate transaction, independent from the Stalking Horse Transaction, with the intention to sell the subsidiary to Wyld at a later date. While the Transaction Parties originally expected to seek approval of this transaction at the same time as the Stalking Horse Transaction, due to the ongoing postponement of seeking approval of the Stalking Horse Transaction because of the Final Bell litigation (described below), the Transaction Parties have agreed to seek approval of the Transaction separately.

23. On May 31, 2024, BZAM Management, BZAM Holdings and Wyld entered into an Indemnity & Costs Agreement (the "**Indemnity Agreement**"), whereby Wyld agreed to, among other things, assume all obligations, costs, liabilities, duties and expenses of BZAM Management from and after May 31, 2024, as well as cover certain transaction costs, until the Transaction closes and/or is terminated.

24. Additionally, as a result of certain obligations arising between the parties under the Purchase Agreement and the Indemnity Agreement (including those mentioned above), and due to previous commercial arrangements between the parties in respect of the JV, Wyld and BZAM Management are in the process of reconciling certain working capital expenditures made by each of the respective parties. Wyld and BZAM Management have historically reconciled payments between the two entities on an ongoing basis and intend to continue making such reconciliations, under the supervision of the Monitor, until the Transaction is closed. Accordingly, Wyld has a vested interest in the Transaction closing as soon as possible.

25. As required under subsection 3.13(1) of the DIP Loan, the Applicants have sought, and have received, Cortland's consent to seek the approval of the Purchase Agreement and the Transaction.

26. The Purchase Agreement was executed by the Transaction Parties on August 23, 2024. A copy of the Purchase Agreement is attached hereto as **Exhibit "D"**, which has been partially redacted to protect certain confidential employee information. The principal terms of the Purchase Agreement are summarized below for ease of reference:

Term	Details¹
Vendor	BZAM Holdings Inc.
Purchaser	1000912353 Ontario Inc.
Target	BZAM Management Inc.
Transaction	Reverse-vesting share purchase transaction structure

¹ All capitalized terms in this table not otherwise defined have the meaning ascribed to them in the Purchase Agreement.

<p>1.1 "Excluded Assets", "Excluded Contracts", and "Excluded Liabilities"</p>	<p>The Excluded Assets, Excluded Contracts, and Excluded Liabilities will be transferred to ResidualCo in accordance with the Closing Sequence:</p> <ul style="list-style-type: none"> (a) "Excluded Assets" are all properties, rights, assets and undertakings of BZAM Management designated as "Excluded Assets" at Schedule "A" of the Purchase Agreement; (b) "Excluded Contracts" means the contracts listed in Schedule "B" of the Purchase Agreement; (c) "Excluded Liabilities" means, subject to Section Article 7 of the Purchase Agreement and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever of or against BZAM Management or the Company Shares, or relating to any Excluded Assets or Excluded Contracts as at the Closing Time, including, inter alia, the non exhaustive list of Liabilities set forth in Schedule "C" of the Purchase Agreement, any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, and Liabilities for Terminated Employees whose employment with BZAM Management or its Affiliate is terminated on or before Closing.
<p>1.1 Assumed Liabilities</p>	<p>"Assumed Liabilities" means all Liabilities which relate to the Business under any Assumed Contracts, Permits and Licences (in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing.</p>
<p>1.1 "Terminated Employee"</p>	<p>"Terminated Employee" means those individuals listed in Schedule "E" to the Purchase Agreement. Prior to Closing, BZAM Management will terminate a number of employees.</p>
<p>2.1 Purchase and Sale</p>	<p>Subject to the terms and conditions of the Purchase Agreement, at the Closing Time, BZAM Holdings will sell, assign and transfer the Company Shares to the Purchaser, and the Purchaser will purchase the Company Shares from BZAM Holdings, free and clear of all Encumbrances, with the result that the Purchaser will become the sole shareholder of BZAM Management at the Closing Time.</p>
<p>3.1 Consideration</p>	<p>The purchase price for the Company Shares shall be an amount equal to the aggregate of the following: (a) cash consideration in the amount of \$1,000,000 (the "Cash Consideration"), and (b) the assumption of the Assumed Liabilities.</p>

<p>4.4 Tax Matters</p>	<p>All Taxes owed or owing or accrued by BZAM Management due:</p> <ul style="list-style-type: none">(a) prior to February 28, 2024, shall be transferred to, vested in and assumed by ResidualCo, including any and all such obligations with respect to any audits or reassessments that relate to such time period shall be transferred to and vest in ResidualCo;(b) from February 28, 2024 to May 31, 2024, will be the responsibility of, and assumed by, BZAM Holdings, which includes any obligations resulting from any audit or reassessment with respect to any Taxes that relate to the time period; and(c) as of May 31, 2024, shall be assumed by Wyld in accordance with the terms of the Indemnity Agreement. <p>All Taxes arising from or in connection with the consummation of the Transaction and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo will be assumed by ResidualCo. For greater certainty, the Parties agree that to the extent any such tax liabilities are not transferred to ResidualCo, Wyld will assume, and be responsible for, such tax obligations.</p>
<p>9.1 Conditions – Purchaser and Vendor</p>	<p>The obligation of the contractual parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed:</p> <ul style="list-style-type: none">(a) the Court shall have granted the proposed Approval and Vesting Order in form and substance satisfactory to each of the Parties, which shall not have been vacated, set aside or stayed (or any such appeal shall have been expired);(b) The Stalking Horse Agreement shall have been amended to permit the Transaction; and(c) the Parties shall have entered into a licensing agreement in form and substance satisfactory to BZAM Holdings and the Purchaser, pursuant to which the Purchaser shall be authorized to operate the Business under the name of BZAM Management Inc. for a period of up to six months.
<p>9.2 Conditions – Purchaser</p>	<p>Material conditions in favour of the Purchaser are summarized below:</p> <ul style="list-style-type: none">(a) BZAM Management shall have terminated the employment of 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, wages, overtime pay, vacation pay, benefits, bonuses or other compensation or entitlements, including any amounts deemed owing pursuant to statute or common law, shall be Excluded Liabilities and

	<p>shall be Discharged as against BZAM Management, the Company Shares and the Retained Assets pursuant to the Approval and Vesting Order;</p> <p>(b) BZAM Management shall have sent notices of disclaimer for all known Excluded Contracts and other agreements, and such known Excluded Contracts shall form part of the Excluded Assets; and</p> <p>(c) the transaction contemplated by the Stalking Horse Agreement shall not have closed.</p>
9.3 Conditions – BZAM Holdings (Vendor) & BZAM Management (Target)	The Purchase Agreement contains standard conditions in favour of BZAM Holdings and BZAM Management.
Exhibit "A" - Closing Sequence	<p>On the Closing Date, closing shall take place in the Closing Sequence described below:</p> <ol style="list-style-type: none">1. Prior to the service of court materials for the approval hearing, ResidualCo shall be incorporated by BZAM Holdings with nominal consideration for common shares.2. Effective as of the Closing Time, ResidualCo shall be added to the CCAA Proceeding as an Applicant and the Excluded Assets and Excluded Liabilities shall be transferred to, and vest in, ResidualCo and discharged against BZAM Management, the Company Shares and the Retained Assets pursuant to the Approval and Vesting Order.3. Effective as of the Closing Time: (i) the Company Shares will be transferred to the Purchaser; and (ii) the Purchaser will satisfy the Purchase Price in accordance with the terms of the Agreement.4. 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 Company may be bound at the Closing Time, including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo, and BZAM Management shall have no obligation in connection with such Liabilities or Taxes.5. Effective two moments following the Closing Time, the CCAA Proceeding shall be terminated in respect of the BZAM Management, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall

	continue in respect of, among others, BZAM Holdings and ResidualCo.
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D. Stay Extensions

27. During the pendency of these CCAA Proceedings, the Court has granted three stay extensions: the first extension on May 17, 2024 (the "**First Stay Extension**"), the second extension on July 15, 2024, and the third extension on August 26, 2024 (the "**Third Stay Extension**").

28. Pursuant to the Third Stay Extension, the Stay Period was extended to and including October 15, 2024. The Applicants are now seeking a further stay extension pursuant to the proposed Ancillary Order to and including December 2, 2024.

E. DIP Amendment

29. The DIP Loan has been amended twice during the pendency of these CCAA Proceedings. Most recently, the DIP Loan was amended on August 21, 2024, to, among other things, extend the maturity date to October 15, 2024. As will be discussed in greater detail below, pursuant to a third amending agreement (the "**DIP Amendment**"), Cortland and the Applicants have agreed to extend the maturity date to December 2, 2024.

F. Litigation with Final Bell

30. Final Bell Holdings International Ltd. ("**Final Bell**") served a notice of motion on March 18, 2024, requesting, among other things, an order rescinding a share exchange agreement entered into among Final Bell, BZAM and Final Bell Canada Inc. (the "**Share Exchange Agreement**"). On May 3, 2024, Final Bell abandoned its rescission claim, seeking in the alternative: (i) equitable

damages in lieu of rescission, and (ii) a declaration that such damages are subject to a constructive trust (the "**Amended Claim**"). The Amended Claim was amended again on September 5, 2024.

31. On June 30, 2024, Final Bell was ordered to: (i) post security in the amounts of \$350,000 and \$147,000 in respect of the costs of BZAM and Cortland, respectively (the "**Security**"), and (ii) pay to BZAM and Cortland costs in respect of the Security for Costs Motions heard on June 4, 2024 in the amounts of \$20,000 and \$8,500, respectively (the "**Costs**"). On or around July 17, 2024, Final Bell posted the Security and paid the Costs to BZAM.

32. In response to the Amended Claim, Cortland brought a motion seeking a declaration that the claims of Final Bell against the Applicants, including any potential constructive trust claim in relation to the assets of the Applicants or the sale proceeds related thereto, are subordinate to Cortland's secured interest, including the DIP Lender's Charge, in such assets and proceeds (the "**Threshold Motion**"). BZAM, on behalf of the Applicants, supported Cortland's position on the Threshold Motion.

33. The Threshold Motion was argued before the Honourable Justice Osborne on September 18, 2024. As of the date of this affidavit, no decision in respect of the Threshold Motion has been issued.

34. Final Bell's constructive trust claim has no connection to the assets being transferred pursuant to the Transaction (i.e., the Purchased Shares, the Retained Assets and the Cash Consideration). Notwithstanding the fact that the Threshold Motion and the Amended Claim remain unresolved at this time, the Applicants do not anticipate that the Transaction will have any impact on the Threshold Motion, the Amended Claim or any remedy that may be awarded in connection therewith.

II. THE APPROVAL AND VESTING ORDER

1. The Purchase Agreement

35. As noted above, no Qualified Bids (aside from the Stalking Horse Purchase Agreement) were received pursuant to the SISP, nor were any bids received in respect of the business or assets of BZAM Management. Accordingly, the Stalking Horse Bid was deemed the only path forward that will allow that business to continue as a going concern.

36. Instead of acquiring the Applicants' entire business in a single transaction, it is my understanding that the Stalking Horse Purchaser has decided that it is more commercially advantageous for it to complete the Stalking Horse Transaction through two separate agreements. I understand from the Stalking Horse Purchaser that this structuring is entirely motivated by licensing and regulatory issues, and that the Stalking Horse Purchaser is not intending to “flip” BZAM Management to a third party for a profit.

37. The Transaction does not materially change the consideration being paid under the original Stalking Horse Purchase Agreement or materially alter the economics of the Stalking Horse Bid. Under the Stalking Horse Purchase Agreement, the Stalking Horse Purchaser is required to pay in cash an amount sufficient to pay in full 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 Stalking Horse Purchase Agreement.

38. Whereas, pursuant to the proposed Transaction, it is intended that the Cash Consideration will be distributed to the DIP Lender, as partial repayment of the indebtedness owing by the Applicants to Cortland. As such, the Cash Distribution is effectively a *de minimis* partial pre-

payment of the cash consideration that will be owed under the Stalking Horse Purchase Agreement upon consummation of the Stalking Horse Transaction.

39. The Transaction will result in (i) a number of employees maintaining their employment; (ii) customers maintaining ongoing relationships with the Wyld brand; and (iii) certain suppliers of goods and services maintaining their business relationships with BZAM Management and the Wyld brand. Given that the SISP did not result in the submission of any other bids for BZAM Management, the only viable alternative to the Transaction would be the Stalking Horse Purchase Agreement, as originally structured, which contemplates transferring the BZAM Management business to the Stalking Horse ResidualCo to be liquidated. That would clearly be a worse result for the Applicants, BZAM Management, Cortland, Wyld and each of their stakeholders.

40. The Transaction is supported by the Monitor, Stone Pine and Cortland, in its capacity as the DIP Lender. I do not believe that the Transaction prejudices any party, including Final Bell in respect of the Amended Claim. As stated above, the Amended Claim has no connection to the purchase and sale of the Purchased Shares (which belonged to BZAM Holdings prior to the consummation of the Share Exchange Agreement), the Transaction, the Retained Assets or the Cash Consideration.

