

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
(Threshold Legal Issue re Cortland Priority)**

August 6, 2024

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Lawyers for Cortland Credit Lending
Corporation

TO: **THE SERVICE LIST**

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Applicants

**NOTICE OF MOTION
(Threshold Legal Issue re Cortland Priority)**

The moving party, Cortland Credit Lending Corporation ("**Cortland**"), will make a Motion to the Honourable Mr. Justice Osborne on a date to be scheduled by the Court.

PROPOSED METHOD OF HEARING: The Motion is to be heard

In person;

at the following location

330 University Avenue, Toronto ON, M5G 1R7

THE MOTION IS FOR

- (a) A declaration that the claims of Final Bell Holdings International Ltd. ("**Final Bell**") against the Applicants, including any potential entitlement of Final Bell to a constructive trust in relation to assets of the Applicants or the proceeds of the sale of such assets, are subordinate to Cortland's secured interest in

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and/or charge over, and Cortland's entitlement to a distribution of, such proceeds;

- (b) The costs of this motion; and,
- (c) Such further and other relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

- (a) Final Bell became a shareholder of BZAM Ltd. ("**BZAM**") pursuant to a Share Exchange Agreement dated December 5, 2023 (the "**Share Exchange Agreement**"). As part of that agreement BZAM acquired Final Bell's Canadian subsidiary Final Bell Canada Inc. ("**FBC**"), together with FBC's subsidiary, Final Bell Corp.;
- (b) BZAM and certain of its subsidiaries (the "**Applicants**") obtained protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 pursuant to the Initial Order of Justice Osborne dated February 28, 2024 (the "**Initial Order**");
- (c) Cortland was the Applicants' pre-filing senior secured lender and provided debtor in possession ("**DIP**") financing to the Applicants in connection with this CCAA proceeding. The Court approved Cortland's DIP facility and, as required by the conditions to advances under the DIP facility, granted a Court-ordered super priority charge over all existing and after-acquired real and personal property of the Applicants, including FBC and Final Bell Corp.

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In particular, consistent with this Court's model order and the form required by Cortland, Cortland's super priority charge ranks ahead of "all trusts";

- (d) On March 8, 2024, the Initial Order was amended and restated to extend the stay of proceedings, increase the maximum principal amount that the Applicants could borrow under the DIP facility and reaffirm Cortland's super priority charge (the "**ARIO**");
- (e) The granting of the ARIO, including the super priority charge and the structure of the DIP Agreement (including the payment of Cortland's pre-filing secured debt from post-filing collections), was made on notice to and not opposed by Final Bell, who was represented by counsel at the hearing. At this time, all of the pre-filing debt has been repaid and all outstanding amounts are subject to the DIP charge;
- (f) By Notice of Motion dated March 18, 2024, Final Bell commenced proceedings against BZAM, alleging that certain fraudulent misrepresentations were made by BZAM in relation to the Share Exchange Agreement. Final Bell's motion sought an order for rescission of the Share Exchange Agreement;
- (g) Final Bell's claims were scheduled to be heard by abridged trial process in April, 2024; however, that hearing was adjourned at Final Bell's request. Following the adjournment, Final Bell abandoned its request for a rescission remedy;

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- (h) In lieu, Final Bell now seeks equitable damages, together with a constructive trust, over the proceeds of the sale of BZAM's business. In seeking such relief, Final Bell attempts to shift its own loss to Cortland, an innocent party against which no allegations are advanced;
- (i) At its highest, Final Bell is an equity holder of BZAM. Final Bell is not entitled to a constructive trust or any other relief that would "prime" Cortland's security. Final Bell's claims in respect of its equity interests and the unsecured trade note owed to a related party cannot be paid until Cortland is paid first;
- (j) The trial of the allegations of fraud against BZAM will become moot if Cortland's motion is successful, as Cortland is the only party that will receive proceeds from the sale of BZAM's business. As a result, the determination of Cortland's motion may dispose of Final Bell's claims in their entirety, resulting in a substantial saving of costs and judicial resources;
- (k) Rule 11.2 of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36;
- (l) 57.03 of the *Rules of Civil Procedure*; and
- (m) Such further and other grounds as counsel may advise and this Honourable Court may permit.

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THE FOLLOWING DOCUMENTS will be used at the hearing of the Motion:

- (n) The Affidavit of Deepak Alappatt, sworn August 6, 2024; and
- (o) Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

August 6, 2024

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Applicants

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding Commenced at **TORONTO**

NOTICE OF MOTION

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Lawyers for Cortland Credit Lending Corporation

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SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.
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AFFIDAVIT

I, DEEPAK ALAPPATT, of the Town of Milton, in the Province of Ontario, SWEAR AND SAY:

1. I am Managing Director, Risk, with Cortland Credit Lending Corporation ("**Cortland**"), and as such, I have personal knowledge of the matters deposed to herein, except where stated to be based on information and belief, and where so stated I verily believe the same to be true.

2. I am authorized to swear this affidavit on behalf of Cortland. I swear this affidavit in connection with a threshold Motion made by Cortland to confirm that Final Bell Holdings International Ltd.'s ("**Final Bell**") claim to a constructive trust is subordinate to Cortland's DIP Lender's Charge (as defined below) over the assets of the Applicants.

BZAM

3. BZAM Ltd. ("**BZAM**") entered into a Share Exchange Agreement with Final Bell and Final Bell Canada Inc. ("**FBC**") dated December 5, 2023 (the "**Share Exchange Agreement**"). A copy of the Share Exchange Agreement is attached and marked as **Exhibit "A"**.

4. Pursuant to the Share Exchange Agreement, Final Bell acquired 90 million shares of BZAM and in exchange Final Bell transferred to BZAM all of the issued and outstanding shares of FBC, together with FBC's subsidiary, Final Bell Corp. The closing of the transaction contemplated by the Share Exchange Agreement occurred on or about January 5, 2024. Concurrent with the Share Exchange Agreement, a subsidiary of Final Bell, Final Bell Holdings Inc., received an unsecured promissory note in the amount of \$8 million from BZAM in connection with a pre-existing trade payable outstanding. A copy of the unsecured promissory note is attached and marked as **Exhibit "B"**.

The Pre-filing Credit Agreements

5. As explained below, Cortland was BZAM's pre-filing senior secured lender pursuant to a credit agreement as amended from time to time. The credit agreement evolved as BZAM merged with other entities or acquired new subsidiaries.

6. Initially, on March 31, 2020, The Green Organic Dutchman Ltd. ("**TGOD**") entered into a credit agreement with Cortland, in its capacity as agent for certain lenders (collectively, the "**Lenders**"), which was then amended three times (as amended, the

"**Original Credit Agreement**"). A copy of the Original Credit Agreement, together with all amendments thereto, is attached and marked as **Exhibit "C"**.

7. The Original Credit Agreement was amended and restated in its entirety on September 29, 2021, which was then amended six times (as amended, the "**First ARCA**"). The First ARCA, together with all amendments thereto, is attached and marked as **Exhibit "D"**.

8. The First ARCA was amended and restated, pursuant to a Second Amended and Restated Credit Agreement dated January 8, 2024 (the "**Second ARCA**" and, together with the Original Credit Agreement and the First ARCA, collectively, the "**Credit Agreement**"). This occurred following BZAM's acquisition of FBC pursuant to the Share Exchange Agreement, and was undertaken to add FBC and Final Bell Corp. and their assets into the collateral package pledged to Cortland. A copy of the Second ARCA is attached and marked as **Exhibit "E"**.

9. BZAM, BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp., Folium Life Science Inc., TGOD, Medican Organic Inc., FBC, and Final Bell Corp. (collectively, the "**Obligors**" and together with 102172093 Saskatchewan Ltd., collectively the "**Applicants**") were each obligors under the Second ARCA.

10. Pursuant to the Second ARCA, Cortland provided the Obligors with an interest-bearing revolving credit facility up to a maximum of \$34 million.

11. FBC and its subsidiary Final Bell Corp. each entered into a General Security Agreement dated January 8, 2024 in favour of Cortland granting continuing security for

the payment and performance of all obligations and liabilities in the Second ARCA. Copies of the above-noted General Security Agreements are attached and marked as **Exhibit “F”**.

