

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

**MOTION RECORD
(Returnable October 15, 2024)**

October 8, 2024

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1	Notice of Motion
2	Affidavit of Matthew Milich sworn October 8, 2024
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" – The Purchase Agreement dated August 23, 2024
3	Draft Approval and Vesting Order
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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LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH
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Applicants

**NOTICE OF MOTION
(Returnable October 15, 2024)**

The Applicants will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Tuesday, October 15, 2024 at 9:00 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 "**Approval and Vesting Order**") substantially in the form attached hereto at Tab 3 of this motion record, among other things,
 - (a) abridging the time for service of the motion record returnable October 15, 2024 and dispensing with service on any person other than those served;
 - (b) approving the share purchase agreement dated August 23, 2024 (the "**Purchase Agreement**") among BZAM Holdings Inc. ("**BZAM Holdings**"), as vendor, BZAM Management Inc. ("**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 (as defined below), may deem necessary;
 - (c) 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;
 - (d) 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);
 - (e) 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

- (f) removing BZAM Management as an Applicant in these CCAA Proceedings.
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 October 15, 2024 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 December 2, 2024 (the "**Stay Extension**");
 - (c) 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 (as defined in the ARIO) from \$41 million to \$37 million;
 - (d) 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
 - (e) 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.
3. Such further and other relief as this Court deems just.

THE GROUNDS FOR THIS APPLICATION ARE:

4. All capitalized terms not otherwise defined herein have the meaning ascribed to them in:
 - (a) the amended and restated Initial Order of the Honourable Justice Osborne dated March 8, 2024 (the "**ARIO**") in the CCAA Proceedings under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"); or
 - (b) the affidavit of Matthew Milich sworn October 8, 2024 (the "**Milich Affidavit**"), as applicable.

Introduction and Background

5. 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.

6. Facing significant liquidity issues, the Applicants obtained protection under the CCAA on February 28, 2024, pursuant to the Initial Order. 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 "**Initial Stay Period**");
- (d) 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

- (e) granted the Administration Charge, the DIP Lender's Charge and the Directors' Charge (each as defined in the ARIO).

7. At the comeback hearing on March 8, 2024, the Court granted the ARIO, which, among other things:

- (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) increased the maximum quantum of (i) the Administration Charge from \$500,000 to \$1,000,000, (ii) the DIP Lender's Charge from \$2,400,000 to \$41,000,000 (plus accrued and unpaid interest, fees and costs), and (iii) the Directors' Charge from \$5,300,000 to \$12,900,000.

The SISP

8. On March 8, 2024, the Court also granted 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.

9. Following the SISP Approval Order, the Monitor took steps to advance the SISP in accordance with the timelines contemplated therein. On April 16, 2024, following certain discussions between the Monitor and the potential bidders, the Monitor and the Applicants determined that none of the bids received constituted a "Qualified Bid" (as defined in the SISP). Accordingly, with the consent of the DIP Lender, the SISP was terminated and the Stalking Horse Purchase Agreement was deemed the successful bid.

10. Notably, the Monitor and the Applicants did not receive any bids in respect of the business or assets of BZAM Management.

Previous Stay Extensions

11. On August 26, 2024, the Court granted an Order which, among other things, extended the Stay Period to and including October 15, 2024. Pursuant to the proposed Ancillary Order, the Applicants seek to extend the Stay Period to and including December 2, 2024.

Litigation with Final Bell

12. Final Bell Holdings International Ltd. ("**Final Bell**") served a notice of motion on March 18, 2024, in support of its rescission claim, alleging that the Applicants had made numerous false misrepresentations which induced Final Bell into entering and closing the Share Exchange Agreement (as defined in the Second Report of the Monitor dated April 17, 2024).

13. On May 3, 2024, Final Bell abandoned its rescission claim, seeking in the alternative, among other things: (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 further amended on September 5, 2024.

14. 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 its 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.

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

16. Notwithstanding the fact that the Threshold Motion and the Amended Claim remain unresolved, 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.

Transaction Approval

17. Pursuant to the proposed Approval and Vesting Order, the Applicants are seeking the Court's approval of the Purchase Agreement and the Transaction. The Purchase Agreement is effectively a spinoff transaction from the original Stalking Horse Purchase Agreement. Instead of acquiring the Applicants' entire business in a single transaction, the Stalking Horse Purchaser has decided that it is more commercially advantageous to complete the Stalking Horse Bid through two separate agreements. The Transaction does not materially change the consideration being paid as contemplated under the original Stalking Horse Purchase Agreement or materially alter the economics of the Stalking Horse Bid.

18. 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.

19. The Purchase Agreement contemplates a reverse vesting transaction, pursuant to which the Purchaser will acquire all of the issued and outstanding shares in the capital of BZAM Management owned by BZAM Holdings for a purchase price of an amount equal to the aggregate of: (i) \$1,000,000 (the "**Cash Consideration**"), and (ii) the assumption of the Assumed Liabilities (as defined in the Purchase Agreement).

20. In accordance with the proposed Approval and Vesting Order, all Excluded Assets, Excluded Liabilities and Excluded Contracts (as defined in the Purchase Agreement) will vest in and be transferred to ResidualCo, and ResidualCo will be added as an Applicant in these CCAA

Proceedings as of the Closing Time (as defined in the Approval and Vesting Order). Correspondingly, BZAM Management will be removed as an Applicant in these CCAA Proceedings as of the Closing Time.

21. The primary purpose of the reverse vesting structure is to preserve certain cannabis and excise licenses by facilitating an efficient operational transfer of BZAM Management's business following the closing of the Transaction. 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.

22. Pursuant to the proposed Approval and Vesting Order, all Claims and Encumbrances will attach to the Proceeds, with the same priority as they had with respect to the Purchased Shares and the Retained Assets immediately prior to the sale (each as defined under the Purchase Agreement).

23. The Transaction will result in a number of employees maintaining their employment and certain suppliers of goods and services maintaining their business relationships with BZAM Management and the Wyld brand (a brand owned by BZAM Management's joint venture). 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 contemplated liquidating BZAM Management. That would clearly be a worse result for the Applicants, BZAM Management, Cortland, Wyld and each of their stakeholders.

24. 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.

Cash Distribution

25. The proposed Ancillary Order authorizes and directs the Applicants to distribute the Cash Consideration to the DIP Lender, as partial satisfaction of the indebtedness owing to the DIP Lender by the Applicants. 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.

26. The Monitor supports, and does not believe that any stakeholder will be materially prejudiced by, the Cash Distribution.