2. The Reverse Vesting Structure

41. The Purchase Agreement provides that the Transaction is conditional on this Court granting the Approval and Vesting Order. The proposed Approval and Vesting Order is a "reverse vesting order" that approves the reverse vesting structure of the Transaction – i.e., the transfer of liabilities and certain assets out of BZAM Management and the subsequent purchase of the share capital of BZAM Management as a "cleansed" entity. The Approval and Vesting Order contemplates that all

claims and encumbrances will be vested out of BZAM Management and will attach to the proceeds of the Transaction.

42. 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, BZAM Management holds: (i) a license with Health Canada that permits it to undertake standard processing 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. BZAM Management would not be able to continue to operate in the cannabis industry without the Licenses.

43. The primary purpose of the reverse vesting structure is to preserve the Licenses by facilitating an efficient operational transfer of BZAM Management's business following the closing of the Transaction. It is the intention of the Transaction Parties that the Licenses will be eventually assumed by Wyld once the proper approvals have been obtained and a second transaction, outside of these CCAA Proceedings, is completed between Wyld and the Purchaser. 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. Further, the reverse vesting structure will allow the Stalking Horse Purchaser to efficiently keep key material contracts in place, including valuable employment and supplier agreements which are vital to the ongoing operations of the business.

44. Based on the above, I understand the Stalking Horse Purchaser and the other Transaction Parties were 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.

45. I do not believe that the Transaction, including the reverse vesting structure, will result in any material prejudice to any of the Applicants' stakeholders. As noted above, the Purchaser is the only party, besides Wyld, that has communicated any interest in acquiring BZAM Management. The Transaction is the only transaction available to the Applicants that would result in any proceeds for distribution in respect of BZAM Management (other than the Stalking Horse Transaction) and makes the most commercial sense. I understand that the Monitor is supportive of the reverse vesting structure and agrees that it is appropriate in the circumstances.

III. THE ANCILLARY ORDER

1. DIP Amendment

46. Based on the revised and extended consolidated cash flow (described below), the Applicants, in consultation with the Monitor and the DIP Lender, have determined that they no longer require access to the original principal amount available under the DIP Loan. As such, the Applicants and Cortland have agreed to reduce the maximum principal amount that the Applicants can borrow under the DIP Loan from \$41 million to \$37 million. The Ancillary Order also contemplates a corresponding reduction to the DIP Lender's Charge. The DIP Amendment, and the reduction contemplated therein, is based on the go-forward funding needs of the Applicants and allows the Applicants to continue operating in the ordinary course, while also providing Cortland with the flexibility to allocate the underutilized capital to other matters.

47. In addition, Cortland and the Applicants have agreed to extend the maturity date under the DIP Loan to and including December 2, 2024. The Applicants, with the assistance of the Monitor, have prepared a revised and extended consolidated cash flow, reflecting that even with the DIP Amendment, the Applicants are forecasted to have sufficient liquidity to fund their obligations and

the costs of these CCAA Proceedings (the "**Fourth Revised Cash Flow Forecast**"). I understand from the Monitor that the Fourth Revised Cash Flow Forecast will be attached to the Sixth Report.

2. Cash Distribution

48. The proposed Ancillary Order authorizes and directs the Applicants to distribute the Cash Consideration to Cortland free and clear of all claims, as partial satisfaction of the indebtedness owing to the DIP Lender by the Applicants. Cortland, in its capacity as the DIP Lender, is the Applicants' senior secured creditor and has a Court-ordered super priority interest in all assets of the Applicants.

49. The Cash Consideration from the Transaction will be insufficient to repay, in full, the secured debt of the DIP Lender. Accordingly, it is proposed that once the Cash Consideration is paid to BZAM Holdings, the DIP Lender will be the only creditor that will receive any proceeds from the Cash Distribution.

50. I understand that the Monitor supports the Cash Distribution and does not believe that any stakeholder will be materially prejudiced by the Cash Distribution – especially since the alternative to the Transaction (i.e., transferring BZAM Management to the Stalking Horse ResidualCo) would generate no additional sale proceeds for distribution to any creditors. Accordingly, the other creditors of the Applicants are effectively in the same position in respect of the disposition of BZAM Management under the Transaction as they would have been under the original Stalking Horse Purchase Agreement.

51. The Cash Distribution is also not prejudicial to Final Bell. As discussed above, the Cash Distribution arises only in connection with the sale of assets that existed prior to the consummation

of the Share Exchange Agreement. Accordingly, Final Bell's constructive trust claim has no connection to the Cash Distribution and the Cash Distribution is not anticipated to have an impact on Final Bell or the Amended Claim.

3. Stay Extension

52. The Stay Period under the Stay Extension is currently set to expire on October 15, 2024. Pursuant to the proposed Ancillary Order, the Applicants are seeking to extend the Stay Period to and including December 2, 2024.

53. The Applicants had originally intended to seek approval of the Stalking Horse Purchase Agreement and the Stalking Horse Transaction prior to the expiry of the First Stay Extension. However, the Applicants have continued to postpone seeking such approval due to the ongoing uncertainty surrounding the determination of the Amended Claim. As discussed in greater detail in the Sixth Milich Affidavit, the Applicants and Cortland cannot determine whether consummation of the Stalking Horse Purchase Agreement would result in the payment in full of all obligations owing to Cortland by the Applicants (which is the fundamental structure of the Stalking Horse Transaction and a requirement under subsection of subsection 3.13(l) of the DIP Loan) until the Amended Claim has been resolved. As such, the Applicants intend to postpone consideration of the Stalking Horse Transaction until after a decision on the Threshold Motion has been issued.

54. If extended, the stay of proceedings will preserve the *status quo* and afford the Applicants the breathing space and stability required to operate their business in the ordinary course, finalize all restructuring objectives, seek approval of the Stalking Horse Transaction (subject to the comments noted above), and commence the process of exiting these CCAA Proceedings.

55. Since the commencement of these CCAA Proceedings, the Applicants have acted, and continue to act, in good faith and with due diligence. Since the granting of the Third Stay Extension, the Applicants have diligently, among other things:

- (a) attended and reviewed materials in respect of the Threshold Motion;
- (b) negotiated extensions to the maturity date under the DIP Loan;
- (c) implemented, with the assistance of the Monitor, certain restructuring steps, including disclaiming certain leases and supplier agreements;
- (d) engaged with the Canada Revenue Agency to initiate preparations for the Applicants' exit from these CCAA Proceedings;
- (e) engaged in extensive negotiations with the Transaction Parties; and
- (f) continued to work towards finalizing the terms of the Stalking Horse Purchase Agreement.

56. As discussed above, the Applicants, with the assistance of the Monitor, prepared the Fourth Revised Cash Flow Forecast to determine their funding requirements during the Stay Extension. As the Fourth Revised Cash Flow Forecast illustrates, the Applicants are forecasted to have sufficient liquidity to fund all obligations through the end of the Stay Extension period.

57. I also understand that the Monitor, the DIP Lender, Stone Pine 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.

4. Sixth Report Approval

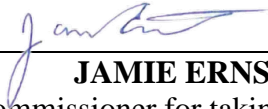
58. The proposed Ancillary Order seeks approval of the Sixth Report, and the activities of the Monitor and its counsel described therein. Throughout these CCAA Proceedings, the Monitor and its counsel have provided valuable assistance to the Applicants, the Court and its stakeholders. As such, the Applicants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

IV. CONCLUSION

59. 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. As discussed, the granting of the Approval and Vesting Order will allow the Applicants to achieve a value-maximizing solution for their stakeholders and will allow the BZAM Management business to continue as a going-concern. Further, I believe that the proposed Ancillary Order is necessary to ensure the Applicants' continued operation in the ordinary course and will provide the Applicants the time and space required to finalize the terms of the Stalking Horse Purchase Agreement and continue towards exiting these CCAA Proceedings.

60. I swear this affidavit in support of the Applicants' motion for the proposed Ancillary Order and Approval and Vesting Order and for no other or improper purpose.

THIS IS **EXHIBIT "G"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.

A handwritten signature in blue ink, appearing to read "Jamie Ernst", is positioned above a horizontal line.

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

AGREEMENT OF PURCHASE AND SALE

BETWEEN

BZAM CANNABIS CORP.

- and -

2627411 ALBERTA LTD.

Dated: January 6, 2025

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AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT made this 6th day of January, 2025.

BETWEEN:

BZAM CANNABIS CORP.

(the "**Vendor**")

- and -

2627411 ALBERTA LTD.

(the "**Purchaser**")

RECITALS:

- A. the Vendor and certain of its affiliates (the "**BZAM Group**") applied for and obtained an initial order (as amended and restated on March 8, 2024, and as may be further amended and restated from time to time, the "**Initial Order**") for creditor protection pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**" and the BZAM Group's proceedings thereunder, the "**CCAA Proceedings**"), from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as the monitor of the BZAM Group (in such capacity, the "**Monitor**");
- B. the Parties previously entered into an Offer to Purchase on or around June 13, 2024, as amended by a First Amending Agreement dated July 31, 2024, a Second Amending Agreement dated September 5, 2024, a Third Amending Agreement dated September 30, 2024 and a Fourth Amending Agreement dated December 17, 2024 (collectively, the "**Offer to Purchase**"); and
- C. the Purchaser wishes to purchase and the Vendor wishes to sell the Purchased Assets upon the terms and subject to the conditions set out herein, which shall supersede and replace the Offer to Purchase.

NOW THEREFORE, in consideration of the promises, mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are each hereby acknowledged by the Parties, the Parties agree as follows:

ARTICLE 1 **DEFINED TERMS**

1.1 Definitions

In this Agreement:

"**Agreement**" means this agreement of purchase and sale, including all schedules and all amendments or restatements, as permitted, and references to "**article**", "**section**" or "**schedule**" mean the specified article, section of, or schedule to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular section or other portion of this Agreement;

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"**Approval and Vesting Order**" means the approval and vesting order issued by the Court approving this Agreement and the Transaction and conveying to the Purchaser the Purchased Assets free and clear of all Encumbrances other than the Permitted Encumbrances, which order shall be in a form substantively similar to the draft order attached as Schedule "B" hereto, with such modifications and amendments to such form as may be approved by the Vendor and the Purchaser, each acting reasonably, with the consent of the Monitor;

"**Assignable Assets**" has the meaning given in Section 3.1(c);

"**Assumed Liabilities**" means those liabilities identified in Schedule "C", Part III;

"**Assumed Mortgage**" means the current mortgage for a principal amount of \$5,000,000 as between the Vendor as borrower and Manjinder Singh Gill as agent for and on behalf of certain Lenders, pursuant to a Commitment Letter dated May 19, 2021 and Collateral Mortgage dated May 31, 2021 and registered against the title to the Lands on July 14, 2021 as mortgage instrument no. 212 152 636 and caveat no. 212 162 637 as further described in Schedule C, Part II;

"**Assumption Agreement**" has the meaning given in Section 15.13;

"**Avison Young**" means Avison Young Commercial Real Estate Services, LP;

"**Books and Records**" means the files, documents, instruments, surveys, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) pertaining to the Purchased Assets that have been or will be delivered by the Vendor to the Purchaser at or before Closing; provided, however, that Books and Records shall not include any bank or accounting records;

"**Broker Agreement**" means the agreement between Avison Young and the Vendor dated August 15, 2023;

"**Broker Fee**" means the commission payable to Avison Young in connection with a sale of the Property pursuant to the Broker Agreement;

"**Buildings**" means all buildings constructed on the Lands together with all other improvements to the Lands;

"**Business Day**" means a day on which banks are open for business in the City of Toronto and Edmonton, but does not include a Saturday, Sunday or statutory holiday in the Provinces of Ontario and Alberta;

"**BZAM Group**" has the meaning set out in the recitals;

"**CCAA**" has the meaning set out in the recitals;

"**CCAA Proceedings**" has the meaning set out in the recitals;

"**Chattels**" means all surplus non-cannabis inventory and non-fixed equipment located in the Buildings;

"**Claims**" means any and all claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions or other similar processes, assessments or reassessments, judgments, debts, liabilities, expenses, costs, damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including solicitor and client costs and disbursements, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing, related to the Purchased Assets or the Vendor, and "**Claim**" means any one of them;

"**Closing**" means the successful completion of the Transaction;

"**Closing Date**" means the first Business Day which is ten (10) days after the date on which the Approval and Vesting Order is issued by the Court, or, if the Parties agree, such other date as agreed in writing by the Parties;

"**Consents and Approvals**" means the consents and approvals of all relevant third parties with respect to the Transaction, if any;

"**Contracts**" means all of the contracts, licences, agreements, obligations, promises, undertakings, understandings, arrangements, documents, commitments, entitlements and engagements to which the Vendor is a party and which relate to the Vendor's business;