12. In addition, FBC entered into a Short Form Intellectual Property Security Agreement dated January 8, 2024 in favour of Cortland as security for all obligations owing to Cortland in the Second ARCA. A copy of the Short Form Intellectual Property Security Agreement is attached and marked as **Exhibit “G”**.

13. Cortland has filed PPSA registrations against both FBC and Final Bell Corp. as debtors. Copies of the PPSA registrations, together with all amendments thereto, are attached and marked as **Exhibit “H”**.

Advances made following the closing of the Share Exchange Agreement

14. In total, approximately \$18 million was advanced in the period between BZAM’s acquisition of FBC and the Applicants’ filing for CCAA protection.

15. Those advances were made at a time when Cortland understood that FBC formed part of BZAM’s asset base and was part of the collateral against which the advances were made. Cortland’s advances were made in reliance on its senior security over FBC and Final Bell Corp.

Cortland agrees to provide DIP financing

16. In connection with the commencement of the CCAA proceedings on February 28, 2024, Cortland, in its capacity as agent for the Lenders, agreed to provide court-approved

debtor-in-possession credit facility (the “**DIP Loan**”) to the Applicants in accordance with a DIP facility Agreement dated February 28, 2024 (the “**DIP Agreement**”). A copy of the DIP Agreement is attached and marked as **Exhibit “I”**.

17. The DIP Agreement at section 3.1(c) provides that “all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs (including restructuring expenses and any pre-filing obligations permitted by Court order and approved by the Agent) during the CCAA Proceedings and shall in no circumstances be used to fund any Cortland Pre-Filing Obligations”.

18. In addition, the DIP Agreement requires that following the CCAA filing, all post-filing collections will be applied against the Applicants’ pre-filing obligations owing to Cortland.

19. As a condition to any advances under the DIP Loan, the DIP Agreement requires that the Court grant Cortland a super-priority DIP Lender’s Charge over all of the Applicants’ property.

20. The DIP Agreement, including the requirement that post-filing collections are to be applied to Cortland’s pre-filing obligations and the requirement for the super-priority DIP Lender’s Charge, was explained by BZAM to the Court and the stakeholders in the Affidavit of Matthew Milich sworn on February 28, 2024 (the “**First Milich Affidavit**”) (at paragraphs 105-114) and in the Pre-Filing Report of FTI Consulting Inc. as proposed monitor dated February 28, 2024 (the “**Pre-Filing Report**”) (at paragraphs 70-93). A copy of the First Milich Affidavit (without exhibits) is attached hereto as **Exhibit “J”** and a copy of the Pre-Filing Report is attached hereto as **Exhibit “K”**.

21. The DIP Agreement was approved by the Court on February 28, 2024 pursuant to the Order of Justice Osborne (the “**Initial Order**”). The Initial Order granted Cortland a charge over the property of the Applicants with priority over, amongst other things, all trusts (the “**DIP Lender’s Charge**”). Initially, the DIP Loan (and associated DIP Lender’s Charge) was approved up to a principal amount of \$2.4 million.

22. The Court’s Endorsement arising from the February 28, 2024 hearing explains:

52. Pursuant to a DIP facility agreement dated February 28, 2024 (the “DIP Agreement”), Cortland as proposed DIP Lender, has agreed to provide TGOD as borrower with a super priority, non-revolving credit facility up to a maximum principal amount not to exceed the lesser of \$41 million and the Revolving Facility Limit (as defined in the Second ARCA) plus \$7 million, subject to certain conditions. Each of the Applicants is a guarantor under the DIP Agreement.

53. The DIP Loan has a commitment fee of \$98,000 and bears interest at the greater of the Toronto-Dominion Bank’s floating annual rate of interest plus 8.05% per annum and 12% per annum (an interest rate that I observe is the same as that set out in the Second ARCA).

54. The DIP Loan is conditional on the granting of the DIP Charge.

55. The amount of the DIP Loan to be funded during the initial stay period of 10 days (up to \$2,400,000) is only that portion necessary to ensure the continued operation of the business of the Applicants in the ordinary course for that period of time such that I am satisfied it is appropriate that it be approved at this time pursuant to section 11.2(5) of the CCAA, as was approved in *Mjardin Group, Inc., (Re)*, 2022 ONSC 3338 at para. 31.

56. While the DIP Agreement contemplates what the Applicants describe as 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, it is important to note that the DIP Charge does not secure any obligation that existed prior to the granting of the Initial Order. This Court has previously approved DIP facilities that use receipts from operations post-filing to repay pre-filing amounts, pursuant to the jurisdiction found in section 11.2(1). The emphasis is on preserving the pre-filing status quo, so as to uphold the relative pre-stay priority position of each secured creditor: *Comark Inc., (Re)*, 2015 ONSC 2010 at paras. 40-41; and *Performance Sports Group Ltd.*, 2016 ONSC 6800 at para. 22.

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57. Moreover, and in accordance with section 11.2(1), notice has been provided to the secured creditors proposed to be primed by the DIP, and as noted above, the proposed DIP Charge does not secure any pre-filing obligations of the Applicants. Cortland, the proposed DIP Lender, is already in first position as the senior secured creditor in respect of all of the property of the Applicants save and except for the Edmonton Facility which is not proposed to be primed by the DIP in any event. Stone Pine Capital is supportive of the proposed DIP Loan.

A copy of the Initial Order and Court's Endorsement dated February 28, 2024 are attached and marked as **Exhibit "L"**.

23. A comeback hearing was scheduled for March 8, 2024. As reflected in the Court's endorsement of March 8, 2024, Final Bell's counsel attended the comeback hearing and made submissions. As set out in the Amended and Restated Initial Order (the "**ARIO**") issued following the comeback hearing, the Court approved an increase in the DIP Loan and DIP Lender's Charge up to a maximum of \$41 million plus interest, fees and expenses and reaffirmed the super priority of the DIP Lender's Charge over, amongst other things, "all ... trusts."

24. At the comeback hearing, the Applicants also sought approval of a proposed SISP and a share purchase agreement to be used as a stalking horse bid in the SISP (the "**Stalking Horse Bid**"). In granting approval of the SISP and Stalking Horse Bid for use in the SISP, the Court noted in its endorsement as follows:

I also note that the Stalking Horse Bid is not a traditional credit bid in the circumstances of this case, but rather contemplates a bid that includes the Stone Pine indebtedness, but also either the assumption or payout of the Cortland Debt, at the option of Cortland.

A copy of the Stalking Horse Bid is attached and marked as **Exhibit "M"**.

25. The Court's March 8, 2024 Endorsement further reflects that Final Bell's counsel did not oppose any of the relief sought at the comeback hearing:

24. I observe one additional point in conclusion. Counsel for Final Bell Holdings International Ltd. appeared today in Court and made brief submissions to the effect that while Final Bell was specifically not opposing any of the relief sought (particularly including approval of the SISP and the timelines therein), it wished to advise the Court that it was in the process of investigating whether it would be bringing a motion to seek certain relief which could have an impact on the sales process approved today.

25. Final Bell was a company acquired by the Applicants very shortly prior to filing for creditor protection in this proceeding. The acquisition purchase price was satisfied by the issuance of equity and unsecured debt.

26. Final Bell apparently takes the position that financial disclosure provided to it in the course of due diligence was inconsistent with the financial state of the company as disclosed in this Application. Final Bell may seek rescission of its transaction. That issue is for another day. However, it is obviously imperative for potential bidders in the SISP to have clarity and certainty as to the assets and business on which they are bidding, with the result that, if Final Bell pursues a claim, and specifically pursues a claim seeking rescission, that may well have to be determined before bids are finalized.

A copy of the Court's Endorsement dated March 8, 2024 is attached and marked as **Exhibit "N"**. A copy of the ARIO is attached and marked as **Exhibit "O"**. A copy of the order approving the SISP is attached and marked as **Exhibit "P"**.

26. The Monitor's Third Report to the Court dated May 14, 2024 indicates that the SISP was terminated on April 16, 2024.

Final Bell's Rescission Claim

27. By way of Notice of Motion dated March 18, 2024, Final Bell commenced a claim against BZAM seeking rescission of the Share Exchange Agreement. If granted, this remedy would have the effect of removing FBC and its subsidiary as an asset of BZAM,

and in turn prejudice Cortland's pre-filing security under the Second ARCA and Cortland's DIP Loan.