The DIP Amendment

27. The Applicants and Cortland have agreed to: (i) reduce the maximum principal amount available under the DIP Loan from \$41 million to \$37 million, with a corresponding reduction to the DIP Lender's Charge, and (ii) extend the maturity date under the DIP Loan to December 2, 2024 (the "**DIP Amendment**").

28. The DIP Amendment is based on the go-forward funding needs of the Applicants and allows the Applicants to continue operating in the ordinary course. 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**").

The Stay Extension

29. The stay of proceedings under the ARIO 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.

30. The Applicants have continued to postpone seeking approval of the Stalking Horse Purchase Agreement, and the transaction contemplated therein, due to the ongoing uncertainty surrounding the determination of the Amended Claim.

31. The Stay Extension is necessary and in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. The additional time afforded by the Stay Extension will provide the Applicants an opportunity to, among other things:

- (a) finalize all restructuring objectives;

- (b) subject to the resolution of the Amended Claim, finalize and seek approval of the Stalking Horse Purchase Agreement; and
- (c) continue to advance matters towards a termination of these CCAA Proceedings that will allow certain of the Applicants to emerge as going concern entities.

32. 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, including Final Bell, will be materially prejudiced by the granting of the Stay Extension.

33. As demonstrated in the Fourth Revised Cash Flow Forecast to be appended to the Sixth Report, 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.

Approval of the Sixth Report and the Monitor's Activities and Fees

34. The proposed Ancillary Order seeks approval of the Sixth Report and the activities of the Monitor, and its counsel described therein, as applicable.

OTHER GROUNDS:

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

36. 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

37. 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 Milich Affidavit, and the exhibits attached thereto;
- (b) the Sixth Report; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

October 8, 2024

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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 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.: CV-24-00715773-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings Commenced in Toronto

NOTICE OF MOTION
(Approval and Vesting Order & 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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BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM
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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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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.

1.1 "Excluded Assets", "Excluded Contracts", and "Excluded Liabilities"	<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.
1.1 Assumed Liabilities	<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>
1.1 "Terminated Employee"	<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>
2.1 Purchase and Sale	<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>
3.1 Consideration	<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>

4.4 Tax Matters	<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>
9.1 Conditions – Purchaser and Vendor	<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.
9.2 Conditions – Purchaser	<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 "A"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 8TH DAY OF OCTOBER, 2024.



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.

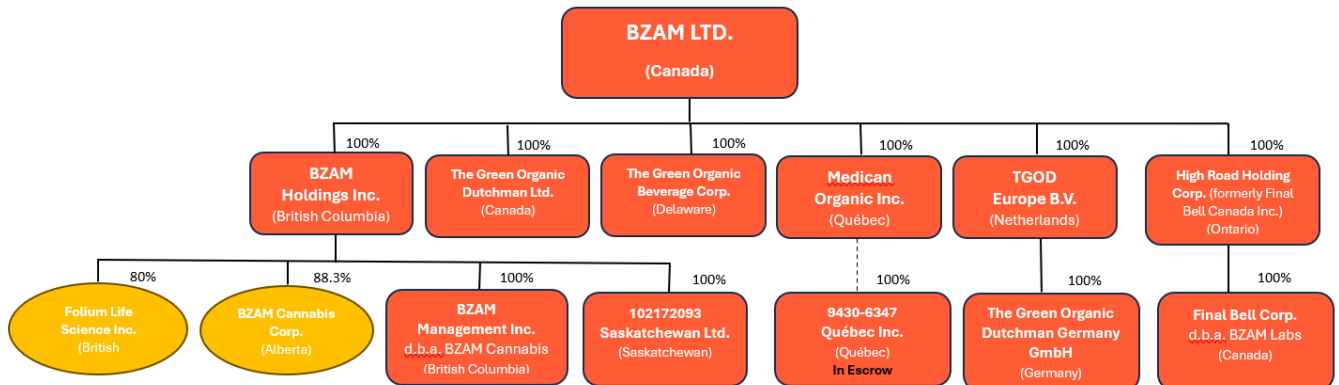
11. The CCAA filing and the proposed SISP are intended to benefit all of the Company’s stakeholders in Canada and internationally, including the Company's many employees, customers, suppliers, secured creditors, other contracting parties, Health Canada, and the relevant provincial cannabis regulators.

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 SISF. The assets and

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

IV. BUSINESS OF THE APPLICANTS

A. The Cannabis Industry in Canada

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

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

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

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

B. The Company's Business

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

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

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

C. Employees

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

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

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

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

D. Owned and Leased Real Property

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

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

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

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

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

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

(c) the Bowmanville Facility operated by BZAM Labs.

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

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

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

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

(b) 311-455 Boulevard 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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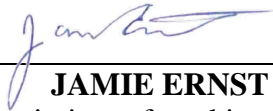
JAMIE ERNST

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 OCTOBER, 2024.



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	Details ³
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.

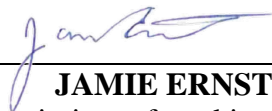
A copy of the letter from counsel for BZAM is attached hereto as **Exhibit "E"**.

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 OCTOBER, 2024.

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)

THE HONOURABLE) FRIDAY, THE 8th
JUSTICE OSBORNE) DAY OF MARCH, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM MANAGEMENT INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP. AND FINAL BELL CORP. (collectively the "**Applicants**", and each an "**Applicant**")

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

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

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

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

SERVICE AND INTERPRETATION

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

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

APPLICATION

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

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

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

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

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

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

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

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

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

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

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

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

- to the date of this Order but not required to be remitted until on or after the date of this Order;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued or collected after the date of this Order; and
 - (d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

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

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

RESTRUCTURING

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

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

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

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

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

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

NO PROCEEDINGS AGAINST THE BZAM ENTITIES OR THEIR RESPECTIVE PROPERTY

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

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

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

CONTINUATION OF SERVICES

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

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

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

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

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

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

APPOINTMENT OF MONITOR

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

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

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

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

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

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

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

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

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

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

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

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

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

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

DIP FINANCING

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

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

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

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

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

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

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

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

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

With respect to all Property other than the Edmonton Property:

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

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

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

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

Fifth – Bid Protections Charge.

With respect to the Edmonton Property:

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

Second – Edmonton Property Charge;

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

Fourth – Cortland's Pre-Filing Debt;

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

Sixth – Bid Protections Charge.