"**Court**" has the meaning set out in the recitals;

"**Deposit**" has the meaning given in Section 4.2;

"**Encumbrances**" means all liens, charges, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), levies, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise;

"**ETA**" means the *Excise Tax Act*, R.S.C. 1985, c. E-15, as amended;

"**Excluded Assets**" means the Vendor's right, title and interest in and to any assets other than the Purchased Assets, which Excluded Assets include the Vendor's:

- (a) original tax records and books and records pertaining thereto, minute books, corporate seals, taxpayer and other identification numbers and other documents relating to the organization, maintenance and existence of the Vendor that do not relate exclusively or primarily to any of the Purchased Assets; and
- (b) the benefit of any refundable Taxes payable or paid by any member of the BZAM Group in respect of the Purchased Assets and applicable to the period prior to the Closing Date net of any amounts withheld by any taxing authority, and any claim or right of any member of the BZAM Group to any refund, rebate, or credit of Taxes for the period prior to the Closing Date;

"**Excluded Liabilities**" has the meaning given in Section 3.3;

"**Governmental Authorities**" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, republic, territory, state or other geographic or political subdivision thereof, including, without limitation, any municipality in which the Property is located; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "**Governmental Authority**" means any one of them;

"**Initial Order**" has the meaning set out in the recitals;

"**GST**" means goods and services tax imposed under Part IX of the ETA;

"**GST Certificate**" has the meaning given in Section 5.1;

"**ITA**" means the *Income Tax Act*, R.S.C. 1985, c.1, as amended;

"**Lands**" means the real property municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 and legally described in Schedule A hereto, together with all rights and benefits appurtenant thereto;

"**Lenders**" means the Lenders under the Assumed Mortgage;

"**License to Occupy**" means the License to Occupy between the Parties made December 17, 2024;

"**Monitor**" has the meaning set out in the recitals;

"**Notice**" has the meaning given in Section 15.5;

"**Offer to Purchase**" has the meaning set out in the recitals;

"**Parties**" means the Vendor and the Purchaser and "**Party**" means either one of them;

"Permits" means all the authorizations, registrations, permits, certificates of approval, approvals, consents, commitments, rights or privileges issued, granted or required by any Governmental Authority in respect of the Property;

"Permitted Encumbrances" means all those Encumbrances described in Schedule "C" hereto;

"Person" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted;

"Property" means, collectively, the Lands, the Buildings and the Chattels;

"Property Tax Refund" has the meaning set out in Section 4.7;

"Purchase Price" has the meaning set out in Section 4.1;

"Purchased Assets" means all the right, title and interest, if any, of the Vendor in and to the following:

- (a) the Property;
- (b) the full benefit of any and all prepaid expenses or deposits with any Person, public utility or Governmental Authority relating to the Property;
- (c) the Permits, but only to the extent transferable to the Purchaser or the Purchaser's permitted assignees; and
- (d) the Assumed Liabilities.

provided, however, that the Purchased Assets shall not include the Excluded Assets or the Excluded Liabilities;

"Purchaser" has the meaning set out in the recitals;

"Rights" has the meaning given in Section 3.1(c), but only has such meaning in such Section;

"Taxes" means all taxes, GST, land transfer taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, excise, real property and personal property taxes, and any related interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"Third Party" has the meaning given in Section 3.1(c);

"Transaction" means the transaction of purchase and sale contemplated by this Agreement;

"Vendor Mortgage" means a second charge to be granted at Closing in favour of The Green Organic Dutchman Ltd., and registered against the title to the Property forthwith thereafter, and

which must be in a form and substance satisfactory to the Vendor, containing, among other things, the following terms:

- (a) Principal Sum: \$250,000
- (b) Interest Rate: Five (5%) percent per annum, paid monthly
- (c) Term: Twelve (12) months
- (d) Repayment: The Purchaser can repay any amount of the Principal Sum throughout the Term of the Vendor Mortgage without penalty; and

"Vendor's Solicitors" means Bennett Jones LLP.

ARTICLE 2 **SCHEDULES**

2.1 Schedules

The following schedules are incorporated in and form part of this Agreement:

<u>Schedule</u>	<u>Description</u>
Schedule A	Legal Description of the Lands
Schedule B	Form of Approval and Vesting Order
Schedule C	Permitted Encumbrances / Assumed Liabilities

ARTICLE 3 **AGREEMENT TO PURCHASE**

3.1 Purchase and Sale of Purchased Assets

- (a) Relying on the representations and warranties herein, the Vendor hereby agrees to sell, assign, convey and transfer to the Purchaser, and the Purchaser hereby agrees to purchase, the Purchased Assets, free and clear of all Encumbrances, other than the Permitted Encumbrances.
- (b) Subject to the Closing, the Vendor hereby remises, releases and forever discharges to, and in favour of, the Purchaser, all of its rights, Claims, interests and demands, past or present, whether known or unknown, fixed or contingent or otherwise, whatsoever in the Purchased Assets.

- (c) This Agreement or any document delivered in connection with this Agreement shall not constitute an assignment of any rights, benefits or remedies (in this Section 3.1(c), collectively, the "**Rights**"), Permits or Consents and Approvals (collectively, the "**Assignable Assets**") that form part of the Purchased Assets and which are not assignable by the Vendor to the Purchaser without the required consent of the other party or parties thereto or a Governmental Authority (collectively, the "**Third Party**"). To the extent any such consent is required and not obtained by the Vendor prior to the Closing Date, then, to the extent permitted by Applicable Law:
- (i) the Vendor will, at the request, direction and sole cost of the Purchaser, acting reasonably, assist the Purchaser, in a timely manner and using commercially reasonable efforts, in applying for and obtaining all consents or approvals required under the Assignable Assets in a form satisfactory to the Vendor and the Purchaser, acting reasonably;
 - (ii) the Vendor will only deal with or make use of such Rights in accordance with the directions of the Purchaser; and
 - (iii) at the Purchaser's sole cost, the Vendor will use its commercially reasonable efforts to take such actions and do such things as may be reasonably and lawfully designed to provide the benefits of the Assignable Assets to the Purchaser, including holding those Assignable Assets in trust for the benefit of the Purchaser or acting as agent for the Purchaser pending such assignment.

The provisions of this Section 3.1 shall not merge but shall survive the completion of the Transaction. Notwithstanding the forgoing, nothing herein shall prohibit the BZAM Group in its sole, absolute and unfettered discretion, from seeking to terminate the CCAA Proceedings at any time after Closing. The Parties hereby acknowledge and agree that the covenants of the Vendor contained in this Section 3.1 shall terminate concurrently with the termination of the CCAA Proceedings.

3.2 Excluded Assets

Notwithstanding anything else in this Agreement, the Purchased Assets shall not include the Excluded Assets.

3.3 Excluded Liabilities

With the sole exception of the Permitted Encumbrances and Assumed Liabilities, the Purchaser is not assuming, and shall not be deemed to have assumed any liabilities, obligations or commitments of the Vendor or of any other Person, whether known or unknown, fixed or contingent or otherwise, including any debts, obligations, sureties, positive or negative covenants or other liabilities directly or indirectly arising out of or resulting from the conduct or operation of the Vendor's ownership or interest therein, whether pursuant to this Agreement or as a result of the Transaction (collectively, the "**Excluded Liabilities**"). For greater certainty, the Excluded Liabilities shall include, but not be limited to, the following:

- (a) except as otherwise agreed in this Agreement, all Taxes payable by the Vendor arising with respect to any period prior to the Closing Date and all Taxes payable relating to any matters or assets other than the Purchased Assets;
- (b) except as otherwise agreed in this Agreement or the License to Occupy, any liability, obligation or commitment associated with and incurred prior to Closing;
- (c) any liability, obligation or commitment resulting from an Encumbrance that is not a Permitted Encumbrance;
- (d) any liability, obligation or commitment associated with any of the Excluded Assets; and
- (e) except as otherwise agreed in this Agreement, any liability, obligation or commitment in respect to Claims arising from or in relation to any facts, circumstances, events or occurrences existing or arising prior to the Closing Date.

ARTICLE 4
PURCHASE PRICE AND SATISFACTION OF PURCHASE PRICE

4.1 Purchase Price

The purchase price for the Purchased Assets shall be \$8,550,000 (the "**Purchase Price**").

4.2 Deposit

The Vendor and the Monitor acknowledge that the Purchaser has paid deposits in the amount of \$600,000 to the Monitor and \$2,700,000 to the Vendor's Solicitors (collectively, the "**Deposit**").

4.3 Satisfaction of Purchase Price

The Purchaser shall indefeasibly pay and satisfy the Purchase Price as follows:

- (a) by crediting the following against the Purchase Price:
 - (i) the Deposit;
 - (ii) the amount remaining outstanding against the Assumed Mortgage; and
 - (iii) the amount of the Vendor Mortgage; and
- (b) as to the balance of the Purchase Price (if any), as adjusted pursuant to Section 4.6, the Purchaser's solicitors shall pay such amount to the Vendor's Solicitors (in trust for and on behalf of the Vendor) or the Monitor by the methods set out in Section 6.2.

4.4 Assumed Mortgage and Vendor Mortgage Costs

The Purchaser shall be responsible for all costs related to:

- (a) any assumption agreements or other documents or actions required from Vendor or the Purchaser by the Lender in relation to the assumption of the Assumed Mortgage including the registration of any such agreements against title to the Lands (if required by the Lender, the Vendor, or the Monitor); and
- (b) the preparation of the Vendor Mortgage by the Vendor's Solicitors and registration of the same against title to the Lands.

4.5 Allocation of Purchase Price

The Parties, acting reasonably and in good faith, covenant to use best efforts to agree to allocate the Purchase Price among the Purchased Assets in a mutually agreeable manner on or prior to the Closing Date, provided that failure of the Parties to agree upon an allocation shall not result in the termination of this Agreement but rather shall result in the nullity of the application of this Section 4.5 such that each Party shall be free to make its own reasonable allocation.

4.6 Adjustment of Purchase Price

- (a) The Purchase Price shall be adjusted as of 11:59 p.m. on the day prior to the Closing Date, in a manner and amount to be agreed upon by the Parties in accordance with the terms of this Agreement and the License to Occupy, acting reasonably, for any and all operating costs, property Taxes, security deposits and utilities, including any interest thereon in each case, and any other items which are usually adjusted in purchase transactions involving assets similar to the Purchased Assets in the context of a sale in insolvency proceedings. The Vendor, with the assistance of the Monitor, shall prepare a statement of adjustments and deliver same with all supporting documentation to the Purchaser for its approval by no later than three (3) Business Days prior to the Closing Date. If the amount of any adjustments required to be made pursuant to this Agreement cannot be reasonably determined as of the Closing Date, an estimate shall be agreed upon by the Parties as of the Closing Date based upon the best information available to the Parties at such time, each Party acting reasonably, and such estimate shall serve as a final determination.
- (b) Other than as provided for in this Section 4.6 and Section 4.7, there shall be no adjustments to the Purchase Price.

4.7 Property Tax Refunds and Rebates

Any refund or rebate of property Taxes relating to the Property in respect of the period prior to the Closing Date (each a "**Property Tax Refund**") will remain the property of the Vendor. To the extent the Purchaser receives payment or credit on account of any Property Tax Refund, the Purchaser shall hold such amount in trust for the Vendor, endorse such amount (without recourse) in favour of the Vendor and immediately deliver such amounts to the Vendor or the Monitor. Any refund or rebate of property Taxes relating to the Property in respect of the period from and after the Closing Date will be the property of the Purchaser. To the extent the Vendor or the Monitor receives payment of any such amount, the Vendor or the Monitor, as applicable, shall hold such amount in trust for the Purchaser, endorse such payment (without recourse) in favour of the Purchaser and deliver such payments to the Purchaser.

ARTICLE 5
TAXES

5.1 Taxes

The Purchaser shall be responsible for all federal and provincial sales taxes, land transfer tax, good and services, GST and other similar taxes and duties and all registration fees payable upon or in connection with the conveyance or transfer of the Purchased Assets to the Purchaser. If the sale of the Purchased Assets is subject to GST, then such tax shall be in addition to the Purchase Price. The Vendor will not collect GST if the Purchaser provides to the Vendor and the Monitor a certificate (the "**GST Certificate**"), at least five (5) Business Days prior to Closing, confirming that the Purchaser: (i) is registered under the ETA, including a copy of the required ETA registration; (ii) is buying the Property for its own account and not on behalf of any other Person; (iii) shall self-assess and remit the GST payable and file the prescribed form; and (iv) shall indemnify the Vendor in respect of any GST payable in relation to the Transaction. The foregoing warranties shall not merge but shall survive the completion of the Transaction.