28. The availability of credit under both the Credit Agreement and the DIP Loan are margined by, among other things, the receivables of the Applicants (including, for greater certainty, FBC).

29. Cortland responded to Final Bell's motion, arguing that the relief sought would prejudice Cortland, an innocent party, and ought not to be granted on the basis that doing so would be unjust. The matter was scheduled to proceed to trial on an expedited timeline, with a hearing on April 22 and 23, 2024. However, Final Bell sought and obtained an adjournment of the trial over Cortland's objection.

Final Bell Abandons its Rescission claim and Seeks a Constructive Trust

30. On May 6, 2024, Final Bell delivered a Further Amended Notice of Motion in which it abandoned its plea for a rescission remedy and instead sought and equitable damages and the imposition of a constructive trust. A copy of the Further Amended Notice of Motion is attached and marked as **Exhibit "Q"**.

31. In response, Cortland takes the position that the constructive trust remedy now sought by Final Bell cannot take priority over Cortland's security interests, including its DIP Lender's Charge. Cortland's position was previewed in its factum filed on its motion for security for costs that was heard on June 4, 2024. The Court's endorsement dated June 30, 2024 in connection with the motions for security for costs held:

36. Cortland, in its capacity as senior secured lender and DIP Lender, is such an example. That party is clearly affected by the disruption to the restructuring proceeding (with attendant costs) brought about by the final [bell] claim, whatever the result. In addition, it is also very directly affected by the result of the claim in that if Final Bell is successful, the ability of Cortland to recover on its DIP financing and/or on its pre-filing indebtedness owing by BZAM will almost certainly be negatively affected.

37. This Court previously approved the DIP Facility pursuant to which the DIP financing was advanced. It allows BZAM to continue operating during this restructuring. Pursuant to the DIP facility, Cortland was granted a super priority charge over all existing and after-acquired real and personal property of the Applicants. That includes all existing and after-acquired real and personal property of FBC and Final Bell. I pause to observe that Final Bell did not oppose that super priority charge, and nor has it sought subsequently to amend, vary or vacate that charge, although the constructive trust remedy it now seeks would have precisely that effect.

38. As noted above, and subject to the Final Bell claim, Cortland would be entitled to the entirety of the net proceeds from the sale of BZAM's business, and it is anticipated that Cortland would still suffer a shortfall on its indebtedness. It is those very net proceeds over which Final Bell (notwithstanding its late-in-the-day abandonment of its rescission claim), now seeks to assert a constructive trust. If that constructive trust claim is successful, it would "prime" or rank in priority to the claim of Cortland, which would therefore suffer the corresponding loss as a direct result. Accordingly, it is difficult to conclude that Cortland is unaffected by the Final Bell claim.

39. Moreover, it is perhaps ironic that Final Bell takes the position that Cortland ought not to be entitled to security for costs when one of the key allegedly fraudulent misrepresentations on which Final Bell bases its claim is that, as noted above, BZAM was anticipated to have sufficient financing available pursuant to the revolving credit facility issued by none other than Cortland.

40. Indeed, Final Bell essentially concedes this point itself in its factum, where it describes Cortland as "the only party with a legitimate interest in seeking security" (para. 2(e)).

41. Had the Final Bell claim been outstanding earlier, Cortland may well have elected not to provide DIP financing at all. Other stakeholders (such as other creditors) could also be directly affected by the Final Bell claim here notwithstanding that they are not directly involved in its determination. The pendency of that claim is delaying the progress in the restructuring, including but not limited to the SISF. DIP financing costs and other professional fees that may otherwise have been avoided or reduced continue to accrue, all of which reduces the overall recovery available to creditors and other stakeholders.

A copy of the Court's Endorsement dated June 30, 2024 is attached and marked as **Exhibit "R"**.

32. The Court is correct in its comment in the June 30, 2024 Endorsement reproduced above. Cortland would not have elected to provide the DIP Loan if it had known that Final Bell would or could assert that it is entitled to a constructive trust in priority to its DIP Lender's Charge or if it had known that the DIP Lender's Charge could be primed by Final Bell's then-unasserted constructive trust claim.

33. In agreeing to advance the DIP Loan, Cortland relied upon the Court's approval of the DIP Agreement (including the requirement that post-filing collections be applied to Cortland's pre-filing obligations) and relied upon Court granting the super-priority DIP Lender's Charge in the ARIO, neither of which were opposed by any stakeholders, including Final Bell.

34. No accusation of wrongdoing has been made against Cortland, a point that was noted in the Court's Endorsement dated June 30, 2024:

43. Finally, I accept the submission of Cortland that equity and fairness militate in favour of it being entitled to security in the circumstances where the consideration that Final Bell received under the Share Exchange Agreement of shares and unsecured debt means that, at its highest, Final Bell is an unsecured creditor and an equity holder of BZAM. Cortland, on the other hand, was and is a secured creditor. It held secured debt pursuant to the revolving credit facility pre-filing, and has a priority charge in respect of the post-filing DIP Facility. To conclude that Cortland ought not to be entitled to security would amount to elevating the position of Final Bell above Cortland and leave Cortland, as the admittedly innocent party against which no allegations are advanced, bearing most of the risk.

35. As of the end of July 2024, approximately \$33,291,442.60 of principal was owing under the DIP Loan and an additional \$424,295.96 of interest has accrued month-to-date thereon for a total amount owing of \$33,715,738.56. In addition, the entire outstanding indebtedness owing under the Credit Agreement has been repaid using post-filing receipts.

36. Save and except for nominal pre-filing expenses of \$709.12 that are not included in the above-referenced amounts, all of the amounts currently owing to Cortland were advanced under the DIP Agreement and are subject to, and were advanced in reliance upon, the DIP Lender's Charge.

SWORN at the Town of Milton, in the Province of Ontario before me on August 6, 2024 at the City of Toronto, in the Province of Ontario, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



Deepak Alappatt

Commissioner for Taking Affidavits
(or as may be)

DEEPAK ALAPPATT

COLIN PENDRITH

This is Exhibit "A" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

BZAM LTD.

- and -

FINAL BELL CANADA INC.

- and -

FINAL BELL HOLDINGS INTERNATIONAL LTD.

SHARE EXCHANGE AGREEMENT

December 5, 2023

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SHARE EXCHANGE AGREEMENT

This **SHARE EXCHANGE AGREEMENT** is dated December 5, 2023 and made among:

BZAM LTD., a corporation incorporated under the laws of Canada (the “**Purchaser**”);

FINAL BELL CANADA INC., a corporation incorporated under the laws of Ontario (“**FBC**”); and

FINAL BELL HOLDINGS INTERNATIONAL LTD., a corporation incorporated under the laws of British Columbia (the “**FBC Shareholder**”).

RECITALS:

- (A) The Purchaser is a company whose common shares are listed on the CSE (as hereinafter defined).
- (B) The FBC Shareholder is the beneficial and legal owner of all of the issued and outstanding FBC Shares (as defined herein).
- (C) The Purchaser wishes to purchase and acquire all of the issued and outstanding FBC Shares from the FBC Shareholder in exchange for the Consideration Shares (as hereinafter defined), upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties (each, a “**Party**” and, together, the “**Parties**”) covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement the following words and phrases will have the following meanings:

“**Accounts Payable**” means all accounts payable, trade payables, obligations to make payment, book payables and other amounts, due, owing or accruing due, together with any security interest, letters of credit or other credit support documents granted by any FBC Entity as security therefor.

“**Accounts Receivable**” means all accounts receivable, trade receivables, rights to receive payment, book debts and other amounts, due, owing or accruing due to any FBC Entity, together with any security interest, letters of credit or other credit support documents granted in favour of any FBC Entity as security therefor.

“**Acquisition Proposal**” has the meaning set forth in Section 9.9(a).

“Affiliate” with respect to any specified Person at any time, means each Person directly or indirectly, through one or more intermediaries, controlling, controlled by or under direct or indirect common control with, such specified Person at such time.

“Agreement” means this Share Exchange Agreement and all of the schedules, exhibits and other documents attached hereto or delivered pursuant to the terms hereof, as it may from time-to-time be supplemented or amended.

“Anti-Corruption Legislation” has the meaning set forth in Section 4.34(a).