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

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

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

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

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

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

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

CORPORATE MATTERS

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

RELIEF FROM REPORTING AND FILING OBLIGATIONS

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

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

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

"STATUS QUO" OF APPLICANTS' LICENSES

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

SERVICE AND NOTICE

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

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

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

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

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

GENERAL

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

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

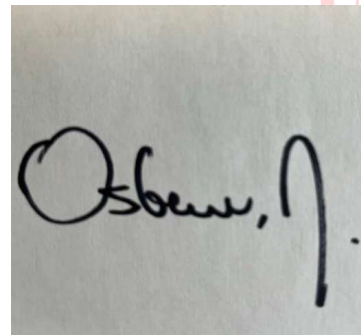
55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this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

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

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

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

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

A rectangular box containing a handwritten signature in black ink that reads "Osborne, J.".

2024.03.

11

13:45:30

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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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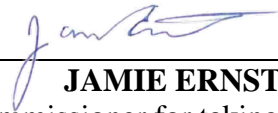
Jamie Ernst (LSO# 88724A)

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 OCTOBER, 2024.

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)

SHARE PURCHASE AGREEMENT

This Agreement is made as of the 23rd day of August, 2024 (the “**Effective Date**”), among:

BZAM HOLDINGS INC.
(the “**Vendor**”)

– and –

BZAM MANAGEMENT INC.
(the “**Company**”)

– and –

WYLD CANADA INC.
(“**Wyld**”)

– and –

1000912353 ONTARIO INC.
(the “**Purchaser**”)

WHEREAS on February 28, 2024, the Vendor, the Company, BZAM Ltd., 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 “**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**”), 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**”).

AND WHEREAS the Purchaser wishes to purchase 100% of the issued and outstanding shares of the Company. The Vendor has accepted the offer subject to, and in accordance with, the terms and conditions set out in this Agreement.

AND WHEREAS the Vendor, the Company and Wyld entered into in an Indemnity & Costs Agreement dated May 31, 2024 (the “**Indemnity & Costs Agreement**”), pursuant to which Wyld agreed to pay for and indemnify the Company and the Vendor for certain costs incurred in connection with this Agreement and the Transaction.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act* (Ontario).

“**Agreement**” means this share purchase agreement, as may be amended and/or amended and restated from time to time in accordance with the terms hereof, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, substantially in the form attached hereto as Schedule “**G**” with such changes as may be agreed to by the Parties and approved by the Monitor, among other things, approving and authorizing the Transaction, including the Closing Sequence, and vesting in the Purchaser (or as it may direct) all the right, title and interest of the Vendor in and to the Company Shares.

“**Assumed Contracts**” means all Contracts that are not Excluded Contracts.

“**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.

“**Books and Records**” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of the Company, in connection with the ownership of the Company, or operation of the Business, including the Assumed Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

“**Business**” means the business conducted by the Company, being the cultivation, processing and sale of cannabis and cannabis products.

“**Business Day**” means a day on which banks are open for business in Toronto, Ontario but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

“**BZAM Group**” has the meaning set out in the recitals hereto.

“**Cash Consideration**” has the meaning set out in Section 3.1(a).

“**CCAA**” has the meaning set out in the recitals hereto.

“**CCAA Proceedings**” means the proceedings under the CCAA commenced pursuant to the Initial Order.

“**Claims**” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person, and includes any and all claims and interests of secured creditors in and to the assets of the Company.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means the date on which the Monitor’s Certificate is delivered, which date shall be the date that is ten (10) calendar days after the date the Approval and Vesting Order is obtained, or such other earlier or later date as may be agreed by the Parties with the consent of the Monitor.

“**Closing Sequence**” means the transactions, acts or events described in Exhibit “A” which, unless otherwise expressly provided therein, are to occur immediately prior to the Closing Time in the sequence described therein.

“**Closing Time**” means the time reflected on the Monitor’s Certificate as the time on the Closing Date at which Closing occurred.

“**Company**” means BZAM Management Inc. For greater certainty, any reference to the Company in this Agreement shall be to the Company as it existed and was prior to the Closing Date and not the Company as it exists after the Closing Date.

“**Company Shares**” means 100 common shares in the capital of the Company, which shares constitute all of the issued and outstanding shares of the Company.

“**Contracts**” means the written contracts, agreements, leases, understandings and arrangements that are related to the Business to which the Company is a party or by which the Company is bound or in which the Company has any rights, including any Contracts in respect of Employees.

“**Court**” has the meaning set out in the recitals hereto.

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

“**Effective Date**” has the meaning set out in the preamble hereto.

“**Employee**” means an individual who is employed by the Company, whether on a full-time or a part-time basis, whether active or inactive as of the Closing Date, and includes an employee on short term or long term disability leave, but, for greater certainty, excludes any Terminated Employees.

“**Encumbrances**” means any security interest, lien, Claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Excise Licence**” means cannabis licence 70583 6518 RD 0004 obtained by the Company under the *Excise Act, 2001* (Canada).

“**Excluded Assets**” means those assets listed on Schedule “A”.

“**Excluded Contracts**” means the Contracts listed in Schedule “B”.

“**Excluded Liabilities**” has the meaning set out in Section 2.2(a)

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

“**Health Canada Licences**” means all authorizations related to cannabis and issued by Health Canada to the Company, including authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation the licence attached hereto as Schedule “F”.

“**Indemnity & Costs Agreement**” has the meaning set out in the recitals hereto.

“**Initial Order**” has the meaning set out in the recitals hereto.

“**Interim Period**” means the period from the Effective Date to the Closing Time.

“**JV Shares**” has the meaning set out in Section 8.3(d).

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Monitor**” has the meaning set out in the recitals hereto.

“**Monitor’s Certificate**” means an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order.

“**Organizational Documents**” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“**Outside Date**” means the later of (i) October 15, 2024; and (ii) five Business Days following the issuance of the Approval and Vesting Order, or such later date as the Parties may agree to in writing.

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means more than one of them.

“**Permits and Licences**” means the permits, licences, authorizations, approvals or other evidence of authority related to the Business, including: (i) the permits, licences, authorizations, approvals or other evidence of authority related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Company; (ii) the Excise Licence; and (iii) the Health Canada Licences.

“**Permitted Encumbrances**” means those Encumbrances set forth in Schedule “**D**”.

“**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.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**ResidualCo**” means a corporation to be incorporated to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Closing Sequence.

“**Retained Assets**” has the meaning set out in Section 4.1.