ARTICLE 6
CLOSING ARRANGEMENTS

6.1 Closing

Subject to the conditions set out in this Agreement, the Transaction shall close and be completed on the Closing Date. The Parties agree that the Closing shall in all respects follow the usual procedure for closing real estate transactions in the Province of Alberta, subject to any requirements imposed by the Court.

6.2 Tender

Any tender of documents or money under this Agreement may be made upon the Parties or their respective solicitors, and money shall be tendered by wire transfer of immediately available funds to the account specified by the receiving Party.

6.3 Vendor's Closing Deliverables

The Vendor covenants to execute, where applicable, and deliver the following to the Purchaser on or before the Closing Date or on such other date as expressly provided in this Agreement:

- (a) a copy of the issued Approval and Vesting Order and any applicable certificates executed by the Monitor;
- (b) a statement of adjustments prepared in accordance with Section 4.6.;
- (c) to the extent applicable, an assignment and assumption agreement for all Permits, and Consents and Approvals pertaining to the Property (to the extent assignable) relating to the period from and after the Closing Date and, to the extent not assignable, an agreement that the Vendor will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);

- (d) termination of the License to Occupy;
- (e) the Vendor Mortgage and any additional customary documentation as reasonably required by the Vendor or the Vendor's Solicitors, including, if requested, the customary opinions of the Purchaser's solicitors with respect to the due authorization, execution, delivery, and enforceability of the Vendor Mortgage; and
- (f) a certificate from the Vendor, which dated as of the Closing Date, certifying that:
 - (i) except as disclosed in the certificate, the Vendor has not been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the Transaction;
 - (ii) all representations, warranties and covenants of the Vendor contained in this Agreement are true and have been complied with as of the Closing Date, with the same effect as though made on and as of the Closing Date; and
- (g) any further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Purchaser, acting reasonably, the Court, Applicable Law, or any Government Authority,

6.4 Purchaser's Closing Deliverables

The Purchaser covenants to execute, where applicable, and deliver the following to the Vendor on or before the Closing Date or on such other date as expressly provided herein:

- (a) the indefeasible payment and satisfaction in full of the Purchase Price in accordance with Section 4.3;
- (b) all documents listed in Section 6.3 which contemplate execution by the Purchaser;
- (c) an assignment and assumption agreement for all Permits, and Consents and Approvals pertaining to the Property (to the extent assignable) relating to the period from and after the Closing Date, and to the extent not assignable, an agreement that the Vendor will hold same in trust for the Purchaser in accordance with the provisions of Section 3.1(c);
- (d) any assumption agreements or other documentation required by the Lender to effect the assumption of the Assumed Mortgage by the Purchaser;
- (e) a certificate from the Purchaser, dated as of the Closing Date, certifying that all representations, warranties and covenants of the Purchaser contained in this Agreement are true and have been complied with as of the Closing Date, with the same effect as though made on and as of the Closing Date;

- (f) payment or evidence of payment of GST applicable to the Purchased Assets or, if applicable, the GST Certificate; and
- (g) any further documentation relating to the completion of the Transaction as shall be otherwise referred to herein or required by the Vendor, acting reasonably, the Court, Applicable Law, or any Government Authority.

6.5 Monitor's Certificate

Upon receipt of written confirmation from: (i) the Purchaser that all of the conditions contained in Section 7.2 have been satisfied or waived by the Purchaser; and (ii) the Vendor that all of the conditions contained in Section 7.1 have been satisfied or waived by the Vendor, the Monitor shall forthwith deliver to the Purchaser and the Vendor the Monitor's Certificate comprising Schedule "A" of the Approval and Vesting Order, and shall file same with the Court.

6.6 Title Insurance, PRQ and Registration

- (a) The Purchaser may but is not obligated to obtain title insurance coverage for the Property with a reputable title insurance provider in order to allow for the unconditional Closing on the Closing Date, notwithstanding that the Approval and Vesting Order and Vendor Mortgage may not be registered against title to the Lands as at such date. The Vendor shall use commercially reasonable efforts to assist the Purchaser in obtaining such title insurance coverage. The cost of obtaining any title insurance in connection with the purchase of the Property shall be at the sole cost of the Purchaser.
- (b) In recognition of the significant time delays at the Alberta Land Titles Office, and provided the Lender and the holder of the Vendor Mortgage have approved of this alternative, the Parties may agree to rely on the Land Title Office pending registration queue to allow for the Closing on the Closing Date in lieu of obtaining title insurance.

The Vendor's Solicitors and Purchaser's solicitors shall negotiate reasonable trust conditions to contemplate effecting Closing under this Section 6.6 as efficiently as possible, recognizing that the Purchase Price shall be releasable at Closing notwithstanding that the the Approval and Vesting Order and Vendor Mortgage may not be registered against title to the Lands as at such date.

ARTICLE 7

CONDITIONS PRECEDENT TO CLOSING

7.1 Conditions in Favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Purchaser contained in this Agreement shall be true and correct in all material respects on the Closing Date;

- (b) all the covenants of the Purchaser contained in this Agreement to be performed on or before the Closing Date shall have been duly performed by the Purchaser;
- (c) the Purchaser shall have complied with all the terms contained in this Agreement applicable to the Purchaser prior to the Closing Date;
- (d) the terms of the Vendor Mortgage must be settled by the Purchaser to be effective on the Closing Date;
- (e) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper; and
- (f) the Court shall have issued the Approval and Vesting Order.

7.2 Conditions in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject and conditional to the satisfaction of the following conditions on or before the Closing Date:

- (a) all the representations and warranties of the Vendor contained in this Agreement shall be true and correct in all material respects on the Closing Date;
- (b) all the covenants of the Vendor under this Agreement to be performed on or before the Closing Date shall have been duly performed by the Vendor;
- (c) the Vendor shall have complied with all the terms contained in this Agreement applicable to the Vendor prior to the Closing Date;
- (d) there shall be no Claim, litigation or proceedings pending or threatened or order issued by a Governmental Authority against either of the Parties, or involving any of the Purchased Assets for the purpose of enjoining, preventing or restraining the completion of the Transaction or otherwise claiming that such completion is improper;
- (e) from the date of this Agreement to Closing, there shall have been no new work orders, deficiency notices, notices of violation or non-compliance or similar orders, and no new Encumbrances registered on title to the Lands or matters affecting the title to the Lands arising or registered after the date of this Agreement, in each case which are not otherwise vested-out pursuant to the Approval and Vesting Order;
- (f) from the date of this Agreement to Closing, there shall not have been any emission, release, discharge, disposal, or other deposit of a hazardous substance occurring on or which has migrated onto the Lands which has a material adverse effect on the Lands, and there shall not have been any material adverse change in the condition or operation of the Lands; and

- (g) the Court shall have issued the Approval and Vesting Order.

ARTICLE 8
REPRESENTATIONS & WARRANTIES OF THE VENDOR

The Vendor represents and warrants to the Purchaser as follows, with the knowledge and expectation that the Purchaser is placing complete reliance thereon and, but for such representations and warranties, the Purchaser would not have entered into this Agreement:

- (a) the Vendor has all necessary power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary action on the part of the Vendor, subject to the Approval and Vesting Order. This Agreement is a valid and binding obligation of the Vendor enforceable in accordance with its terms;
- (b) the Vendor has the full right, power and authority to enter into this Agreement, perform its obligations hereunder and convey the Purchased Assets;
- (c) the Vendor is not a non-resident of Canada for the purposes of the ITA; and
- (d) subject to any charges created by the Initial Order, the Vendor has done no act to encumber or dispose of the Purchased Assets and is not aware of any action or process pending or threatened against the Vendor that may affect its ability to convey any of the Purchased Assets as contemplated herein.

ARTICLE 9
REPRESENTATIONS & WARRANTIES OF THE PURCHASER

The Purchaser represents and warrants to the Vendor as follows, with the knowledge and expectation that the Vendor is placing complete reliance thereon and, but for such representations and warranties, the Vendor would not have entered into this Agreement:

- (a) the Purchaser is a corporation duly formed and validly subsisting under the laws of the Province of Alberta;
- (b) the Purchaser has all necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. Neither the execution of this Agreement nor the performance by the Purchaser of the Transaction will violate the Purchaser's constating documents, any agreement to which the Purchaser is bound, any judgment or order of a court of competent jurisdiction or any Government Authority, or any Applicable Law. The execution and delivery of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser. This Agreement is a valid and binding obligation of the Purchaser enforceable in accordance with its terms;

- (c) the Purchaser is or will be a registrant under Part IX of the ETA on the Closing Date;
- (d) the Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property;
- (e) if the Purchaser has any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction, the Vendor shall not have any obligation or liability to pay such fees or commissions; and
- (f) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the best of the Purchaser's knowledge, threatened against or relating to the Purchaser or any judgment, decree, injunction, rule or order of any court, governmental department, commission, agency, instrumentality or arbitrator which, in any case, might adversely affect the ability of the Purchaser to enter into this Agreement or to consummate the Transaction, and the Purchaser is not aware of any existing ground on which any such action, suit or proceeding may be commenced with any reasonable likelihood of success.

ARTICLE 10 **COVENANTS**

10.1 Mutual Covenants

Each of the Vendor and the Purchaser hereby covenants and agrees that, from the date hereof until Closing, each shall take all such actions as are necessary to have the Transaction approved in the Approval and Vesting Order on substantially the same terms and conditions as are contained in this Agreement, and to take all commercially reasonable actions as are within its power to control, and to use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with each of the conditions set forth in Article 7 and to consummate the Transaction.

10.2 Vendor Covenants

- (a) The Vendor hereby covenants and agrees that, from the date hereof until Closing, it shall use commercially reasonable efforts to provide to the Purchaser all necessary information in respect of the Vendor and the Purchased Assets reasonably required to complete the applicable tax elections in accordance with Article 5 and to execute all necessary forms related thereto.
- (b) On Closing of the Transaction and subject to Court approval, the Vendor shall pay the Broker Fee to Avison Young from the Purchase Price.

10.3 Purchaser Covenants

The Purchaser hereby covenants and agrees that, from the date hereof until Closing, it shall take all such actions as are necessary to provide to the Vendor all necessary information in respect of the Purchaser reasonably required to complete, if necessary, the applicable tax elections in accordance with Article 5 and to execute all necessary forms related thereto.

ARTICLE 11 **POSSESSION AND ACCESS PRIOR TO CLOSING**

11.1 Possession of Purchased Assets

Subject to the terms of the License to Occupy, the Vendor shall remain in possession of the Purchased Assets until the Closing Date, at which time the Purchaser shall take possession of the Purchased Assets. In no event shall the Purchased Assets be sold, assigned, conveyed or transferred to the Purchaser until all the conditions set out in this Agreement and the Approval and Vesting Order have been satisfied or waived and the Purchaser has satisfied or the Vendor has waived all the delivery requirements outlined in Section 7.1.

11.2 Risk, Damage and Destruction, and Expropriation

- (a) Subject to the terms of the License to Occupy, the Purchased Assets shall be and remain at the risk of the Vendor until Closing and at the risk of the Purchaser from and after Closing.
- (b) If, prior to Closing, the Purchased Assets are substantially damaged or destroyed by fire, casualty or otherwise, through actions that are not attributable to the Purchaser or its agents, employees, representatives or similar persons, then, at its option, the Purchaser may decline to complete the Transaction. Such option shall be exercised within fifteen (15) calendar days after notification to the Purchaser by the Vendor of the occurrence of such damage or destruction (or prior to the Closing Date if such occurrence takes place within fifteen (15) calendar days prior to the Closing Date), in which event this Agreement shall be terminated automatically. If the Purchaser does not exercise such option, it shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. Where any damage or destruction is not substantial, the Purchaser shall complete the Transaction and shall be entitled to an assignment of any proceeds of insurance referable to such damage or destruction. For the purposes of this Section 11.2(b), substantial damage or destruction shall be deemed to have occurred if the loss or damage to the Purchased Assets exceeds twenty percent (20%) of the total Purchase Price (inclusive of the Deposit).
- (c) If, prior to the Closing Date, all or a material part of the Property is expropriated or a notice of expropriation or intent to expropriate all or a material part of the Lands is issued by any Governmental Authority, the Vendor shall immediately advise the Purchaser thereof by Notice in writing. The Purchaser shall, by Notice in writing given within three (3) Business Days after the Purchaser receives Notice in writing from the Vendor of such expropriation, elect to either: (i) complete the Transaction

in accordance with the terms hereof without reduction of the Purchase Price, and all compensation for expropriation shall be payable to the Purchaser and all right, title and interest of the Vendor to such amounts, if any, shall be assigned to the Purchaser on a without recourse basis; or (ii) terminate this Agreement and not complete the Transaction, in which case all rights and obligations of the Vendor and the Purchaser (except for those obligations which are expressly stated to survive the termination of this Agreement) shall terminate, and the Deposit shall be returned to the Purchaser forthwith.