“Applicable Securities Laws” means all applicable Canadian securities laws relevant to the issuance of securities of the Purchaser or the purchase and sale of the FBC Shares pursuant to the terms of this Agreement, including the published rules and policies of the CSE.

“Authorization” means, with respect to any Person, any Order, permit, approval, consent, waiver, licence or other authorization issued, granted, given or authorized by, or made applicable under the authority of, any Governmental Authority having jurisdiction over the Person.

“Business Day” means a day other than a Saturday, Sunday or other day on which commercial banks in the City of Toronto, Ontario, Canada are closed during regular banking hours.

“Cannabis and cannabis” includes cannabis products as defined in the Cannabis Regulations with reference to Schedule 4 of the Cannabis Act and industrial hemp as defined in the Industrial Hemp Regulations made under the Cannabis Act.

“Cannabis Laws” means, collectively: (i) the laws of Canada and each of the provinces and territories therein applicable to the production, manufacture, cultivation, importation, exportation, advertisement, marketing, promotion, sale and/or distribution of cannabis and/or related products, including, without limitation, the *Cannabis Act* (Canada), the Cannabis Regulations and the *Excise Act, 2001* (Canada); and (ii) the respective regulations and rules made and forms prescribed under such laws, together with all applicable and legally enforceable published policy statements, orders and rulings of the applicable Governmental Authority in each such jurisdiction.

“Cannabis Regulations” mean the *Cannabis Regulations* (Canada), as amended from time to time.

“Claims” means claims, demands, complaints, grievances, actions, applications, suits, causes of action, charges, indictments, prosecutions, information or other similar processes.

“Closing” has the meaning set forth in Section 6.1.

“Closing Date” has the meaning set forth in Section 6.1.

“Closing Period” means the period between the close of business on the Execution Date and the Closing.

“Confidentiality Agreement” means the confidentiality agreement between FBC Shareholder and the Purchaser dated October 31, 2023.

“Consideration Shares” has the meaning set forth in Section 2.2(b).

“Contract” means any contract, agreement, option, lease, license, deed, mortgage, note, indenture, commitment or other instrument of any kind, whether written or oral, and other legal binding agreements, arrangements, understandings, commitments and undertakings, to which a Person is a party or a beneficiary or pursuant to which any of its property or assets are or may be affected.

“CSE” means the Canadian Securities Exchange.

“Damages” means any losses, liabilities, damages or out-of-pocket expenses (including reasonable legal fees and expenses) whether resulting from an action, suit, proceeding, arbitration, claim or demand that is instituted or asserted by a third Person, including a Governmental Authority, or a cause, matter, thing, act, omission or state of facts not involving a third Person.

“Disclosure Letters” means, collectively, the FBC Disclosure Letter and the Purchaser Disclosure Letter.

“Drop Dead Date” means January 30, 2024, or such other date as the Parties may mutually approve in writing.

“Effective Time” means 9:00 a.m. (Eastern Time) on the Closing Date (or such other time as may be agreed to by the Parties).

“Employee” means any full-time or part-time employee of any FBC Entity including any such employee on disability (long-term or short-term), workplace safety and insurance, workers’ compensation, pregnancy or parental or other statutory or approved leave.

“Employee Contracts” means any written or verbal employment Contract for employment between FBC and any Employee.

“Employee Plans” has the meaning set forth in Section 4.32(a).

“Environmental Authorization” means all Authorizations issued pursuant to any Environmental Laws in connection with the operation of the FBC Business or the ownership and use by any FBC Entity of the property and assets (including the Leased Properties) of FBC.

“Environmental Claim” means any Claim alleging or asserting any violation of any Environmental Law or Environmental Authorization, or liability for response costs or remedial action under an Environmental Law related to any Environmental Release.

“Environmental Laws” mean all Laws, regulations, ordinances or written decisions relating to environmental matters and relating to the protection of workers and public health, including any Laws having as a purpose or effect the protection of the environment, ground water, endangered species of flora and fauna, air, land or natural resources (including soil, land surface or subsurface strata, surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere)), the prevention or reduction to acceptable levels of pollution and emissions or the provision of remedies in respect of damage arising therefrom and the generation, use, handling, release, treatment, storage, disposal or transportation of Environmentally Hazardous Substance.

“Environmental Release” means any emission, discharge, release, deposit, issuance, spray, injection, abandonment, escape, spill, leak, seepage, disposal or exhaust (other than exhaust from a vehicle) of an Environmentally Hazardous Substance, or other occurrence or event defined as such in any Environmental Laws.

“Environmentally Hazardous Substance” means any material or substance that could reasonably be expected to impair the quality of the environment or that causes or could reasonably be expected to cause an adverse effect on the environment for any use which can be made of it and as to which liabilities or standards of conduct are imposed pursuant to Environmental Laws, including any material or substance that is deemed pursuant to any Environmental Law to be “hazardous”, “toxic”, “deleterious”, “caustic”, “dangerous”, a “contaminant”, a “hazardous waste”, a “source of contaminant”, a “pollutant”, or words of similar meaning and regulatory effect under any Environmental Law, and any of the following substances: asbestos, urea formaldehyde, hydrocarbons, lead and polychlorinated biphenyls and any material or equipment containing one of these substances.

“Equity Interests” of a Person means options, warrants, calls, pre-emptive rights, subscriptions or other rights, restricted share awards, restricted share unit awards, agreements, arrangements, understandings or commitments of any kind relating to the issued or unissued shares in the capital of such Person, or other equity interests of such Person.

“Execution Date” means the date of this Agreement.

“Exemptions” has the meaning set forth in Section 2.7(a).

“FB Indemnified Losses” has the meaning set forth in Section 10.1(b).

“FB Indemnified Parties” has the meaning set forth in Section 10.1(b).

“FB Payment Plan” means the payment plan in connection with the unsecured promissory note in the principal amount of \$4,000,000 owed by FBC to the FBC Affiliated Vendor, guaranteed by the Purchaser, which shall be payable in accordance with Schedule A of this Agreement and subject to any additional terms as may be determined by the parties, acting reasonably.

“FBC” has the meaning set forth in the preamble of this Agreement.

“FBC Affiliated Vendor” means 14th Round Inc., which is a wholly-owned subsidiary of the FBC Shareholder.

“FBC Books and Records” means all books of account, financial statements, tax records, personnel records of Employees, historic documents relating to the FBC Entities, sales and purchase records, cost and pricing information, customer and supplier lists and files, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence and other information relating to any FBC Entity (whether in written, electronic or other form).

“FBC Business” means the business carried on by the FBC Entities on the Execution Date in Canada, consisting of operating the FBC Facilities.

“FBC Disclosure Letter” means the disclosure letter delivered by the FBC Shareholder to the Purchaser on the Execution Date.

“FBC Entities” means FBC and Final Bell Corp.

“FBC Facilities” means the licensed cannabis facility and office space located at 1100, Unit 3, Bennett Rd, Bowmanville, Ontario L1C 3K.

“FBC Financial Statements” means, collectively, (a) the unaudited financial statements of FBC for the twelve months ended December 31, 2022, and (b) the unaudited interim financial statements of FBC for the nine months ended September 30, 2023, all prepared in accordance with IFRS.

“FBC IP” has the meaning set forth in Section 4.26(a).

“FBC Material Authorizations” has the meaning set forth in Section 4.18.

“FBC Material Contracts” has the meaning set forth in Section 4.21.

“FBC Promissory Note” means the secured promissory note in the form set out as Schedule B of this Agreement, executed by FBC in favor of the FBC Affiliated Vendor on Closing, guaranteed by the Purchaser, in the aggregate principal amount of \$4,000,000, owed by FBC to the FBC Affiliated Vendor, bearing interest at zero percent (0%) and with a maturity date no earlier than March 31, 2025. For greater

clarity: (i) this note shall rank pari passu with all secured debts owed by the Purchaser to Stone Pine and bear the same maturity date as the secured debts owed by the Purchaser to Stone Pine and to the Senior Lender; and (ii) all such secured debts owed to Stone Pine and the FBC Affiliated Vendor shall be subordinated to the secured debts owed to the Senior Lender, in accordance with the terms of the Subordination Agreement and the Intercreditor Agreement.

“FBC Reference Date” means September 30, 2023.

“FBC Shareholder” has the meaning set forth in the preamble to this Agreement.