“**Stalking Horse Agreement**” means the share subscription agreement between 1000816625 Ontario Inc. and BZAM Ltd. dated March 1, 2024 as amended from time to time.

“**Taxes**” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminated Employee**” means those individuals currently employed by the Company and listed in Schedule “**E**” to this Agreement, whose employment will be terminated prior to Closing pursuant to Section 9.2(d), as determined by the Purchaser by written notice to the Company, with a copy to the Monitor, as soon as possible, but in any event by no later than 5:00pm EST on June 14, 2024.

“**Transaction**” means the transaction of purchase and sale contemplated by this Agreement, whereby the Purchaser will acquire the Company Shares.

“**Transferred Assets**” means the assets set forth in Schedule “**4.3**”.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another

subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. 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.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendor, Wyld, the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules

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

EXHIBITS

Exhibit A - Closing Sequence

SCHEDULES

Schedule A - Excluded Assets
Schedule B - Excluded Contracts
Schedule C - Excluded Liabilities
Schedule D - Permitted Encumbrances
Schedule E - Terminated Employees
Schedule F - Health Canada Licences
Schedule G - Approval and Vesting Order
Schedule 4.3 - Transferred Assets

The Parties acknowledge that as of the Effective Date, the Schedules are not complete. The Schedules are for the benefit of the Purchaser and shall be completed by the Purchaser, on or before the date set out in each Schedule.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Company Shares

Subject to the terms and conditions of this Agreement, effective as and from the Closing Time, the Vendor shall sell, assign and transfer the Company Shares to the Purchaser, and the Purchaser shall purchase the Company Shares from the Vendor, free and clear of all Encumbrances (other than Permitted Encumbrances), with the result that the Purchaser shall become the sole shareholder of the Company at the Closing Time.

2.2 Assumed Liabilities of the Company

- (a) Subject to Section Article 7, pursuant to the Approval and Vesting Order, save 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 (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company 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”, 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 and to which the Company may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities for Terminated Employees whose employment with the Company or its Affiliate is terminated on or before Closing (collectively, the “**Excluded Liabilities**”) shall be excluded and will no longer be binding on the Company, the Retained Assets or the Company Shares following the Closing Time.
- (b) Subject to Section Article 7, pursuant to the Approval and Vesting Order, the Excluded Liabilities shall be vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Company, the Company Shares, the Retained Assets, and the Company’s undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Purchase Price and the Excluded Assets, if any, shall, for the purposes of determining the nature and priority of Claims, stand in the place and stead of the Retained Assets and following the Closing Time, Claims shall attach to the Purchase Price and the Excluded Assets, if any, with the same priority as they had with respect to the Retained Assets immediately prior to the Closing Time and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims. For clarity, the Purchase Price and the Excluded Assets, if any, shall not be available to satisfy any Claims against the Retained Assets or the Company Shares.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser 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 (collectively, the “**Purchase Price**”).

ARTICLE 4 TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

On the Closing Date, the Company shall retain all physical assets located at Unit 518, 19100 Airport Way, Pitt Meadows, BC V3Y 0E2 as of June 14, 2024 and any assets acquired by it up to and including Closing, including the Company’s equipment, its Assumed Contracts, accounts receivables, all cash received by the Company relating to Wyld’s products from June 1, 2024 onwards, Permits and Licences, Books and Records, Business and undertakings, but excluding inventory sold in the ordinary course of Business in the Interim Period, any cash in the bank accounts of the Company as of May 31, 2024, all cash received by the Company relating to non-Wyld products from June 1, 2024 onwards, the Excluded Assets and Excluded Contracts (the “**Retained Assets**”). For greater certainty, any advances made to the Company after May 31, 2024 by the Vendor, or one of its affiliates, will be credited against any Wyld-related receipts received by the Company post such advances. The Company shall transfer the Excluded Assets and Excluded Contracts to ResidualCo on or before the Closing Time, and same shall be vested in ResidualCo pursuant to the Approval and Vesting Order. The Company and Vendor confirm that the accounts receivable balance as of June 1, 2024, as it relates to Wyld products, was approximately \$1,200,000.

4.2 Transfer of Excluded Liabilities to ResidualCo

At or before the Closing Time, the Excluded Liabilities shall be transferred to and assumed by ResidualCo, in accordance with the Closing Sequence and/or pursuant to the Approval and Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Company Shares, the Company, and the Retained Assets from and after the Closing Time.

4.3 Pre-Closing Transfers

Notwithstanding Sections 4.1 and 4.2, prior to the Closing Date, the Company is hereby authorized and permitted to transfer the assets as set out in Schedule “**4.3**”, which are not related to Wyld’s core business activities, to any of its affiliates.

4.4 Tax Matters

All Taxes owed or owing or accrued due by the Company:

- (a) prior to February 28, 2024, shall be transferred to, vested in and assumed by ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to February 28, 2024, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments 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, the Vendor, which includes any obligations resulting from any audit or reassessment with respect to any Taxes that relate to the time period occurring, or facts arising, between February 28, 2024 to May 31, 2024, regardless upon when such audit or reassessment was commenced or completed; and
- (c) as of May 31, 2024, shall be assumed by Wyld in accordance with the terms of the Indemnity & Costs Agreement.

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.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor

Subject to the issuance of the Approval and Vesting Order, the Vendor hereby represents and warrants as follows, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the *Business Corporations Act* (British Columbia), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.
- (c) No Conflict. The execution, delivery and performance by the Vendor of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Vendor.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Company Shares, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Company Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.
- (f) Residency. The Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.
- (g) Title to Company Shares. The Vendor is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the Company Shares, with good and valid title thereto, and the Vendor will transfer good and valid title to the Company Shares to the Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances), pursuant to and in accordance with the Approval and Vesting Order. There are no issued and outstanding common shares or other securities of the Company other than the Company Shares nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.

- (h) Title to JV Shares. The Vendor is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the JV Shares, with good and valid title thereto free and clear of all Encumbrances (other than Permitted Encumbrances).
- (i) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement and the Stalking Horse Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor or the Company of any of the Company Shares or the Retained Assets.