ARTICLE 12
AS IS, WHERE IS AND ASSUMPTION OF LIABILITIES

12.1 Condition of the Purchased Assets

The Purchaser acknowledges and agrees that:

- (a) that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets shall exist on the Closing Date, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist on the Closing Date, whether patent or latent;
- (b) it has entered into this Agreement on the basis that neither the Vendor nor the Monitor has guaranteed or will guarantee title to or marketability, use or quality of the Purchased Assets, that the Purchaser has conducted such inspections of the condition and title to the Purchased Assets as it deems appropriate and has satisfied itself with regard to these matters;
- (c) all documents and information provided or made available to it by the Vendor or the Monitor (including, without limitation, their employees, agents and representatives) are for reference only and that the Purchaser has not relied on any such documents and information in entering into this Agreement;
- (d) that no representation, warranty or condition is expressed or can be implied as to title, encumbrance, description, fitness for purpose, environmental compliance, merchantability, condition or quality, or in respect of any other matter or thing whatsoever concerning the Purchased Assets, or the right of the Vendor to sell, assign, convey or transfer same, save and except as expressly provided in this Agreement;
- (e) without limiting the generality of the foregoing, any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act, R.S.A. 2000, c S-2*, do not apply hereto and/or have been waived by the Purchaser;
- (f) the description of the Purchased Assets contained in this Agreement is for the purpose of identification only and no representation, warranty or condition has or will be given by the Vendor or the Monitor concerning the accuracy of such description; and

- (g) except as otherwise expressly provided for in this Agreement, the Vendor will have no obligations or responsibility to the Purchaser after the Closing Date with respect to any matter relating to the Purchased Assets or the condition thereof.

12.2 Assumption of Liabilities

The Purchaser shall assume, fulfill, perform and be responsible for all liabilities and obligations of any kind relating to the Purchased Assets in respect of the period from and after the Closing Date, and the Purchaser shall indemnify and save harmless the BZAM Group and its directors, officers, servants, agents and employees in respect of all Claims which may be brought against or suffered by the BZAM Group, its directors, officers, servants, agents or employees or which any of them may suffer, sustain, pay or incur as a result of any matter or thing arising out of, or resulting from, attributable to or connected with or relating to the Purchased Assets, in respect of the period from and after the Closing Date. The covenants and agreements to indemnify made by the Purchaser in this Section 12.2 shall survive Closing and not be subject to any limitation periods.

ARTICLE 13 POST-CLOSING MATTERS

13.1 Books and Records

The Purchaser shall keep and maintain the Books and Records for a period of two (2) years from the Closing Date, or for any longer period as may be required by Applicable Law or Governmental Authority or as requested by the Vendor or the Monitor. Upon reasonable advance notice, during such two (2) year period after the Closing Date, the Purchaser will grant the Vendor, and in the event the Vendor is adjudged bankrupt, any trustee of the estate of the Vendor and their respective representatives, reasonable access during normal business hours to use and copy the Books and Records at the sole cost of the Vendor or bankruptcy trustee of the estate of the Vendor, as the case may be, and at no cost to the Purchaser.

ARTICLE 14 TERMINATION

14.1 Termination of this Agreement

This Agreement may be validly terminated:

- (a) upon the mutual written agreement of the Parties;
- (b) by the Vendor if the Approval and Vesting Order has been granted by the Court and the Purchaser fails to close the Transaction by March 31, 2025;
- (c) by the Vendor, if the Purchaser fails to comply with any material condition, representation or warranty in this Agreement or the License to Occupy;
- (d) by the Purchaser, if the Vendor fails to comply with any material condition, covenant, representation or warranty in this Agreement;

- (e) pursuant to Section 11.2; and
- (f) by either of the Parties, in writing to the other, if the Approval and Vesting Order is not issued by the Court on or before March 31, 2025; or

14.2 Remedies for Breach of Agreement

If this Agreement is terminated as a result of a material breach of a representation, warranty, covenant or obligation of the Vendor, the Purchaser shall be entitled to the return of the Deposit without deduction, which shall be returned to the Purchaser forthwith, and this shall be the Purchaser's sole right and remedy pursuant to this Agreement or at law as a result of the Vendor's breach. If this Agreement is terminated as a result of a breach of a representation, warranty, covenant or obligation of the Purchaser, including if the Approval and Vesting Order has been granted by the Court and the Purchaser fails to close the Transaction by March 31, 2025, the Deposit shall be forfeited to the Vendor as liquidated damages and not as a penalty, which the Parties agree such Deposit is a genuine estimate of the liquidated damages that the Vendor would suffer in such circumstances.

14.3 Termination if No Breach of Agreement

If this Agreement is terminated other than as a result of a breach of a representation, warranty, covenant or obligation of a Party, then the following shall apply:

- (a) the Parties shall be released from all obligations and liabilities hereunder, except those that survive the termination of this Agreement;
- (b) the Deposit shall be returned to the Purchaser forthwith, without deduction; and
- (c) neither Party shall have any right to specific performance, to recover damages or expenses or to any other remedy (legal or equitable) or relief other than as expressly provided herein.

ARTICLE 15 **GENERAL CONTRACT PROVISIONS**

15.1 Further Assurances

From time to time after Closing, each of the Parties shall execute and deliver such further documents and instruments and do such further acts and things as may be required or useful to carry out the intent and purpose of this Agreement and which are not inconsistent with the terms hereof, including, at the Purchaser's request and expense, the Vendor shall execute and deliver such additional conveyances, transfers and other assurances as may, in the opinion of the Parties or their counsel, acting reasonably, be reasonably required to effectually carry out the intent of this Agreement and transfer the Purchased Assets to the Purchaser.

15.2 Access to Chattels Prior to Closing

The Purchaser will be granted access to the Chattels and shall be permitted to remove Chattels prior to Closing. Prior to removing any Chattels, the Purchaser shall supply to the Vendor an inventory of all Chattels which will include a count, description, and serial number. In the event that either the Purchaser or the Vendor fails to close the Transaction the wholesale fair market value of the Chattels removed shall be reimbursed to the Vendor by the Purchaser, such value to be agreed upon by the Purchaser and Vendor within thirty (30) days of this Agreement being terminated, failing which the value will be determined by the Monitor.

15.3 Access to Property Prior to Closing

The Vendor shall grant the Purchaser reasonable access to the Property for the purposes of occupying the Property for the storage of goods and the fixturing of its business, including but not limited to, the ability to renovate, construct, or otherwise alter the improvements within the Property. The Purchaser will have construction and liability insurance in place satisfactory to the Vendor (but for greater certainty, shall not be required to exceed \$5 million in personal liability & property damage coverage), all proper permits and approvals from Strathcona County or any other governing body that would have authority over the Property.

15.4 Survival Following Completion

Notwithstanding any other provision of this Agreement, Article 8, Article 9, Section 14.2 and Section 14.3 shall survive the termination of this Agreement and the completion of the Transaction, provided, however, that upon the termination of the CCAA Proceedings, the Parties' respective obligations by reason of this Agreement shall end completely and they shall have no further or continuing obligations by reason thereof.

15.5 Notice

All notices, requests, demands, waivers, consents, agreements, approvals, communications or other writings required or permitted to be given hereunder or for the purposes hereof (each, a "**Notice**") shall be in writing and be sufficiently given if personally delivered, sent by prepaid registered mail or transmitted by email, addressed to the Party to whom it is given, as follows:

- (a) to the Vendor:

C/O Bennett Jones LLP
3400 One First Canadian Place
Toronto, ON M5X 1A5

Attention: Sean Zweig / Mike Shakra
Tel: 416-862-1200
Email: zweigs@bennettjones.com / shakram@bennettjones.com

with a copy in all cases to the Monitor:

FTI Consulting Canada Inc.
Toronto-Dominion Centre
TD South Tower
79 Wellington St W, Suite 2010
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg / Kamran Hamidi
Email: jeffrey.rosenberg@fticonsulting.com / kamran.hamidi@fticonsulting.com

and its counsel:

Stikeman Elliott LLP
300 Commerce Court West
199 Bay St. Toronto, ON M5L 1B9

Attention: Maria Konyukhova / Nick Avis
Email: mkonyukhova@stikeman.com / navis@stikeman.com

(b) to the Purchaser:

JL LEGACY LTD.
c/o Avison Young Commercial Real Estate Services, LP
10111 – 104 Ave NW
Suite 2100 Edmonton Tower
Edmonton, AB T5J 0J4

Attention: Ryan Zabloski
Tel: 780 993 7474
Email: ryan.zabloski@avisonyoung.com

or such other address of which Notice has been given. Any Notice mailed as aforesaid will be deemed to have been given and received on the third (3rd) Business Day following the date of its mailing. Any Notice personally delivered will be deemed to have been given and received on the day it is personally delivered, provided that if such day is not a Business Day, the Notice will be deemed to have been given and received on the Business Day next following such day. Any Notice transmitted by email will be deemed given and received on the first (1st) Business Day after its transmission.

If a Notice is mailed and regular mail service is interrupted by strike or other irregularity on or before the fourth (4th) Business Day after the mailing thereof, such Notice will be deemed to have not been received unless otherwise personally delivered or transmitted by email.

15.6 Waiver

No Party will be deemed or taken to have waived any provision of this Agreement unless such waiver is in writing and such waiver will be limited to the circumstance set forth in such written waiver.

15.7 Consent

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit or the requirement for such consent is not required pursuant to the terms of the Approval and Vesting Order, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

15.8 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. The Parties irrevocably attorn to the jurisdiction of the Court. The Parties consent to the exclusive jurisdiction and venue of the Court for the resolution of any disputes among them.

15.9 License to Occupy

The License to Occupy shall form part of this Agreement and remains in full force and effect pursuant to its terms until Closing or as otherwise agreed by the Parties.

15.10 Entire Agreement

This Agreement and the License to Occupy, constitute the entire agreement between the Parties and supersedes all prior agreements and understandings between the Parties, including the Offer to Purchase. There are not and will not be any verbal statements, representations, warranties, undertakings or agreements between the Parties. This Agreement may not be amended or modified in any respect except by written instrument signed by the Parties. The recitals herein are true and accurate, both in substance and in fact.

Upon execution of this Agreement by the Parties, the Offer to Purchase shall be considered terminated and shall be of no force and effect.

15.11 Time of the Essence

Time will be of the essence, provided that if the Parties establish a new time for the performance of an obligation, time will again be of the essence of the new time established.

15.12 Time Periods

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and

including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

15.13 Assignment

This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, legal and personal administrators, successors and permitted assigns. The Purchaser may not assign this Agreement without the Vendor's prior written approval, which approval shall be in the Vendor's sole, absolute and unfettered discretion. Notwithstanding the foregoing, the Purchaser shall only have until the granting of the Approval and Vesting Order to direct that title to the Purchased Assets be taken in the name of another person, entity, joint venture, partnership or corporation (presently in existence or to be incorporated prior to the Closing Date) provided that (a) such person, entity, joint venture, partnership or corporation shall, in writing, agree, prior to the date of the granting of the Approval and Vesting Order, to assume and be bound by the terms and conditions of this Agreement (the "**Assumption Agreement**") and a copy of such Assumption Agreement is delivered to the Vendor forthwith after having been entered into, in which case the Purchaser shall nonetheless not be released from any and all further obligations and liabilities hereunder, and (b) if the Purchaser does not, prior to the granting of the Approval and Vesting Order, direct that title to the Purchased Assets be taken in the name of such person, entity, joint venture, partnership or corporation, then the Purchaser shall continue to be liable hereunder and the Approval and Vesting Order shall vest title to the Purchased Assets in the Purchaser.

15.14 Expenses

Except as otherwise set out in this Agreement, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses.

15.15 Severability

If any portion of this Agreement is prohibited in whole or in part in any jurisdiction, such portion shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining portions of this Agreement and shall, as to such jurisdiction, be deemed to be severed from this Agreement to the extent of such prohibition.

15.16 No Strict Construction

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

15.17 Cumulative Remedies

Unless otherwise expressly stated in this Agreement, no remedy conferred upon or reserved to one or both of the Parties is intended to be exclusive of any other remedy, but each remedy shall be cumulative and in addition to every other remedy conferred upon or reserved hereunder, whether such remedy shall be existing or hereafter existing, and whether such remedy shall become available under common law, equity or statute.

15.18 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any Order of the Court in the CCAA Proceedings, the Vendor and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendor and not in its personal capacity, will have no liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor. The Purchaser further acknowledges and agrees that the Monitor is not making, and the Purchaser is not relying on, any representations, warranties, or other statements of any kind whatsoever, whether oral or written, express or implied, statutory or otherwise, as to any matter concerning the Vendor, this Agreement or the Transaction, or the accuracy or completeness of any information provided to (or otherwise acquired by) the Purchaser or any of its respective representatives.