“FBC Shares” means: (i) 295 class A common shares; (ii) the 295 class B common shares; (iii) the 30 class C common shares; (iv) the 100 class D common shares; (v) 100 class E common shares; (vi) the 30 class F common shares; (vii) 100 class G common shares; (viii) 20 class H common shares; and (ix) the 30 class I common shares in the capital of FBC, and FBC Share means any one of them.

“FBC Specified Representations” has the meaning set forth in Section 7.1(a).

“Fundamental Representations” means the representations and warranties of the FBC Shareholder set forth in Sections 5.1, 5.2, and 5.3.

“Golden Iris Release” means the agreement evidencing the release of the FBC Entities as guarantors of the loan between the FBC Shareholder and Golden Iris International Ltd, and related general security agreement and PPSA registration.

“Governmental Authority” means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, board, arbitrator, tribunal, bureau or agency, domestic or foreign, (b) any subdivision or authority of any of the above, or (c) any quasi-governmental or private body exercising any regulatory, expropriation or tax authority under or for the account of any of the above.

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

“Healthcare Data Requirements” has the meaning set forth in Section 3.33(a) or Section 4.35, as applicable.

“IFRS” means generally accepted accounting principles in Canada from time to time including, for the avoidance of doubt, the standards prescribed in Part I of the CPA Canada Handbook – Accounting (which incorporates International Financial Reporting Standards, as issued by the International Accounting Standards Board) as the same may be amended, supplemented or replaced from time to time.

“Indebtedness” means with respect to FBC, (i) any liability for borrowed money (including bank loans, lines of credit and loans from related parties), or evidenced by an instrument for the payment of money, or incurred in connection with the acquisition of any property, products, services, assets or securities (including “earnouts”, holdbacks, vendor notes or any other similar form of contingent or deferred payment obligation, and any conditional sale or other title retention agreement), or relating to a capitalized lease obligation, (ii) any change of control payments, bonuses, severance, termination and retention obligations, and similar amounts for which FBC becomes liable in connection with the Transaction contemplated by this Agreement, (iii) profit sharing bonus accruals; bonuses and incentives payable; and all accrued but unpaid salaries, wages and benefits, accrued matching RRSP contributions, accrued profit sharing payments, banked vacation pay and banked hours, and (iv) the employer portion of any payroll Taxes payable in connection with any amounts referred to in clause (ii) or (iii).

“Indemnified Loss” shall mean a Purchaser Indemnified Loss or a FB Indemnified Loss, as the case may be.

“Indemnified Party” shall mean a Purchaser Indemnified Party or a FB Indemnified Party, as the case may be.

“Industrial Hemp Regulations” mean the Industrial Hemp Regulations made under the *Cannabis Act*, as amended from time to time.

“Information Technology” means computer hardware, software in source code and object code form (including documentation, interfaces and development tools), websites, databases, telecommunications equipment and facilities and other information technology systems owned, licensed, used or held by a Person.

“Intellectual Property” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the applicable Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, slogans, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of, and symbolized by, and all registrations, applications and renewals for, any of the foregoing, (b) internet domain names, whether or not trademarks, web addresses, web pages, websites and related content and URLs, (c) works of authorship, expressions, designs and design registrations, whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights and (d) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Authority-issued indicia of invention ownership (including inventor’s certificates, petty patents and patent utility models).

“Intercreditor Agreement” means the intercreditor agreement to be entered into between Stone Pine and the FBC Affiliated Vendor, with respect to: (i) the ranking of any secured debts owed by the Purchaser to Stone Pine to be *pari passu* with the FBC Promissory Note; and (ii) the acknowledgement of the subordination following Closing, of all secured debts owed by the Purchaser to the FBC Affiliated Vendor and the FBC Affiliated Vendor, to the secured debts owed by the Purchaser to the Senior Lender.

“ITA” means the *Income Tax Act (Canada)*, RSC 1985, c 1 (5th Supp).

“Laws” means any and all (a) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and municipal by-laws of any Governmental Authority and (b) Orders.

“Leased Properties” means the lands and premises set out and described in Section 4.29(a) of the FBC Disclosure Letter by reference to their municipal address and proper legal description.

“Leases” means the leases and offers to lease in respect of the Leased Properties set out and described in Section 4.29(a) of the FBC Disclosure Letter.

“Liabilities” 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, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Lien” means any lien, claim, charge, pledge, hypothecation, security interest, mortgage, restriction, assignment, trust or deemed trust, title defect or objection, title retention agreement, option or encumbrance of any nature or kind whatsoever, whether contractual, statutory or otherwise arising, any other encumbrance of any nature or any arrangement or condition which, in substance, secures payment or performance of an obligation.

“Lock-up Agreement” means an agreement to be entered into between the Purchaser and the FBC Shareholder pursuant to which the FBC Shareholder will covenant not to sell, transfer or otherwise dispose of:

- i. with respect to 1/3 of the Consideration Shares, for a period ending on the 4-month plus a day anniversary of the date of issuance of such Purchaser Shares;
- ii. with respect to an additional 1/3 of the Consideration Shares, for a period ending on the 8-month anniversary of the Closing Date; and
- iii. with respect to an additional 1/3 of the Consideration Shares, for a period ending on the 12-month anniversary of the Closing Date.

“Material Adverse Effect” means, (a) in respect of a Party, any effect or change that is, individually or together with other effects or changes, materially adverse to (1) the results of operations and financial condition of the business of such Party and, if applicable, its subsidiaries, taken as a whole, or; (2) the Party’s ability to consummate the transactions contemplated by this Agreement, and (b) in respect of the Party’s assets, an effect that is individually or together with other effects or changes, materially adverse to such assets, taken as a whole; provided that a “Material Adverse Effect” does not include any effect or change arising from (i) any change affecting the cannabis industry as a whole, (ii) changes in applicable Laws, (iii) changes in IFRS, (iv) any change in general economic, business, regulatory, political (including the outbreak or escalation of war or acts of terrorism) or market conditions or in national or global financial or capital markets, (v) any natural disaster, or (vi) this Agreement or the completion of the transactions contemplated by this Agreement other than, in respect of each of clauses (i), (ii), (iii), (iv), and (v), any such effect that specifically relates to or disproportionately affects in an adverse manner the Party’s business.

“Merged Entity” means the Purchaser and the resulting group of subsidiaries following the completion of the Transaction contemplated by this Agreement.

“Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

“Order” means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any Governmental Authority.

“Ordinary Course” means, with respect to an action taken by a Person, that such action is (i) consistent with the past practices of the Person and is taken in the ordinary course of business of the normal operations of the Person or its business, and (ii) would be similar in nature to actions customarily taken in the ordinary course of the day to day operations of other Persons that are in the same line of business as such Person.

“Parties” means, collectively, the Purchaser, FBC and the FBC Shareholder and **Party** means any one of them.

“Permitted Encumbrances” means (a) Liens for Taxes, assessments or governmental charges or levies which relate to obligations not yet due or delinquent, the validity of which are being contested in good faith by appropriate proceedings and for which adequate reserves in accordance with IFRS have been made in the FBC Books and Records or the Purchaser Books and Records, as the case may be, (b) easements, servitudes, encroachments and other minor imperfections of title which do not, individually or in the aggregate, detract from the value of or impair the use or marketability of any real property, (c) undetermined or inchoate Liens arising under statutory provisions which have not at the time been filed or registered in accordance with applicable Laws or of which written notice has not been given in accordance with applicable Laws, (d) Liens set out and described in Section 4.11 of the FBC Disclosure Letter or Section 1.1 of the Purchaser Disclosure Letter but only to the extent such Liens conform to their description in such Disclosure Letter and (e) Liens that would not reasonably be expected to have a Material Adverse Effect.

“Person” includes an individual, sole proprietor, corporation, body corporate, partnership, joint venture, association, trust, unincorporated organization or any other entity, or any trustee, executor, administrator or other legal representative thereof.

“Personal Information” means information about an identifiable individual other than such individual’s business contact information where such business contact information is collected, used or disclosed for the purposes of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose.

“Pre-Closing Tax Period” means any Tax or fiscal period ending on or before the Closing, and with respect to a Straddle Period, the portion of a Straddle Period up to and immediately prior to the Closing.