5.2 Representations and Warranties of the Company

Subject to the issuance of the Approval and Vesting Order, the Company hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (British Columbia), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Authorized and Issued Capital and Title to New Common Shares. The authorized capital of the Company consists of an unlimited number of one class of common shares of which 100 common shares are issued and outstanding. The Company Shares: (i) constitute all of the issued and outstanding securities in the capital of the Company; (ii) have all been duly authorized and validly issued as fully paid and non-assessable; (iii) have been issued by the Company in compliance with all Applicable Laws; and (iv) are registered in the name of, and are legally and beneficially owned by, the Vendor. None of the Company Shares have been issued in violation of any pre-emptive, right of first offer or refusal or similar rights.
- (f) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement and the Stalking Horse Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Company Shares or any Retained Assets.
- (g) Proceedings. There are no proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the

Company Shares or the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Company Shares or the Retained Assets or the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Vendor or the Company from fulfilling any of their obligations set forth in this Agreement.

- (h) Health Canada Licences. Except for the Purchaser's rights under this Agreement and the Stalking Horse Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Health Canada Licences or the Excise Licence.
- (i) Assumed Contracts. The Company has provided to the Purchaser correct and complete copies of each Assumed Contract together with all amendments, modifications and supplements thereto.

5.3 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor, and acknowledges that, as of the Closing Time, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) HST Registrant. The Purchaser is, or will be on the Closing Date, an HST registrant.

5.4 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Company Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser on an "as is, where is" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Health Canada Licences, Company Shares and the Retained Assets.

ARTICLE 6 COVENANTS

6.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.2 Motion for Approval and Vesting Order

Concurrently with the BZAM Group serving and filing its motion for approval of the Stalking Horse Agreement, the Vendor shall serve and file with the Court a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction. The Vendor shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

6.3 Interim Period

During the Interim Period, except as contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Closing Sequence), the Company shall continue to maintain its Business and operations in substantially the same manner as conducted on the Effective Date and in material compliance with all Applicable Laws, Permits and Licences. Wyld is responsible for any and all costs and Liabilities arising out of the Business during the Interim Period, including in accordance with the terms of the Indemnity & Costs Agreement.

6.4 Transfer of Company Shares

The Vendor hereby covenants that, during the Interim Period, there shall be no direct or indirect transfer, sale, assignment, pledge, or other disposition of any of the Company Shares until the transfer of the Company Shares to the Purchaser on the Closing Date in accordance with this Agreement.

6.5 Vendor Bound by Agreement

The Vendor hereby covenants to remain bound by and comply with all terms and conditions of this Agreement, notwithstanding any restructuring, reorganization, or other alterations made pursuant to the CCAA Proceedings.

6.6 Insurance Matters

Until Closing, the Vendor and the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business. In accordance with the terms of the Indemnity & Costs Agreement, any and all costs associated with the existing insurance policies will be assumed by Wyld up to and including Closing.

6.7 Interim Period Operation of Business

All parties acknowledge that the Business will continue to operate in the ordinary course during the Interim Period. Until Closing, the Vendor shall continue to transfer all receivables and cash payments relating to any Wyld products, and not associated or related to the Transferred Assets, that it receives on behalf of the Company directly to the Company's designated account. Any receivables paid or cash payments made to the Vendor, but owned by or owing to the Company or the Business relating to Wyld products, shall continue to be transferred to the Company as soon as practicable. The Company shall retain access to all bank accounts that receive cash payments related to the Business throughout the Interim Period, and the Vendor covenants to facilitate such bank account access and confirms that cash management practices will continue in the ordinary course. The Vendor covenants not to disrupt, interfere with, or alter the Company's banking relationships, including maintaining the integrity of all existing arrangements.

ARTICLE 7 INDEMNITY & COSTS AGREEMENT

7.1 The Indemnity & Costs Agreement

Nothing in this Agreement shall displace or supersede the Indemnity & Costs Agreement. Pursuant to its terms, Wyld, as of May 31, 2024:

- (a) assumed all obligations, costs, liabilities, duties and expenses of the Company, including, without limitation, all taxes, insurance, rent, utilities, supplier and employee costs in accordance with the terms of the Indemnity & Costs Agreement (the "**Obligations**"); and
- (b) indemnified the Vendor from and against all costs and expenses incurred in relation to the preparation, negotiation, finalization and execution of this Agreement (the "**Transaction Costs**").

Notwithstanding the foregoing or anything to the contrary in the Indemnity & Costs Agreement, the Parties acknowledge and agree that, from and after the Closing Date, Liabilities that are designated as Excluded Liabilities shall not constitute Obligations.

ARTICLE 8 CLOSING ARRANGEMENTS

8.1 Closing

Closing shall take place electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

8.2 Closing Sequence

- (a) Subject to the other terms of this Agreement, the Company shall effect the Closing Sequence, provided that the Vendor and the Purchaser may agree to amend the Closing Sequence prior to Closing with the written consent of the Monitor.
- (b) The Purchaser and the Vendor shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Closing Sequence.

8.3 Vendor / Company Closing Deliveries

At or before the Closing Time, the Vendor and the Company shall deliver or cause to be delivered to the Purchaser the following:

- (a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) share certificates representing the Company Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the Vendor;
- (c) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor and the Company contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor and the Company have performed in all material respects the covenants to be performed by them prior to the Closing Time;
- (d) the certificate representing 40 common shares in the capital of Wyld registered to BZAM Ltd. (the “**JV Shares**”), together with an instrument confirming the forfeit and surrender of such shares and cancellation for no consideration;
- (e) a resolution of the directors of Wyld confirming the cancellation of all shares held by BZAM Ltd.;
- (f) resignations of Matthew Milich and Jordan Winnett as directors and officers of Wyld;
- (g) the Organizational Documents and Books and Records of the Company; and
- (h) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

8.4 Purchaser’s Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor and the Company (or to the Monitor, as applicable), the following:

- (a) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time;
- (b) the Cash Consideration in accordance with Section 3.1(a); and

- (c) such other agreements, documents and instruments as may be reasonably required by the Vendor and the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 9 CONDITIONS OF CLOSING

9.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint condition being satisfied, fulfilled or performed, which joint condition may not be waived by either Party:

- (a) Approval and Vesting Order. The Court shall have granted the Approval and Vesting Order in form and substance satisfactory to each of the Parties, the Approval and Vesting Order shall not have been vacated, set aside or stayed, and all applicable appeal periods shall have expired.
- (b) Health Canada Approval. Health Canada shall have approved the sale of the Company Shares to the Purchaser in accordance with the terms of this Agreement.
- (c) Stalking Horse Amendment. The Stalking Horse Agreement shall have been amended to permit the Transaction.
- (d) Licensing Agreement. The Parties shall have entered into a licensing agreement in form and substance satisfactory to the Vendor 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.
- (e) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (f) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 9.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

9.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, performed or waived:

- (a) Vendor's / Company's Deliverables. The Vendor and the Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 8.3.
- (b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 and Section 5.2 shall be true and correct in all material respects: (i) as of the

Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (c) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.
- (d) Company Employees. The Company 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, 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 shall be Discharged as against the Company, the Company Shares and the Retained Assets pursuant to the Approval and Vesting Order.
- (e) Disclaim Excluded Contracts. The Company 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.
- (f) Stalking Horse Agreement. The transaction contemplated by the Stalking Horse Agreement shall not have closed.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 9.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 9.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

9.3 Conditions Precedent in favour of the Vendor and the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, performed or waived:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 8.4.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.3 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (d) Purchase Price. The Purchaser shall have delivered or caused to be delivered to the Monitor the Cash Consideration in accordance with Section 3.1.
- (e) Vendor and Company Costs. The Vendor and the Company, as applicable, shall have been paid and/or reimbursed by Wyld for all Obligations and Transaction Costs incurred as of the Closing Date, in accordance with the terms of the Indemnity & Cost Agreement.

- (f) Releases. The Purchaser shall have delivered an irrevocable mutual release among the Purchaser, the Vendor and the Company releasing such respective parties and each of their respective directors, officers, employees, agents, representatives, legal and financial advisors from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims, of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present, or future, direct or indirect, whether known or unknown, except any covenants and obligations under this Agreement and the Indemnity & Cost Agreement which survive Closing, in a form and substance acceptable to the Purchaser, the Company, the Vendor and the Monitor, acting reasonably.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 9.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 9.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

9.4 Monitor's Certificate

When the conditions set out in Sections 9.1, 9.2 and 9.3 have been satisfied or waived, the Purchaser and the Vendor (or the applicable Party's counsel) will each deliver to the Monitor written confirmation of same (the "**Conditions Confirmation**"). Upon receipt of the Conditions Confirmation, the Monitor shall: (a) issue forthwith its Monitor's Certificate concurrently to the Purchaser and the Vendor (or the applicable Party's counsel); and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court. The Parties acknowledge and agree that in the case of (a) and (b), the Monitor shall be entitled to rely exclusively on the Conditions Confirmation without any obligation whatsoever to independently investigate or verify that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon delivery of the Conditions Confirmation, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that the Cash Consideration has been received, following which the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 10 TERMINATION

10.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) By the mutual written agreement of the Vendor and the Purchaser.
- (b) By either Party upon written notice to the other Party if: (i) Closing has not occurred by the Outside Date; (ii) the other Party defaults on any of its obligations under the Indemnity & Costs Agreement; or (iii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement.

10.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 10.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, save and except for any obligations of Wyld which may exist pursuant to the Indemnity & Costs Agreement.

**ARTICLE 11
GENERAL**

11.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser (or its designee) will retain all original Books and Records that are transferred to the Purchaser (or its designee) under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser (or its designee).

11.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of Wyld, as follows:

Wyld Canada Inc.
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

Attention: Gabe Parton Lee
Email: Gabe@nwconfections.com

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

Attention: Alexander Lalka
Email: alalka@millertomson.com

- (b) in the case of the Purchaser, as follows:

1000912353 ONTARIO INC.
1915 Jerseyville Road West
Jerseyville, ON L0R 1R0

Attention: Matthew Milich
Email: mmilich@bzam.com

with a copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig & Mike Shakra

Email: zweigs@bennettjones.com / shakram@bennettjones.com

- (c) in the case of the Vendor or the Company, as applicable, as follows:

BZAM Holdings Inc./ BZAM Management Inc.

Suite 518 - 19100 Airport Way
Pitt Meadows, BC V3Y 0E2

Attention: Matthew Milich
Email: mmilich@bzam.com

with a copy to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Attention: Sean Zweig & Mike Shakra
Email: zweigs@bennettjones.com / shakram@bennettjones.com

- (d) in each case, with a further copy to the Monitor as follows:

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

with a copy to:

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

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

11.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

11.4 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

11.5 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

11.6 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties, and with the consent of the Monitor.

11.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, with the exception of the Indemnity & Cost Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

11.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

11.9 Assignment by Purchaser

This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, with the prior written consent of the Vendor and the Monitor, provided that such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment and any such assignment shall not relieve the Purchaser of its obligations hereunder.

11.10 Further Assurances

Each of the Parties shall, at the request and expense of the Purchaser, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

11.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

11.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

11.13 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any Order of the Court in this CCAA Proceeding, the Company and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Company 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, the Company, the Business, the Company Shares, the Assumed Liabilities, the Excluded Liabilities, the Retained Assets, 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.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

1000912353 ONTARIO INC.

By: _____

Name: Matthew Milich

Title: Authorized Signatory

I have authority to bind the Corporation.

BZAM HOLDINGS INC.

By: _____

Name: Matthew Milich

Title: Authorized Signatory

I have authority to bind the Corporation.

BZAM MANAGEMENT INC.

By: _____

Name: Matthew Milich

Title: Authorized Signatory

I have authority to bind the Corporation.

WYLD CANADA INC.

By: Aaron Morris

Name: Aaron Morris

Title: Authorized Signatory

I have authority to bind the Corporation.

EXHIBIT "A"
CLOSING SEQUENCE

1. Prior to the service of court materials for the approval hearing, ResidualCo shall be incorporated by the Vendor 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 the Company, 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 the Company 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 Company, its Business and property, as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of, among others, the Vendor and ResidualCo.

SCHEDULE "A"
EXCLUDED ASSETS

[Note: Schedule to be further completed at least five (5) days prior to the Closing Date.]

SCHEDULE "B"
EXCLUDED CONTRACTS

[All land leases. To be described in greater detail in the final schedule]

[NTD: Excluded contracts should be identified prior to service of court materials]

SCHEDULE "C"
EXCLUDED LIABILITIES

[NTD: Excluded liabilities should be identified prior to service of court materials]

SCHEDULE "D"
PERMITTED ENCUMBRANCES

Nil.

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

SCHEDULE "F"
HEALTH CANADA LICENCES

Attached.

SCHEDULE "G"
APPROVAL AND VESTING ORDER

Attached.

**SCHEDULE “4.3”
TRANSFERRED ASSETS**

- All assets of the Company not related to, or associated with, Wyld, including without limitation, all such cash, accounts receivable, equipment, inventory, tools and intellectual property.

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.

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF MATTHEW MILICH
(Sworn October 8, 2024)**

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) TUESDAY THE 15TH
)
JUSTICE OSBORNE) DAY OF OCTOBER, 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.