15.19 Non-Registration

The Purchaser hereby covenants and agrees not to register this Agreement or notice of this Agreement or a caveat, or any other document providing evidence of this Agreement against title to the Property. Should the Purchaser be in default of its obligations under this Section 15.19, the Vendor may (as agent and attorney of the Purchaser) cause the removal of such notice of this Agreement, caveat or other document providing evidence of this Agreement or any assignment of this Agreement from the title to the Property. The Purchaser irrevocably nominates, constitutes and appoints the Vendor as its agent and attorney in fact and in law to cause the removal of such notice of this Agreement, any caveat or any other document or instrument whatsoever from title to the Property.

15.20 Currency

All references to dollar amounts contained in this Agreement shall be deemed to refer to lawful currency of Canada.

15.21 No Third Party Beneficiaries

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns. No other person or entity shall be regarded as a third party beneficiary of this Agreement.

15.22 Number and Gender

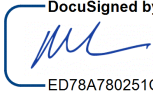
Unless the context requires otherwise, words importing the singular include the plural and vice versa and words importing gender include all genders. Where the word "including" or "includes" is used in this Agreement, it means "including (or includes) without limitation".

15.23 Counterparts

This Agreement may be executed in counterparts and by PDF or other electronic means, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Vendor has duly executed this Agreement as of the 6th day of January, 2025.

BZAM CANNABIS CORP.

Per:  ED78A780251C4ED...
Name: Matthew Milich
Title: Director

ACCEPTED by the Purchaser as of the date first above written.

2627411 ALBERTA LTD.

Per:  F46D065EB44245D...
Name: Chuck Russell
Title: Solicitor and Agent of the Purchaser

SCHEDULE A
LEGAL DESCRIPTION OF THE LANDS

PLAN 8720213

BLOCK 5

LOT 4

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS

SCHEDULE B
APPROVAL AND VESTING ORDER

Attached.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY THE 13TH
)
JUSTICE OSBORNE) DAY OF JANUARY, 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 VESTING ORDER
(EDMONTON PROPERTY 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 the agreement of purchase and sale between BZAM Cannabis Corp. (the "**Company**"), as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser, dated January 6, 2025, *nunc pro tunc* (the "**Purchase Agreement**") and the sale transaction (the "**Transaction**") contemplated thereby, (ii) vesting in the Purchaser all of the Company's right, title and interest in and to the property described in the Purchase Agreement (the "**Purchased Assets**"), and (iii) authorizing and directing the Applicants to make certain payments and distributions, was heard this day via videoconference.

ON READING the affidavit of Matthew Millich sworn January 8, 2025 and the Eighth Report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), dated January [●], 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 Purchase Agreement or the Amended and Restated Initial Order granted by this Court on March 8, 2024 (the “**ARIO**”), 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 Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Purchaser may deem necessary, with the consent of the Monitor. The Company is hereby authorized and directed to perform its obligations under the Purchase 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 upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets, including without limitation the real property identified in Schedule "B" hereto (the "**Real Property**"), shall vest absolutely in the Purchaser 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, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, 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, except for the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any Encumbrances or Charges (as created by and defined in the ARIO, the SISP Approval Order dated March 8, 2024 and any other Orders granted in these CCAA Proceedings), (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

5. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental

authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Monitor’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles (“**Land Titles Registrar**”) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificate of Title No.182 099 665 for those lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta, and legally described as:

PLAN 8720213
BLOCK 5
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS
(the “**Lands**”);
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule “D” to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule “D”; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule “C” to this Order and discharge and expunge any Claims including Encumbrances (but

excluding Permitted Encumbrances) which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands; and

- (b) the Registrar of the Alberta Personal Property Registry shall be and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Company in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

6. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Company or by FTI, in its capacity as the Monitor, and not in its personal capacity.

7. **THIS COURT ORDERS** that in order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Purchase Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. **THIS COURT ORDERS** that except as expressly provided for in the Purchase Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Company.

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

APPROVAL OF THE PROCEEDS DISTRIBUTIONS

12. **THIS COURT ORDERS** that the Company is hereby authorized and directed to distribute the Proceeds from the Edmonton Property Transaction as follows:

- (a) first, an amount equal to the Broker Fee shall be distributed to Avison Young Commercial Real Estate Services, LP ("**Avison Young**"), as full repayment of all

obligations owing to Avison Young by BZAM Cannabis under the Listing Agreement;
and

- (b) second, the remainder of the Proceeds shall be distributed to Cortland Credit Lending Corporation (“**Cortland**”), as the DIP Lender and the Applicants’ senior secured creditor, as partial repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland to partially repay such indebtedness in accordance with the terms of the DIP Loan (together, the “**Proceeds Distributions**”).

Such Proceeds 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 the Edmonton Property Charge; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec.

13. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to cause the Applicants to make the distributions contemplated herein and take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

14. **THIS COURT ORDERS** that the Applicants shall be entitled to deduct and withhold from the Proceeds Distributions such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person

entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

15. **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 Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (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 vesting of the Purchased Assets in the Purchaser and the Proceeds Distributions, each in accordance with this Order, 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 or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or territorial legislation.

GENERAL

16. **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 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.

17. **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.

18. **THIS COURT ORDERS** that this Order is effective as of 12:01 A.M. from the date that it is made and is enforceable without the need for entry and filing.

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 Vesting Order of the Court granted January 13, 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Purchase Agreement**”) between BZAM Cannabis Corp. (the “**Company**”), as vendor, and 2627411 Alberta Ltd. (the “**Purchaser**”), as purchaser, dated January 6, 2025 (as amended, the “**Purchase Agreement**”), (ii) authorized and directed the Applicants to make certain payments and distributions, and (iii) provided for the vesting in the Purchaser of all the Company’s right, title and interest in and to the property described in the Purchase Agreement, which such vesting is 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 the Company that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Company, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Purchase 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" – LEGAL DESCRIPTION OF THE REAL PROPERTY

PLAN 8720213

BLOCK 5

LOT 4

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS

SCHEDULE “C”

INSTRUMENTS TO BE DELETED

1. All liens, charges, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), levies, or other financial or monetary claims which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands (other than Permitted Encumbrances as defined in the Purchase Agreement).

SCHEDULE "D"

PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS RELATED TO THE REAL PROPERTY

Reg. No.	Date	Particulars
192 070 851	26/03/2019	CAVEAT RE: AGREEMENT CHARGING LAND, ETC. CAVEATOR - FORTISALBERTA INC. 15 KINGSVIEW ROAD SE ATTN: LAND DEPT AIRDRIE ALBERTA T4A0A8 AGENT - ERIN ALDCROFT
192 072 676	27/03/2019	CAVEAT RE: UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - JAMES RYAN
212 152 636	14/07/2021	MORTGAGE MORTGAGEE - MANJINDER SINGH GILL 6676 KNIGHT DRIVE DELTA BRITISH COLUMBIA V4E1S5 ORIGINAL PRINCIPAL AMOUNT: \$5,000,000
212 152 637	14/07/2021	CAVEAT RE: ASSIGNMENT OF RENTS AND LEASES CAVEATOR - MANJINDER SINGH GILL C/O BURNET, DUCKWORTH & PALMER LLP SUITE 2400,525 8TH AVE SW CALGARY ALBERTA T2P1G1 AGENT - THOMAS W OSTROWERKA
212 152 638	14/07/2021	POSTPONEMENT

		OF CAVE 192070851 TO MORT 212152636 CAVE 212152637
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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 VESTING ORDER
(EDMONTON PROPERTY TRANSACTION)**

Sean Zweig (LSO# 57307I)
Tel: (416) 777-6254
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Email: froha@bennettjones.com

Jamie Ernst (LSO# 88724A)
Tel: (416) 777-7867
Email: ernstj@bennettjones.com

Lawyers for the Applicants

**SCHEDULE C
PERMITTED ENCUMBRANCES / ASSUMED LIABILITIES**

PART I: GENERAL PERMITTED ENCUMBRANCES

1. The reservations, limitations, exceptions, provisos and conditions, if any, expressed in any original grants from the Crown including the reservation of any mines and minerals in the Crown or in any other person and any implied conditions set out in s.61(1) of the *Land Titles Act* (Alberta), as amended, replaced or restated from time to time;
2. Encumbrances given as security to a public utility or any Governmental Authority when required in the ordinary course of business but only insofar as they relate to any obligations or amounts not due as at the Closing Date;
3. all rights reserved to or vested in any Governmental Authority pursuant to Applicable Law to control or regulate the Property in any manner, including any unregistered, undetermined or inchoate liens, levies or claims in favour of any Governmental Authority;
4. rights of expropriation, access or use or any similar right conferred or reserved by or in any statute of Alberta or Canada;
5. applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing or industrial agreements, utility agreements, airport zoning regulations, cost sharing reciprocal agreements and building and other zoning restrictions and other similar agreements with Governmental Authorities or private or public utilities affecting the development or use of the Property;
6. any easements, servitudes, rights-of-way, licenses, agreements, restrictions that run with the land or other Encumbrances (including easements, rights-of-way and agreements for railways, sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables) which do not materially impair the use, operation or marketability of the Property (based on the current use of the Property) affected thereby;
7. Encumbrances respecting minor encroachments by the Property over neighbouring lands or permitted under agreements with the owners of such other lands and minor encroachments over the Property by improvements of abutting land owners, provided the same do not materially adversely affect the use or marketability of the Property; and
8. Encumbrances permitted or created pursuant to the terms of this Agreement or which are otherwise expressly approved by the Purchaser in writing.

PART II: SPECIFIC PERMITTED ENCUMBRANCES

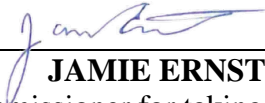
The following instruments and caveats registered against the Lands as follows:

Reg. No.	Date	Instrument Type	Instrument Holder
192 070 851	26/03/2019	CAVEAT RE : AGREEMENT CHARGING LAND , ETC.	FORTISALBERTA INC.
192 072 676	27/03/2019	CAVEAT RE : UTILITY RIGHT OF WAY	FORTISALBERTA INC.
212 152 636	14/07/2021	MORTGAGE ORIGINAL PRINCIPAL AMOUNT: \$5,000,000	MANJINDER SINGH GILL
212 152 637	14/07/2021	CAVEAT RE : ASSIGNMENT OF RENTS AND LEASES	MANJINDER SINGH GILL
212 152 638	14/07/2021	POSTPONEMENT OF CAVE 192070851 TO MORT 212152636 CAVE 212152637	N/A

PART III: ASSUMED LIABILITIES

1. All liabilities that are Permitted Encumbrances, including the Assumed Mortgage; and
2. the Vendor Mortgage.

THIS IS **EXHIBIT "H"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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

AUGUST 15, 2023

AVISON YOUNG
COMMERCIAL REAL ESTATE SERVICES, LP
2100 Edmonton Tower
10111 – 104 Avenue
Edmonton, AB T5J 0J4

ATTENTION:

RE: Municipal Address: 8770 – 24 Street, Strathcona County, Alberta
Legal Description: PLAN 8720213; BLOCK 5; LOT 4

(hereinafter referred to as the "**Property**") Exclusive Commercial Listing

In consideration of Avison Young Commercial Real Estate Services, LP. (hereinafter referred to as "**Avison Young**"), agreeing to provide its services in accordance with the terms of this Exclusive Commercial Listing Agreement (the "**Listing Agreement**"), BZAM CANNABIS CORP. ("**we**", "**our**", "**us**" or "**Seller**") hereby irrevocably authorize and empower Avison Young to act as our exclusive agent to list for sale and to procure offers for the purchase and sale of the Property (hereinafter a "**Purchase Agreement**") on the following terms and conditions:

1. **Term.** The Listing Agreement:

- a) shall remain in full force and effect from the execution hereof by both parties until 5:00 o'clock p.m., Edmonton time on March 31, 2024; and
- b) shall be automatically renewed for consecutive terms of three (3) months until terminated by either Avison Young or us by way of written notice delivered not less than thirty (30) days prior to the end of the term or any renewal thereof,

subject to earlier termination in accordance with paragraph 16 hereof.

(Any reference in the Listing Agreement to the "**Term**" shall mean the term of the Listing Agreement and any renewals thereof).

2. **List Price.** Avison Young shall list the Property at \$10,800,000 (plus G.S.T., if applicable) and shall solicit offers to purchase the Property at that price.

3. **Commission.** Should the Property be sold or deemed to be sold during the Term, or should a sale or deemed sale be made as a result of negotiations that originated during the Term, whether or not Avison Young takes part in those negotiations, we agree to unconditionally pay Avison Young a commission of three (3.0%) percent of the gross sale price. (hereinafter the "**Commission**").