“Privacy Laws” means the *Personal Information Protection and Electronic Documents Act* (Canada) and any similar Laws relating to the collection, use, disclosure or storage of Personal Information applicable in Canada.

“Purchase Price” has the meaning set forth in Section 2.2.

“Purchased FBC Shares” means the FBC Shares to be purchased by the Purchaser pursuant to Article 2, being all of the issued and outstanding shares in the capital of FBC.

“Purchaser” has the meaning set forth in the preamble of this Agreement.

“Purchaser Books and Records” means all books of account, financial statements, tax records, personnel records of the Purchaser Employees, historic documents relating to the assets or business of the Purchaser Entities, sales and purchase records, cost and pricing information, customer and supplier lists and files, referral sources, research and development reports and records, production reports and records, equipment logs, operating guides and manuals, business reports, plans and projections and all other documents, files, correspondence and other information of a Purchaser Entity (whether in written, electronic or other form).

“Purchaser Disclosure Letter” means the disclosure letter delivered by the Purchaser to the FBC Shareholder on the Execution Date.

“Purchaser Disclosure Record” means all documents filed by or on behalf of the Purchaser on the System for Electronic Document Analysis Retrieval prior to the date hereof that are publicly available on the date hereof.

“Purchaser Employee” means any full-time or part-time employee of the Purchaser or any Purchaser Entity, including any such employee on disability (long-term or short-term), workplace safety and insurance, workers’ compensation, pregnancy or parental or other statutory or approved leave.

“Purchaser Employee Contracts” means any written or verbal employment Contract for employment between any Purchaser Entity and any other Person engaged in the business of any Purchaser Entity.

“Purchaser Employee Plans” has the meaning set forth in Section 3.30(a) of this Agreement.

“Purchaser Entities” means, collectively, the Purchaser and its subsidiaries.

“Purchaser Financial Statements” means the audited consolidated financial statements of the Purchaser for the years ended December 31, 2022 and 2021, and the unaudited financial statements of the Purchaser for the three and nine months ended September 30, 2023, all prepared in accordance with IFRS.

“Purchaser Indemnified Losses” has the meaning set forth in Section 10.1(a).

“Purchaser Indemnified Parties” has the meaning set forth in Section 10.1(a).

“Purchaser IP” has the meaning set forth in Section 3.24(a).

“Purchaser Leased Properties” means the lands and premises leased by the Purchaser as set out the Purchaser Disclosure Record.

“Purchaser Leases” means the leases and offers to lease in respect of the Purchaser Leased Properties set out and described in Section 3.27(a) of the Purchaser Disclosure Letter.

“Purchaser Material Authorizations” has the meaning set forth in Section 3.16.

“Purchaser Material Contracts” has the meaning set forth in Section 3.19.

“Purchaser Owned Properties” means the lands and premises owned by the Purchaser as set out the Purchaser Disclosure Record.

“Purchaser Reference Date” means September 30, 2023.

“Purchaser Shares” means common shares in the capital of the Purchaser, and Purchaser Share means any one of them.

“Purchaser Specified Representations” has the meaning set forth in Section 8.1(a).

“Release Date” has the meaning set forth in Section 6.5(a).

“SEDAR” means the System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of issuers across Canada.

“Senior Lender” means the Purchaser’s Canadian senior secured lender.

“Stone Pine” means Stone Pine Capital Ltd.

“Stone Pine Amendments” means any amendments to any documents evidencing secured debts owed by the Purchaser to Stone Pine, to reflect the amendment of the maturity date under such documents to March 31, 2025, cross-call provisions, prepayments to be made under such documents to require concurrent prepayments to be made under the FBC Promissory Note, and such other matters as may be agreed to by the Parties, acting reasonably.

“Straddle Period” means any taxation period of FBC ending after the Closing Date that commenced before the Closing Date. Where necessary to allocate Taxes under this Agreement with respect to a Straddle Period: (i) the amount of any real property, personal property, ad valorem, intangible, and other Taxes imposed on a periodic basis for such Straddle Period that are allocable to the Pre-Closing Tax Period shall be equal to the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediate preceding period) multiplied by a fraction, the numerator of which is the number of calendar days during the Straddle Period that are in the Pre-Closing Tax Period and the denominator of which is the number of calendar days in the entire Straddle Period, and (ii) the amount of any Taxes (other than Taxes allocable under clause (i) of this definition) for such Straddle Period that are allocable to the Pre-Closing Tax Period shall be computed on the basis of a “closing of the books,” as if such taxable period ended as of the end of the day on the Closing Date and all such Taxes were calculated in accordance with the past practices of FBC in preparing Tax Returns, except to the extent otherwise required by applicable Law; provided, that exemptions, allowances or deductions that are calculated on an annual basis (including depreciation and amortization deductions) shall be allocated between the period ending on the Closing Date and the period beginning after the Closing Date in proportion to the number of calendar days in each period.

“Subordination Agreement” means the subordination agreement to be entered into between the Senior Lender and the FBC Affiliated Vendor, with respect to the subordination following Closing, of all secured debts owed by the Purchaser to the FBC Affiliated Vendor, to the secured debts owed by the Purchaser to the Senior Lender.

“Tax” means any taxes, duties, fees, premiums, assessments, imposts, levies and other similar charges of any kind whatsoever imposed by any Governmental Authority, including all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Authority in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Québec and other government pension plan premiums or contributions.

“Tax Return” means any return (including any information return), report, statement, schedule, notice, election, designation, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Authority in connection with the determination, assessment, collection or payment of any Tax, or in connection with the administration, implementation or enforcement of, or compliance with, any Law relating to any Tax.

“Transaction” means, collectively, the purchase and sale of the Purchased FBC Shares, the issuance of the Consideration Shares, and all other transactions contemplated by this Agreement.

“Transaction Documents” means this Agreement, the FBC Promissory Note, the FB Payment Plan, the Subordination Agreement, the Intercreditor Agreement, the Lock-Up Agreement and all other agreements, certificates and other instruments or documents given pursuant to this Agreement.

1.2 Gender and Number

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, (a) words in the singular number include the plural and are to be construed as if the plural had been used and *vice versa*, and (b) words importing the use of any gender include all genders where the context or party referred to so requires, and the rest of the sentence is to be construed as if the necessary grammatical changes had been made.

1.3 Certain Phrases and Calculation of Time

In this Agreement, unless otherwise specified:

- (a) the words “including” and “includes” mean “including (or includes) without limitation”;
- (b) “Article” and “Section” followed by a number mean and refer to the specified Article or Section of this Agreement;
- (c) the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”; if the last day of any such period is not a Business Day, such period will end on the next Business Day; and
- (d) when calculating the period of time “within” which or “following” which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is to be excluded from the calculation. If the last

day of any such period is not a Business Day, such period will end on the next Business Day.

1.4 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect or be used in the construction or interpretation of this Agreement.

1.5 Disclosure Letters and Exhibits

The Disclosure Letters and the exhibits attached to this Agreement are incorporated by reference into this Agreement and form an integral part hereof.

1.6 Purpose of the Disclosure Letters

The purpose of the Disclosure Letters is to set out the qualifications, exceptions and other information called for in this Agreement. The disclosure of any fact or item in any section of a Disclosure Letter shall be deemed to be an exception to (or, as applicable, a disclosure for purposes of) (i) the representations and warranties of FBC and the FBC Shareholder or the Purchaser, as the case may be, that are contained in the corresponding Section of this Agreement; and (ii) any other representations and warranties of the FBC and the FBC Shareholder or the Purchaser, as the case may be, contained in this Agreement, where it is reasonably apparent that such matter is pertinent to such other representation or warranty.

1.7 Currency

In this Agreement, unless otherwise specified, all references to dollars or to \$ are references to Canadian dollars.

1.8 Knowledge

Where any representation or warranty in this Agreement is expressly qualified by reference to the knowledge of a Party (or similar phrases), it is deemed to refer to the actual knowledge of such Party or, if such Party is not an individual, of any officer or director of such Party, in each case after due inquiry.

1.9 Accounting Terms

All accounting and financial terms and references not defined in this Agreement are to be interpreted in accordance with IFRS.

1.10 Instruments and Statutes

Any agreement, instrument or statute (including any specific provision) defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument or statute (including any specific provision and in the case of a statute any regulations promulgated thereunder) as amended, restated, replaced, modified, qualified or supplemented, including (in the case of agreements and instruments) by waiver or consent and (in the case of statute) by succession of comparable successor statutes and all attachments thereto and instruments incorporated therein.