Applicants

APPROVAL AND VESTING ORDER

THIS MOTION, made by 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. (the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**"), for an order, among other things: (i) approving a 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 (as defined in the Purchase Agreement) and authorizing and directing the Vendor and the Company to perform their obligations under the Purchase Agreement; (ii) adding 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 contemplated by the Purchase Agreement (the “**Transaction**”); (iii) transferring and vesting 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) vesting 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 (the “**Retained Assets**”) free and clear of all Encumbrances other than Permitted Encumbrances (each as defined in the Purchase Agreement), upon the filing of a certificate by the Monitor (defined herein) substantially in the form attached as Schedule “A”.

ON READING the notice of motion of the Applicants dated October 8, 2024, the affidavit of Matthew Millich, sworn October 8, 2024, the Sixth Report of FTI Consulting Canada Inc. (in such capacity, the “**Monitor**”) dated October [●], 2024 (the “**Sixth Report**”), in its capacity as the court-appointed CCAA monitor of the Applicants, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, 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.

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 Vendor and the Company is hereby authorized and approved, with such minor amendments as the parties may deem necessary, with the consent of the Monitor. The Vendor and the Company are hereby authorized and directed 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 to effect the Transaction.

4. **THIS COURT ORDERS AND DECLARES** that notwithstanding any provision of this order, the closing of the Transaction shall be deemed to occur in the manner and sequence set out in the Closing Sequence, with such alterations, changes or amendments as may be agreed to by the Vendor and the Purchaser, with the prior written consent of the Monitor, provided that such alterations, changes or amendments do not materially alter or impact the Transaction or the consideration which the Vendor or the Applicants' stakeholders will benefit from as part of the Transaction.

5. **THIS COURT ORDERS** that this order shall constitute the only authorization required by the Vendor and the Company to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith.

6. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

- (a) first, ResidualCo is deemed to be a company to which the CCAA applies and shall be added to these CCAA Proceedings as an Applicant;
- (b) second, all of the Company's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined herein) shall continue to attach to the Excluded Assets and to the proceeds from the purchase price in accordance with paragraph 9 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;
- (c) third, all Excluded Liabilities (which, for greater certainty, shall include all debts, obligations, Liabilities, Encumbrances (other than Permitted Encumbrances), indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims (as defined herein), rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise)) of the Company shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Company; and
- (d) fourth, in consideration for the Purchase Price, the Vendor shall transfer the Company Shares to the Purchaser and all right, title and interest in and to the Company Shares shall vest absolutely in the Purchaser, free and clear of and from any and all: civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any kind (including any cross-claim or counterclaim), demand, investigation, chose in action, default, assessment, litigation,

third party action, judgement, or proceedings by or before any person, security interests (whether contractual, statutory, or otherwise), hypothecs, pledges, mortgages, reservations of ownership, rights of retention, royalties, options, rights of pre-emption, privileges, assignments (as security), any and all restrictions on the transfer of shares, equity securities, partnership or membership units or interests or other interests in property, including rights of first refusal, rights of first offer, shotgun rights, purchase options, change of control consent rights, puts or forced sales provisions or similar rights of shareholders, members or lenders in respect of such interests, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, writs of enforcement, writs of seizure, or any other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other orders in these CCAA Proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems, with the exception of the Permitted Encumbrances (all of which are collectively referred to as “**Encumbrances**”); for greater certainty, this court orders that all of the Encumbrances affecting or relating to the Company Shares or the Retained Assets are hereby expunged and discharged as against the Company Shares or the Retained Assets, and, for greater certainty, this court orders that, notwithstanding anything else in this order, the Encumbrances and the Claims do not include the Permitted Encumbrances.

7. **THIS COURT ORDERS AND DECLARES** that, effective one moment following the Closing Time, any and all Liabilities arising from or relating to: (a) the change of control resulting from the Transaction; and (b) the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; and to which the Company may be bound at the Closing Time, including, for greater certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and the Company shall have no obligation in connection with such liabilities or Taxes.

8. **THIS COURT ORDERS AND DECLARES** that, effective two moments following the Closing Time, the CCAA proceeding shall be terminated in respect of the Company, its business and property, and the Company shall be deemed to be released from the purview of the Initial Order and all other orders of this court granted in respect of these CCAA Proceedings, save and except for this order, the provisions of which (as they relate to the Company) shall continue to apply in all respects. For greater certainty, these CCAA Proceedings shall continue in respect of the remaining Applicants (including the Vendor and ResidualCo).

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Company Shares (the “**Proceeds**”) shall stand in the place and stead of the Company Shares and Retained Assets as they pertain to the Company, and that from and after the delivery of the Monitor’s Certificate, all Claims and Encumbrances shall attach to the Proceeds and the Excluded Assets with the same priority as they had with respect to the Company Shares and Retained Assets immediately prior to the sale.

10. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the court a copy of the Monitor’s Certificate, forthwith after delivery thereof in connection with the Transaction.

11. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor, 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.

12. **THIS COURT ORDERS** that upon delivery of the and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Company, the Retained Assets or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this order and the Purchase Agreement. Presentment of this order and the Monitor's Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Retained Assets and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Retained Assets and the Excluded Assets, as applicable.

13. **THIS COURT ORDERS** that pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Company or the Monitor, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of the Company pertaining to past and current employees of the Company. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Company prior to the Closing Time.

14. **THIS COURT ORDERS AND DECLARES** that, at the Closing Time and without limiting the provisions of paragraphs 6 and 9 hereof, the Purchaser and the Company shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Company (provided such release shall not apply to taxes in respect of the business and operations conducted by the Company after the Closing Time), including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Company (including any predecessor corporations) pursuant to section 160 of the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), or any provincial equivalent, in connection with the Company, or to the Charges established and defined under the Initial Order.

15. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Purchase Agreement, all contracts to which the Company is a party to upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

- (a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of the Company);

- (b) the insolvency of the Company or the fact that the Company sought or obtained relief under the CCAA;
- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Purchase Agreement, the Transaction or the provisions of this order, or any other order of the court in these CCAA Proceedings; or
- (d) any transfer or assignment, or any change of control of the Company arising from the implementation of the Purchase Agreement, the Transaction or the provisions of this Order.