4. **Sale of Property.** The Property will be deemed to be sold, and the Commission fully earned by Avison Young, immediately upon the earlier of:

- a) our entering into an unconditional binding Purchase Agreement or if we have entered into a binding Purchase Agreement that contains buyer's conditions, upon satisfaction or waiver of those buyer's conditions; or

- b) upon any disposition of any interest in the Property, including without limitation, any disposition by way of transfer, lease, grant or exercise of an option to purchase, grant or exercise of a right of first refusal or by an exchange of property.
5. **Payment of Commission.** We will unconditionally and without any set off or deduction, pay the Commission on the closing date provided for in any Purchase Agreement (the "**Closing Date**"), provided that all of the buyer's conditions have been satisfied or waived, whether or not closing of the purchase and sale of the Property has occurred provided that the failure to close is due to default. In the event the Property is sold or deemed to be sold during the Term other than by way of Purchase Agreement, the Property will be deemed to be sold for a price equal to the gross sale price payable by the buyer, and the Commission will be fully earned, due and unconditionally payable to Avison Young immediately upon such disposition taking place.
6. **Taxes.** In addition to any other amounts payable hereunder, we agree to pay to Avison Young, at the time of payment of the Commission, any G.S.T., sales tax, value added tax or any other similar tax imposed against us by any federal, provincial or municipal law, bylaw or regulation (collectively, "**Taxes**"), to the extent that such Taxes are imposed on us by reason of any service provided to us by Avison Young.
7. **Deposit.** We agree that if any Purchase Agreement provides for deposits to be paid to Avison Young (hereinafter, collectively the "**Deposit**"), the Deposit will be held by Avison Young in its trust account. We authorize Avison Young to deduct earned Commission and other amounts that may be or become owing by us to Avison Young hereunder from any such Deposit held when such Commission becomes payable. In the event of a sale not being completed as result of a default by the buyer, and the Deposit being forfeited by the buyer, we hereby authorize Avison Young to deduct and pay to itself one-half of the Deposit, up to a sum equivalent to the Commission and other amounts that may be or become owing by us to Avison Young. The remaining balance of the Deposit shall then be paid to us.
8. **Irrevocable Order and Direction to Pay.** We shall cause our solicitors to pay to Avison Young any and all Commission and other amounts that were approved in writing by us that may be or become owing by us to Avison Young hereunder from proceeds of sale of the Property upon the Closing Date, and we hereby irrevocably assign such amounts to Avison Young. For that purpose we shall execute and deliver to our solicitors an irrevocable order and direction to pay in favour of Avison Young.
9. **Sales Following Expiration of Term.** We agree that in the event the Property is sold or deemed to be sold within ninety (90) days following the expiration or earlier termination of the Term, and:
- a) the buyer was introduced to us by Avison Young; or
- b) the buyer purchased the Property as a result of negotiations or services provided by Avison Young prior to the termination or expiration of the Term,

then we agree to pay the Commission and any other amounts payable hereunder to Avison Young in accordance with the provisions of the Listing Agreement. Within fourteen (14) days of the expiration of the Term, Avison Young shall provide to us, a written list of any

prospective buyers who have been in direct contact with Avison Young with respect to the potential purchase of the Property or that Avison Young are actively pursuing.

10. **Interest.** We agree that any outstanding Commission and other amounts that were approved in writing by us that may be or become owing by us to Avison Young hereunder will bear interest and we agree to pay Avison Young interest at a rate of one percent (1%) per month (12% per annum) on such amounts calculated and payable monthly, if such amounts are more than thirty (30) days overdue.
11. **Legal Costs.** We agree to pay to you, and such amount will become part of the amounts owing hereunder, all costs, charges and expenses (including without limitation all legal fees and disbursements as between a solicitor and his own client on a full indemnity basis) incurred by Avison Young as a result of:
 - a) any default by us in complying with any term or condition of the Listing Agreement; and
 - b) any steps or actions that Avison Young takes in order to enforce payment of the Commission and any other amounts payable under the Listing Agreement, or to protect its legal right under the Listing Agreement.
 - c) Avison Young agrees to pay to you, all costs, charges, and expenses (including without limitation all legal fees and disbursements as between a solicitor and his own client on a full indemnity basis) incurred by you as a result of any default by Avison Young in complying with any term or condition of the Listing Agreement.
12. **Security.** As security for payment of all Commission and all other amounts that were approved in writing by us that may be or become owing by us to Avison Young pursuant to the Listing Agreement, we hereby specifically charge the Property in favour of Avison Young with respect to any such amounts.
13. **Representations and Warranties.** We hereby represent and warrant that, to the best of our knowledge and except as otherwise disclosed in writing to Avison Young, the following statements respecting the Property are true and accurate:
 - a) we hold title, free and clear of all encumbrances except as stated on the certificate of title to the Property;
 - b) we have disclosed to Avison Young all third party claims and interests in the Property;
 - c) the current use of the Property and all buildings and improvements thereon complies with the existing municipal land use bylaw;
 - d) the buildings and other improvements are located entirely on the Property and do not encroach upon neighbouring lands, except where an encroachment agreement is in place;
 - e) the buildings and other improvements on the Property are not placed partly or wholly on any easement or utility right-of-way;
 - f) the location of buildings and other improvements on the Property complies with all relevant municipal bylaws, regulations and variances granted by the appropriate

municipality prior to the sale of the Property being completed, or the buildings and other improvements on the land are "non-conforming buildings" as that term is defined in the *Municipal Government Act (Alberta)*;

- g) defects that are hidden, not visible or discoverable through a reasonable inspection of the Property and that may render the Property dangerous or potentially dangerous to the occupants have been disclosed to Avison Young; and
- h) all information provided by us to Avison Young is complete and accurate.

We hereby release, indemnify and save Avison Young together with its officers, directors, employees and agents, harmless from and against claims, damages, actions, losses, costs, charges, liabilities and expenses including, without limitation, legal fees on a solicitor and own client full indemnity basis, incurred as a result of any misrepresentation or false warranties which may be innocently provided by Avison Young to a prospective buyer based upon incorrect or misleading information received from us.

14. **Duties and Responsibilities of Seller.** For the duration of the Term, we shall:

- a) give Avison Young convenient access at all reasonable times for the purpose of showing the Property;

maintain the Property in a state of good and safe repair;
- b) permit Avison Young to place suitable "For Sale" and "Sold By" or similar signs on the Property;
- c) insure the Property and its contents against loss or damage due to perils normally insured against for similar properties;
- d) communicate and co-operate with Avison Young in a timely manner;
- e) provide Avison Young with all information necessary for the listing and marketing of the Property;
- f) immediately advise Avison Young of any material change in the physical condition or status of the Property; and
- g) refer to Avison Young any and all offers for purchase and sale submitted to us from any source whatsoever, prior to acceptance of same by us.

15. **Confidentiality.** Unless otherwise advised in writing, any and all information received by Avison Young from us, or from any other party regarding us, in the course of the agency relationship contemplated herein shall be deemed to be information disclosed in confidence to Avison Young notwithstanding that such information may have been received prior to the execution of the Listing Agreement.

16. **Termination.** Either party may terminate the Listing Agreement (hereinafter the "**Terminating Party**") as follows:

The Listing Agreement may be terminated by either party for any reason at any time after sixty (60) days following the commencement of the Term. The Terminating Party shall notify the other party in writing of its intention to terminate the Listing Agreement and the Listing Agreement shall automatically terminate ten (10) days thereafter.

In the event a party (the "**Defaulting Party**") is in default of complying with any term or condition of the Listing Agreement, the Terminating Party shall notify the Defaulting Party in writing of its intent to terminate the Listing Agreement for default or non-performance by the Defaulting Party. Such notice shall provide the specifics of the alleged default or non-performance by the Defaulting Party and the Defaulting Party shall have ten (10) days from receipt of such notice to remedy or rectify such default or non-performance, or, if not remediable or rectifiable within ten (10) days, to take such steps to commence to remedy or rectify such default or non-performance as is reasonable in the circumstance (the "**Cure Period**"). If, in the Terminating Party's opinion, acting reasonably, such default or non-performance has not been remedied or rectified, the Terminating Party may, after expiry of the Cure Period, terminate the Listing Agreement upon providing ten (10) days written notice to the Defaulting Party.

Notwithstanding paragraphs 16(a) or (b) hereof, in the event that a party makes a general assignment for the benefit of its creditors, files or presents a bankruptcy application, makes a proposal or commits any act of bankruptcy, or if any action is taken for the winding up, liquidation or the appointment of a liquidator, trustee in bankruptcy, custodian, curator, sequestrator, receiver or any other officer with similar powers, or if a judgment or order shall be entered by any court approving a plan or proposal for reorganization, arrangement or compromise or in respect of any party, then the Terminating Party, may but shall not be obligated, to terminate the Listing Agreement immediately upon giving written notice thereof to the other party.

17. **Transaction Brokerage.** We acknowledge that from time to time Avison Young may also be asked to represent a buyer or prospective buyer of the Property. In the event that Avison Young wishes to represent both us and the buyer, or prospective buyer, then Avison Young shall:
- a) immediately advise us of its desire to undertake concurrent representation of us and the buyer or prospective buyer;
 - b) give us an opportunity to seek independent advice in relation thereto; and
 - c) obtain the agreement of us and the buyer, or prospective buyer, to the form of Transaction Brokerage Agreement in accordance with Schedule "A" hereto.

In the event we are not prepared to enter into the Transaction Brokerage Agreement, then Avison Young shall continue to represent us only, and Avison Young shall advise the buyer or prospective buyer accordingly.

18. **Notice.** Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if:
- (a) personally delivered to the party to whom it is intended or if such party is a corporation, to an officer of that corporation; or

- (b) if mailed by prepaid registered mail, or sent by facsimile or electronic transmission, to the mailing address, facsimile number or e-mail address of the party to whom it is intended hereafter set forth:

if to Avison Young then:

2100 Edmonton Tower
10111 – 104 Avenue
Edmonton, AB T5J 0J4

Attention: David St. Cyr & Ryan Zabloski
Telephone number: (780) 428-7850
E-mail address: david.stcyr@avisonyoung.com
ryan.zabloski@avisonyoung.com

if to the Seller then:

1570 – 200 Burrard Street, Vancouver, BC V6C 3L6
Attention: Antonino Moschella
Telephone number: (844) 256-2926
E-mail address: tmoschella@bzam.com


or to such other address as a party may from time to time direct in writing to the other party.

18. **Unenforceable Terms.** Any term, condition or provision of the Listing Agreement which is or shall be deemed to be void, prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be severable herefrom and be ineffective to the extent of such avoidance, prohibition or unenforceability without in any way invalidating the remaining terms, conditions and provisions hereof.
19. **Conflict of Laws.** The Listing Agreement shall be construed and enforced in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the parties hereby attorn to the courts of the Province of Alberta.
20. **Enurement.** The Listing Agreement shall enure to the benefit of and be binding upon the parties hereto together with their heirs, executors, administrators, successors and permitted assigns.
21. **Headings.** The headings used in the Listing Agreement are for convenience of reference only and shall not be deemed to be a part of the Listing Agreement and shall not be referred to in connection with the construction and interpretation of the Listing Agreement.
22. **Severability.** The invalidity or unenforceability of any provision of the Listing Agreement shall not affect the validity or enforceability of any other provision contained herein. If any provision of the Listing Agreement is illegal, invalid or void under any applicable law, such provision should be considered severable, remaining provisions shall not be impaired and the Listing Agreement shall be interpreted as far as possible so as to give effect to its stated purpose.

- 23. **Time of the Essence.** Time shall be of the essence of the Listing Agreement and of every part hereof.
- 24. **Counterparts.** The Listing Agreement may be executed in one or more counterparts, each of which shall be considered an original but all of which together shall constitute one and the same instrument. In addition, facsimile or electronic copies of executed counterparts shall be conclusively regarded for all purposes as originally executed counterparts pending the delivery of the originals.
- 25. **Authority.** We confirm that we have the full power and authority to enter into the Listing Agreement and to sell the Property. We acknowledge having read the Listing Agreement and having received a true copy of it. We further acknowledge to you that we do not hold an authorization as a real estate broker issued by the Real Estate Council of Alberta.

DATED at the City of Vancouver, in the Province of British Columbia, this ^{Aug 15, 20} ___ day of August, 2023.


BZAM CANNABIS CORP.

PER: 
Matt Milich (Aug 15, 2023 13:08 PDT)
(signature)

NAME: Matt Milich
(please print)

ACCEPTED AND AGREED in the City of Edmonton, in the Province of Alberta, this 16 day of August, 2023.

**AVISON YOUNG
COMMERCIAL REAL ESTATE SERVICES, LP**

PER: 


SCHEDULE "A"

1. In this Schedule "A", the following terms will have the following meanings:
 - a) "**Facilitation Services**", shall mean the services to be provided by Avison Young to both us and the Perspective Purchaser as set out in the Transaction Brokerage Agreement;
 - b) "**Prospective Purchaser**", shall mean a person or corporation who has expressed an interest in purchasing the Property and who has asked Avison Young to assist it in that regard;
 - c) "**Transaction Brokerage Agreement**", shall mean the written agreement to be entered into between we, Avison Young, and the Prospective Purchaser, which sets out the terms and conditions under which Avison Young shall act as a Transaction Facilitator;
 - d) "**Transaction Facilitator**" shall mean the role of Avison Young in providing Facilitation Services on behalf of us and the Prospective Purchaser.