1.11 Governing Law; Venue

This Agreement shall be governed by and interpreted and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without regard to applicable choice of law provisions thereof. The Parties agree that any action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby will be brought in a suitable court located

in the Province of British Columbia and each Party irrevocably submits to the exclusive jurisdiction of those courts.

ARTICLE 2 SHARE EXCHANGE

2.1 Purchase and Sale

Subject to the terms and conditions hereof, the FBC Shareholder covenants and agrees to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the FBC Shareholder, the Purchased FBC Shares at the Closing.

2.2 Purchase Price

In consideration for the acquisition of the Purchased FBC Shares, the Purchaser will pay a purchase price (the "**Purchase Price**") equal to the sum of the following:

- (a) Cash – The payment on Closing of \$100 in cash.
- (b) Consideration Shares – The issuance on Closing of ninety million (90,000,000) Purchaser Shares (the "**Consideration Shares**"), to the FBC Shareholder, at a deemed price per Purchaser Share of \$0.15.

2.3 Hold Period

The FBC Shareholder acknowledges that in addition to what is contemplated under the Lock-up Agreement, all Purchaser Shares comprising the Consideration Shares may be subject to a restrictive hold period of four (4) months plus a day in length, if determined to be applicable by a Governmental Authority under Applicable Securities Laws.

2.4 Allocation of Purchase Price

The Parties agree to allocate the Purchase Price on a basis to be agreed between the Parties prior to Closing. In conjunction therewith, each of the Parties will review with their respective legal, accounting and financial advisors the most tax effective structure for allocating the Purchase Price with respect to the Transaction. The Parties agree to execute and file all Tax Returns, and prepare all financial statements, on the basis of such allocation and agree not to take any position inconsistent therewith in any Tax Return, in any Tax refund claim, in any litigation or otherwise.

2.5 *Intentionally Deleted*

2.6 Purchase of Entire Interest

It is the understanding of the parties hereto that this Agreement provides for the purchase of all of the issued and outstanding FBC Shares at the Effective Time, whether same are owned as at the date hereof or to be acquired after the date hereof and prior to the Effective Time, and the FBC Shareholder therefore covenants and agrees with the Purchaser that, if prior to the Effective Time, it acquires any further FBC Shares, in addition to those set forth in this Agreement, then such FBC Shares shall be subject to the terms of this Agreement, and FBC Shares shall be delivered or such rights shall be transferred to the Purchaser at the Effective Time, without the payment of any additional or further consideration.

2.7 Delivery of Purchased FBC Shares

Subject to the fulfilment of all of the terms and conditions hereof (unless waived as herein provided), at the Effective Time, the FBC Shareholder shall be deemed to have delivered to the Purchaser certificates or equivalents representing all of the FBC Shares to the Purchaser.

2.8 Acknowledgements

The FBC Shareholder hereby acknowledges and agrees with the Purchaser as follows:

- (a) The transfer of the FBC Shares to the Purchaser, and the issuance of the Consideration Shares to the FBC Shareholder will be made pursuant to appropriate exemptions (the “**Exemptions**”) from the prospectus (or equivalent) requirements of applicable securities laws;
- (b) As a consequence of acquiring the Consideration Shares pursuant to the Exemptions:
 - (i) the Purchaser is relying on an exemption from the requirements to provide the FBC Shareholder with a prospectus and to, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the FBC Shareholder;
 - (ii) the FBC Shareholder may not receive information that might otherwise be required to be provided to the FBC Shareholder, and the Purchaser is relieved from certain obligations that would otherwise apply under the *Securities Act* (Ontario) if the Exemptions were not being relied upon by the Purchaser;
 - (iii) there is no government or other insurance covering the Consideration Shares;
 - (iv) there are risks associated with the acquisition of the Consideration Shares; and
 - (v) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Shares;
- (c) The FBC Shareholder is knowledgeable of, or has been independently advised as to, the applicable Law of that jurisdiction which applies to the sale of the FBC Shares and the issuance of the Consideration Shares, which may impose restrictions on the resale of such Consideration Shares in that jurisdiction and it is the responsibility of the FBC Shareholder to become aware of what those resale restrictions are, and to comply with them before selling or distributing any of the Consideration Shares, as applicable; and
- (d) The Consideration Shares may be subject to certain resale restrictions under applicable Law, and the FBC Shareholder agrees to comply with such restrictions and acknowledges that the certificates for the Consideration Shares may bear an applicable legend or legends respecting restrictions on transfers as required under applicable Law if and as required by Section 2.7 of this Agreement (or legend notation on each applicable Consideration Share, if applicable, issued electronically in a direct registration system), and that the FBC Shareholder have been advised to consult its own legal advisor with respect to applicable resale restrictions and that each is solely responsible for complying with such restrictions.

2.9 Joint Tax Election

The Purchaser and the FBC Shareholder, within 10 Business Days after the Closing Date (or at such later date as may be requested by the FBC Shareholder), shall jointly make and execute an election (a “**Section**

85 Election”), in the prescribed form and within the prescribed time limits, to have section 85 of the Tax Act apply in respect of the disposition of the FBC Shares by the FBC Shareholder in consideration for, inter alia, the Consideration Shares issuable to the FBC Shareholder and, in this regard, the aggregate “elected amount” for purposes of a Section 85 Election will be an amount determined by the FBC Shareholder within the limits prescribed under the Tax Act. The FBC Shareholder will be solely responsible for filing the Section 85 Elections within the time prescribed by the Income Tax Act. The Purchaser shall reasonably cooperate with the FBC Shareholder if it determines that a Section 85 Election which has been filed should be amended, supplemented or replaced.

2.10 Agreement to be Bound

Each Person who becomes a FBC Shareholder subsequent to the Execution Date, or acquires additional FBC Shares subsequent to the Execution Date, must concurrently with becoming a FBC Shareholder or acquiring such additional FBC Shares execute and deliver to the Purchaser an agreement in form and substance satisfactory to the Purchaser, agreeing to be bound by this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

The Purchaser makes the following representations to the FBC Shareholder, and acknowledges and agrees that the FBC Shareholder is relying upon such representations and warranties in connection with the execution, delivery and performance of this Agreement:

3.1 Incorporation, Corporate Power and Registration

- (a) The Purchaser is a corporation validly existing and in good standing under the federal laws of Canada and has all necessary corporate power, authority and capacity to own or lease its property and to carry on its business as presently conducted.
- (b) Subject to Section 3.2, neither the nature of the Purchaser Entities’ business nor the location or character of the assets owned or leased by the Purchaser Entities requires any Purchaser Entity to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation in any jurisdiction other than in jurisdictions where it is duly registered, licensed or otherwise qualified for such purpose and other than jurisdictions where the failure to be so registered, licensed or qualified does not have a Material Adverse Effect.

3.2 Qualification

Each Purchaser Entity is qualified, licensed or registered to carry on business in the jurisdictions set out in Section 3.2 of the Purchaser Disclosure Letter. The jurisdictions set out in Section 3.2 of the Purchaser Disclosure Letter include all jurisdictions in which (a) the nature of the Purchaser Entities’ business makes such qualification necessary, (b) the Purchaser Entity owns or leases any material property or assets which form part of the Purchaser Entity’s business or (c) the Purchaser Entity conducts the Purchaser Entity’s business, in each case except as would not have a Material Adverse Effect.

3.3 Due Authorization and Enforceability of Obligations

- (a) The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement.
- (b) The execution and delivery of this Agreement and the Transaction Documents, and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of the Purchaser.

- (c) This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms except as enforcement may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

3.4 No Conflict with Authorizations, Laws, etc.

Except as would not, individually or in the aggregate, have a Material Adverse Effect, the execution, delivery and performance by the Purchaser of this Agreement and each of the Transaction Documents to which it is a party do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

- (a) result in a breach or a violation of, conflict with, or cause the termination or revocation of, any Authorization held by the Purchaser or necessary to the ownership of the assets owned by the Purchaser Entities or the operation of the Purchaser Entities' business;
- (b) result in or require the creation of any Lien upon any of the assets owned by the Purchaser Entities;
- (c) result in a breach or a violation of, or conflict with, any judgement, order or decree of any Governmental Authority; or
- (d) result in a material breach or a material violation of, or materially conflict with, any Law applicable to the Purchaser Entities.