16. **THIS COURT ORDERS** that for greater certainty, that (a) nothing in paragraph 15 hereof shall waive, compromise or discharge any obligations of the Company or the Purchaser, in respect of any Assumed Liabilities, (b) the designation of any Claim as an Assumed Liability is without prejudice to any of the Company's or the Purchaser's right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this order or the Purchase Agreement shall affect or waive the Company's or the Purchaser's rights and defenses, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

17. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and

the Company arising directly or indirectly from the filing of the Company under the CCAA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 15 hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company from performing its obligations under the Purchase Agreement or be a waiver of defaults by the Company under the Purchase Agreement or related documents.

18. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company relating in any way to or in respect of any Taxes, Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

19. **THIS COURT ORDERS** that from and after the Closing Time:

- (a) the nature of the Assumed Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this order;
- (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

- (c) any Person that prior to the Closing Time had a valid right or claim against the Company under or in respect of any Excluded Contract or Excluded Liability (each an “**Excluded Liability Claim**”) shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contract or Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and
- (d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Closing Time.

20. **THIS COURT ORDERS AND DECLARES** that, as of the Closing Time, all references in any Order of this Court in respect of these CCAA Proceedings to (i) an “Applicant” or the “Applicants” shall refer to and include ResidualCo, and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (the “**ResidualCo Property**”), and, for greater certainty, each of the Charges (as defined in the Initial Order, as amended and restated from time to time), shall constitute a charge on the ResidualCo Property.

21. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”), in

respect of any of the Applicants and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Applicants,

the Purchase Agreement and the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the transfer and vesting of the Company Shares in and to the Purchaser) and any payments by or to the Purchaser, the Vendor, or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of any Applicant shall not be void or voidable by creditors of any Applicant, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

22. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser and/or the Company and their representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Company Shares and the Retained Assets.

23. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 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.

24. **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.

25. **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.

26. **THIS COURT ORDERS** that this order is effective from the date that it is made and is enforceable without any 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
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

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 _____ on _____, 2024.

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

) Per: _____

) Name: [●]

) Title: [●]

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC.,
BZAM 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.: CV-24-00715773-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST**

Proceeding commenced at Toronto

APPROVAL AND VESTING ORDER

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TAB 4

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 15th
)
JUSTICE OSBORNE) DAY OF OCTOBER, 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**")

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 Sixth Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") dated October [●], 2024 (the "**Sixth Report**") and the Monitor's conduct and activities therein, (iii) approving a reduction of the maximum principal amount available under the DIP Loan as set out in the Third Amendment to the DIP Facility Agreement dated [●] (the "**Third Amendment**"), and (iv) authorizing and directing the Applicants to make certain payments and distributions, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Matthew Milich dated October 8, 2024, and the Exhibits thereto (the "**Milich Affidavit**") and the Sixth Report, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto, counsel for the Monitor, counsel for the DIP Lender and 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 December 2, 2024.

APPROVAL OF THE MONITOR'S ACTIVITIES AND THE SIXTH REPORT

4. **THIS COURT ORDERS** that the Sixth Report is hereby approved, and the activities and conduct of the Monitor as described therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

DISTRIBUTION

5. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to distribute the Cash Consideration to Cortland, as the DIP Lender, as partial payment of the indebtedness owing by the Applicants to the DIP Lender, which shall be applied by Cortland to reduce such indebtedness in accordance with the terms of the DIP Loan (the "**Cash Distribution**"). Such Cash Distribution 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; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec; and (iii) any claims, entitlements or interests of Final Bell Holdings International Ltd. ("**Final Bell**"), including Final Bell's claims for equitable damages and/or a constructive trust.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to deduct and withhold from the Cash Distribution to the DIP Lender 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.

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

8. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings or the termination of these proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), R.S.C. 1985 c. B-3, as amended (the "**BIA**") in respect of any of the Applicants or their Property and any bankruptcy or receivership order issued pursuant to any such application; or
- (c) any assignment in bankruptcy made in respect of any of the Applicants,

the Cash Distribution made pursuant to this Order is final and irreversible and shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of any of the Applicants or their Property, and shall not be void or voidable by creditors of such Applicant, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments,

fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA or any other applicable federal or provincial law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the receipt thereof, be free of all claims, liens, security interests, trusts, constructive trusts, Encumbrances, the Charges, or other encumbrances granted by or relating to any of the Applicants or their Property.

9. **THIS COURT ORDERS** that the Cash Distribution shall not constitute a "distribution" by the Applicants and that the Applicants shall not constitute a "legal representative" or "representative" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada), section 23 of the *Canada Pension Plan Act* (Canada), section 86 of the *Employment Insurance Act* (Canada), and section 97.39 of the *Customs Act* (Canada), or any other similar federal, provincial or territorial tax legislation (collectively, the "**Tax Statutes**"), and the Applicants, in making the Cash Distribution, are merely a disbursing agent under this Order, and are not exercising any discretion in respect of the Cash Distribution under this Order and no person is "distributing", nor shall be considered to "distribute" nor have "distributed", such funds for the purpose of the Tax Statutes. Further, the Applicants shall not incur any liability under the Tax Statutes in respect of making the Cash Distribution, and are hereby forever released and discharged from any claims against them pursuant to the Tax Statutes or otherwise at law, arising in respect of the Cash Distribution and any claims of this nature are hereby forever barred.

DIP AMENDMENT

10. **THIS COURT ORDERS** that the execution by the Applicants of the Third Amendment, a copy of which is attached to the Sixth Report (the "**DIP Amendment**") is hereby authorized and approved. For greater certainty, this includes the reduction of the maximum principal amount available under the DIP Loan and the DIP Lender's Charge from CA \$41.0 million to CA \$37.0 million.

11. **THIS COURT ORDERS** that:

- (a) paragraphs 33 to 44 of the ARIIO shall apply to the DIP Agreement as amended by the DIP Amendment and all references to the DIP Agreement contained in the ARIIO shall be deemed to be references to the DIP Agreement as amended by the DIP Amendment;
- (b) the DIP Lender's Charge shall secure all amounts owing by the Applicants to the DIP Lender under the DIP Agreement and Definitive Documents as amended by the DIP Amendment; and
- (c) for greater certainty, paragraphs 33, 36 and 39 of the ARIIO are hereby amended to replace the references to "\$41,000,000" with "\$37,000,000".

GENERAL

12. **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.

13. **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 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.

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceeding commenced at Toronto

ANCILLARY ORDER

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**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
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LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP. AND FINAL BELL CORP.**

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

Proceeding commenced at Toronto

**MOTION RECORD
(Returnable October 15, 2024)**

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