2. We acknowledge and agree that:
 - a) in being asked to represent the interests of both us and the Prospective Purchaser, Avison Young may be placed in a conflict of interest which prevents Avison Young from:
 - i. acting solely in the best interest of either us or the Prospective Purchaser to the exclusion of the other;
 - ii. avoiding potential conflicts of interest which may arise as a result of acting on behalf of both us and the Prospective Purchaser;
 - iii. disclosing or revealing all facts and information that may influence the decisions of us or the Prospective Purchaser; and
 - iv. maintaining the confidentiality of any information or documentation obtained from either us or the Prospective Purchaser;
 - b) Avison Young may only act as Transaction Facilitator with the informed and voluntary consent of both us and the Prospective Purchaser;
 - c) Avison Young has advised us to seek independent advice concerning Avison Young acting as a Transaction Facilitator;
 - d) We consent to Avison Young acting as a Transaction Facilitator and in so doing to provide the Facilitation Services; and
 - e) We will enter into Avison Young's standard form of Transaction Brokerage Agreement with Avison Young and the Prospective Purchaser.

Initial here:

Avison Young | We

	 <small>MM</small>
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THIS IS **EXHIBIT "I"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF JANUARY, 2025.



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

Confidential Exhibit “I”

[Intentionally Omitted]

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 January 8, 2025)**

BENNETT JONES LLP

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

Sean Zweig (LSO# 57307I)

Mike Shakra (LSO# 64604K)

Andrew Froh (LSBC# 517286)

Jamie Ernst (LSO# 88724A)

Tel: 416-863-1200

Fax: 416-863-1716

Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) MONDAY THE 13TH
)
JUSTICE OSBORNE) DAY OF JANUARY, 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 VESTING ORDER
(EDMONTON PROPERTY 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 the agreement of purchase and sale between BZAM Cannabis Corp. (the "**Company**"), as vendor, and 2627411 Alberta Ltd. (the "**Purchaser**"), as purchaser, dated January 6, 2025, *nunc pro tunc* (the "**Purchase Agreement**") and the sale transaction (the "**Transaction**") contemplated thereby, (ii) vesting in the Purchaser all of the Company's right, title and interest in and to the property described in the Purchase Agreement (the "**Purchased Assets**"), and (iii) authorizing and directing the Applicants to make certain payments and distributions, was heard this day via videoconference.

ON READING the affidavit of Matthew Millich sworn January 8, 2025 and the Eighth Report of FTI Consulting Canada Inc. (“**FTI**”), in its capacity as the court-appointed monitor of the Applicants (in such capacity, the “**Monitor**”), dated January [●], 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 Purchase Agreement or the Amended and Restated Initial Order granted by this Court on March 8, 2024 (the “**ARIO**”), 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 Purchase Agreement and the Transaction be and are hereby approved and the execution of the Purchase Agreement by the Company is hereby authorized and approved, with such minor amendments as the Company and the Purchaser may deem necessary, with the consent of the Monitor. The Company is hereby authorized and directed to perform its obligations under the Purchase 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 upon the delivery of a Monitor's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Monitor's Certificate**"), all of the Company's right, title and interest in and to the Purchased Assets, including without limitation the real property identified in Schedule "B" hereto (the "**Real Property**"), shall vest absolutely in the Purchaser 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, licences, restrictions, contractual rights, options, judgments, liabilities (direct, indirect, absolute or contingent), obligations, 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, except for the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any Encumbrances or Charges (as created by and defined in the ARIO, the SISP Approval Order dated March 8, 2024 and any other Orders granted in these CCAA Proceedings), (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system; (iii) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and (iv) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D" (the "**Permitted Encumbrances**")) and, for greater certainty, this Court orders and declares that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets and are non-enforceable and non-binding as against the Purchaser.

5. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental

authorities including those referred to below in this paragraph (collectively, “**Governmental Authorities**”) are hereby authorized, requested and directed to accept delivery of such Monitor’s Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of Land Titles (“**Land Titles Registrar**”) for the lands defined below shall and is hereby authorized, requested and directed to forthwith:
 - (i) cancel existing Certificate of Title No.182 099 665 for those lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta, and legally described as:

PLAN 8720213
BLOCK 5
LOT 4
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS
(the “**Lands**”);
 - (ii) issue a new Certificate of Title for the Lands in the name of the Purchaser (or its nominee);
 - (iii) transfer to the New Certificate of Title the existing instruments listed in Schedule “D” to this Order, and to issue and register against the New Certificate of Title such new caveats, utility rights of ways, easements or other instruments as are listed in Schedule “D”; and
 - (iv) discharge and expunge the Encumbrances listed in Schedule “C” to this Order and discharge and expunge any Claims including Encumbrances (but

excluding Permitted Encumbrances) which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands; and

- (b) the Registrar of the Alberta Personal Property Registry shall be and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Company in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.

6. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate together with a certified copy of this Order, this Order shall be immediately registered by the Land Titles Registrar notwithstanding the requirements of section 191(1) of the *Land Titles Act*, RSA 2000, c.L-7 and notwithstanding that the appeal period in respect of this Order has not elapsed. The Land Titles Registrar is hereby directed to accept all Affidavits of Corporate Signing Authority submitted by the Company or by FTI, in its capacity as the Monitor, and not in its personal capacity.

7. **THIS COURT ORDERS** that in order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Purchase Agreement. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.

8. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

9. **THIS COURT ORDERS** that except as expressly provided for in the Purchase Agreement or by section 5 of the Alberta Employment Standards Code, the Purchaser (or its nominee) shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Company.

10. **THIS COURT ORDERS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Company and the Purchaser regarding the fulfilment or waiver of conditions to closing under the Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

APPROVAL OF THE PROCEEDS DISTRIBUTIONS

12. **THIS COURT ORDERS** that the Company is hereby authorized and directed to distribute the Proceeds from the Edmonton Property Transaction as follows:

- (a) first, an amount equal to the Broker Fee shall be distributed to Avison Young Commercial Real Estate Services, LP ("**Avison Young**"), as full repayment of all

obligations owing to Avison Young by BZAM Cannabis under the Listing Agreement;
and

- (b) second, the remainder of the Proceeds shall be distributed to Cortland Credit Lending Corporation (“**Cortland**”), as the DIP Lender and the Applicants’ senior secured creditor, as partial repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland to partially repay such indebtedness in accordance with the terms of the DIP Loan (together, the “**Proceeds Distributions**”).

Such Proceeds 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 the Edmonton Property Charge; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec.

13. **THIS COURT ORDERS** that the Monitor is hereby authorized and empowered to cause the Applicants to make the distributions contemplated herein and take any further steps that it deems necessary or desirable to complete the distributions described in this Order.

14. **THIS COURT ORDERS** that the Applicants shall be entitled to deduct and withhold from the Proceeds Distributions such amounts as may be required to be deducted or withheld under any applicable law and to remit such amounts to the appropriate governmental authority or other person

entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

15. **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 Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (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 vesting of the Purchased Assets in the Purchaser and the Proceeds Distributions, each in accordance with this Order, 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 or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or territorial legislation.

GENERAL

16. **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 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.

17. **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.

18. **THIS COURT ORDERS** that this Order is effective as of 12:01 A.M. from the date that it is made and is enforceable without the need for entry and filing.

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 Vesting Order of the Court granted January 13, 2025 (the “**Order**”), the Court, *inter alia*: (i) approved the transaction (the “**Transaction**”) contemplated by an agreement of purchase and sale (the “**Purchase Agreement**”) between BZAM Cannabis Corp. (the “**Company**”), as vendor, and 2627411 Alberta Ltd. (the “**Purchaser**”), as purchaser, dated January 6, 2025 (as amended, the “**Purchase Agreement**”), (ii) authorized and directed the Applicants to make certain payments and distributions, and (iii) provided for the vesting in the Purchaser of all the Company’s right, title and interest in and to the property described in the Purchase Agreement, which such vesting is 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 the Company that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.

C. Capitalized terms not defined herein shall have the meaning given to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Company, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Purchase 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" – LEGAL DESCRIPTION OF THE REAL PROPERTY

PLAN 8720213

BLOCK 5

LOT 4

EXCEPTING THEREOUT ALL MINES AND MINERALS

AREA: 2.02 HECTARES (5 ACRES) MORE OR LESS

SCHEDULE “C”

INSTRUMENTS TO BE DELETED

1. All liens, charges, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), levies, or other financial or monetary claims which may be registered after the date of the Purchase Agreement against the existing Certificate of Title to the Lands (other than Permitted Encumbrances as defined in the Purchase Agreement).

SCHEDULE "D"

PERMITTED ENCUMBRANCES, EASEMENTS AND RESTRICTIVE COVENANTS RELATED TO THE REAL PROPERTY

Reg. No.	Date	Particulars
192 070 851	26/03/2019	CAVEAT RE: AGREEMENT CHARGING LAND, ETC. CAVEATOR - FORTISALBERTA INC. 15 KINGSVIEW ROAD SE ATTN: LAND DEPT AIRDRIE ALBERTA T4A0A8 AGENT - ERIN ALDCROFT
192 072 676	27/03/2019	CAVEAT RE: UTILITY RIGHT OF WAY CAVEATOR - FORTISALBERTA INC. 320-17 AVE SW CALGARY ALBERTA T2S2V1 AGENT - JAMES RYAN
212 152 636	14/07/2021	MORTGAGE MORTGAGEE - MANJINDER SINGH GILL 6676 KNIGHT DRIVE DELTA BRITISH COLUMBIA V4E1S5 ORIGINAL PRINCIPAL AMOUNT: \$5,000,000
212 152 637	14/07/2021	CAVEAT RE: ASSIGNMENT OF RENTS AND LEASES CAVEATOR - MANJINDER SINGH GILL C/O BURNET, DUCKWORTH & PALMER LLP SUITE 2400,525 8TH AVE SW CALGARY ALBERTA T2P1G1 AGENT - THOMAS W OSTROWERKA
212 152 638	14/07/2021	POSTPONEMENT

		OF CAVE 192070851 TO MORT 212152636 CAVE 212152637
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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 VESTING ORDER
(EDMONTON PROPERTY TRANSACTION)**

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Lawyers for the Applicants

TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 13th
)
JUSTICE OSBORNE) DAY OF JANUARY, 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**")

ANCILLARY 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 Confidential Supplement to the Second Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") dated April 16, 2024 (the "**Confidential Supplement**"), the Supplement to the Seventh Report of the Monitor dated December 2, 2024 (the "**Supplemental Report**") and the Eighth Report of the Monitor dated January [●], 2025 (the "**Eighth Report**", and together with the Confidential Supplement and the Supplemental Report, the "**Monitor's Reports**") and the Monitor's conduct and activities therein, and (iii) approving the sealing of (x) the Settlement Agreement dated December 13, 2024 among Final Bell Holdings International Ltd., Cortland Credit Lending Corporation and the Applicants (the "**Settlement Agreement**"), (y) the Confidential Appendix of the Eighth Report (the "**Confidential Appendix**"), and (z) the Confidential Supplement, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Matthew Milich dated January 8, 2025, and the Exhibits thereto (the "**Milich Affidavit**") and the Eighth 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, counsel for 2627411 Alberta Ltd. and counsel for the Stalking Horse Purchaser, 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 and including March 31, 2025.

APPROVAL OF THE MONITOR'S ACTIVITIES AND REPORTS

4. **THIS COURT ORDERS** that the Monitor's Reports are 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.

SEALING

5. **THIS COURT ORDERS** that:

- (a) the Confidential Exhibit "I" to the Milich Affidavit (the "**Confidential Exhibit**"), being the Settlement Agreement;

- (b) the Confidential Appendix, being an appendix to the Eighth Report that contains certain confidential information relating to the Settlement Agreement; and
- (c) the Confidential Supplement, being the confidential report of the Monitor, which sets out, among other things, the economic terms of the LOIs received by the Monitor and the Applicants prior to the Phase I Deadline (as defined in the SISP Approval Order dated March 1, 2024),

be sealed, kept confidential and not form part of the public record, and that the Confidential Exhibit, the Confidential Appendix and the Confidential Supplement shall be placed separate and apart from all other contents of the Court file, each in a sealed envelope attached to a notice that sets out the title of these proceedings and a statement that the contents are subject to a sealing order and shall only be opened upon further Order of this Court.

GENERAL

6. **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.

7. **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.

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

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.

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

Proceeding commenced at Toronto

ANCILLARY ORDER

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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 January 13, 2025)**

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