3.5 No Conflict with Contracts

Except as would not, individually or in the aggregate, have a Material Adverse Effect, the execution, delivery and performance by the Purchaser of this Agreement and each of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

- (a) result in a material breach or a material violation of, or materially conflict with, any Purchaser Material Contract; or
- (b) result in or give any Person the right to cause (i) the termination, cancellation, amendment or renegotiation of any Purchaser Material Contract, or (ii) the acceleration of any debt or other obligation of the Purchaser, or (iii) the forfeiture or other loss, in whole or in part, of any benefit which would otherwise accrue to any Purchaser Entity.

3.6 Purchaser Financial Statements

The Purchaser Financial Statements have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly in all material respects:

- (a) the financial position of the Purchaser Entities on a consolidated basis as at such dates; and
- (b) the results of operation and changes in financial position of the Purchaser Entities on a consolidated basis for the periods then ended.

3.7 No Undisclosed Liabilities

Since the Purchaser Reference Date, no Purchaser Entity has any liabilities of the type required to be reflected as liabilities on a balance sheet prepared in accordance with IFRS, except for: (a) liabilities

reflected or reserved against in the applicable Purchaser Financial Statements; (b) current liabilities incurred since the Purchaser Reference Date in the Ordinary Course; or (c) liabilities that are not material to any Purchaser Entity, taken as a whole.

3.8 Conduct of Purchaser's Business in Ordinary Course

Except as set out in Section 3.8 of the Purchaser Disclosure Letter or as set out in the Purchaser Disclosure Record, or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, since the Purchaser Reference Date, the Purchaser Entities' business has been carried on in the Ordinary Course. Without limiting the generality of the foregoing, the Purchaser Entities have not, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

- (a) sold, transferred or otherwise disposed of any assets other than inventory sold in the Ordinary Course;
- (b) granted or suffered any Lien upon any assets other than Permitted Encumbrances and unsecured current obligations and liabilities incurred in the Ordinary Course;
- (c) made any capital expenditures in excess of \$250,000;
- (d) paid any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, exceeds \$250,000;
- (e) cancelled any debts or claims owed to it or amended, terminated or waived any rights of value to a Purchaser Entity;
- (f) made any payment to an officer, director, former director or other related party other than at the regular rates payable by way of salary or other remuneration or for the reimbursement of expenses incurred in the Ordinary Course;
- (g) made any bonus or other extraordinary payment to a Purchaser Employee, officer, director, former director or related party other than regular amounts payable to each such Person by way of salary or other remuneration or for the reimbursement of expenses incurred in the Ordinary Course;
- (h) suffered any extraordinary loss, damage or destruction in respect of any of its assets, whether or not covered by insurance;
- (i) terminated or suffered the termination of, any Purchaser Material Contract other than due to its expiration in accordance with its terms and not as a result of the potential completion of the transactions contemplated by the Agreement;
- (j) declared or paid any dividends or declared or made any other distribution on the Purchaser Shares or other securities of any of the Purchaser Entities and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of the Purchaser Shares or other securities of the Purchaser Entities;
- (k) written off as uncollectible any accounts receivable or any part thereof;
- (l) suffered any material shortage or any cessation or material interruption of inventory shipments, supplies or ordinary services;
- (m) made any forward commitments either in excess of the requirements for normal operating purposes or at prices higher than the current market prices;

- (n) compromised or settled any litigation or governmental action relating to assets owned or used by a Purchaser Entity (including the Purchaser Owned Properties and Purchaser Leased Properties);
- (o) cancelled or reduced any insurance coverage on its business, property and assets;
- (p) made any change in any method of accounting or auditing practice except in each case as required by IFRS;
- (q) made any change in the method of billing or the credit terms made available to its customers;
- (r) amended its organizational documents or structure; or
- (s) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

3.9 Capitalization of the Purchaser

The authorized capital of the Purchaser consists of an unlimited number of Purchaser Shares. As at the Execution Date, there are 180,818,952 Purchaser Shares issued and outstanding. In addition, as at the Execution Date, there are issued and outstanding (i) options to purchase, in the aggregate, 6,240,000 Purchaser Shares, (ii) warrants exercisable for, in the aggregate, 48,096,811 Purchaser Shares and (iii) restricted share units entitling certain employees of the Purchaser to, in the aggregate, 187,500 Purchaser Shares. Except as set forth in this Section 3.9, no other Purchaser Shares are issued and outstanding as at such date and there are no existing Equity Interests in, the Purchaser or any of its subsidiaries obligating the Purchaser or such subsidiary to issue, transfer, register or sell or cause to be issued, transferred, registered or sold any shares in the capital of, or voting debt securities of, or other Equity Interest in, the Purchaser or such subsidiary or securities convertible into or exchangeable for such shares or Equity Interests or other securities. All of the outstanding Purchaser Shares were duly authorized and validly issued, and are fully paid and non-assessable.

3.10 Litigation

Except as set out in Section 3.10 of the Purchaser Disclosure Record, or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there are no actions, suits or proceedings, at law or in equity, by any Person (including the Purchaser Entities), nor any arbitration, administrative or other proceeding by or before (or to the knowledge of the Purchaser any investigation by) any Governmental Authority, current or pending, or, to the knowledge of the Purchaser, threatened against the Purchaser Entities' business or any of the Purchaser Entities' assets, including the Purchaser Owned Properties, the Purchaser Leased Properties, or the Purchaser IP, or in respect of any employment matters.

3.11 Title to Assets

Except as set out in Section 3.11 of the Purchaser Disclosure Letter, each Purchaser Entity has good and marketable title to, and legal and beneficial ownership of, its properties and assets (whether immovable, movable, real, personal or mixed and whether tangible or intangible) that it purports to own including all the properties and assets reflected as being owned by the Purchaser Entities in their respective financial books and records free and clear of all Liens except for Permitted Encumbrances.

3.12 No Options, etc.

Except as set out in Section 3.12 of the Purchaser Disclosure Record, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege (whether by law, contractual or otherwise) capable of becoming such for the purchase or other acquisition from the Purchaser Entities of

any of the property and assets other than pursuant to purchase orders for inventory sold in the Ordinary Course.

3.13 Condition of Assets

Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the buildings, structures, fixtures, vehicles, equipment and other tangible personal property of the Purchaser Entities are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, and none of such buildings, structures, fixtures, vehicles, equipment or other property are in need of maintenance or repairs except for ordinary routine maintenance and repairs that are not material in nature or cost.

3.14 Collectability of Accounts Receivable

The Accounts Receivable are recorded in the Purchaser Books and Records and are good and collectible at the aggregate recorded amounts, except to the extent of any reserves and allowances for doubtful accounts provided for such Accounts Receivable in the Purchaser Books and Records, copies of which have been provided to the FBC, and are not subject to any defence, counterclaim or set off.

3.15 Compliance with Law

- (a) Each Purchaser Entity:
- (i) is conducting its business in compliance with all applicable Laws, in all material respects, including the Cannabis Laws, any and all Laws prescribed by and in respect of the Cannabis Laws and all other Laws relating to in whole or in part to the production, handling, storage, processing, packaging, labelling, importing, selling, and distributing of Cannabis (including all Cannabis products and derivatives), medical records, medical information privacy, personal information, employment, employment practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and Environmental Laws which are applicable to the Purchaser Entities' business;
 - (ii) has not received, since the Purchaser Reference Date, any correspondence or notice from Health Canada or any other Governmental Authority (A) alleging or asserting any material violation or noncompliance (or any investigation, inspection, audit, or other proceeding by any Governmental Authority involving allegations of any material violation) in respect of the Purchaser Entities' business with applicable Laws, including the Cannabis Laws, any and all Laws prescribed by and in respect of the Cannabis Laws and all other Laws relating in whole or in part to the production, handling, storage, processing, packaging, labelling, importing, selling, and distributing of Cannabis (including all Cannabis products and derivatives), medical records, medical information privacy, personal information, employment, employment practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and Environmental Laws which are applicable to the Purchaser Entities' business, or any Authorization; or (B) have existed or currently exist that could lead to a loss, suspension, or modification of, or a refusal to issue or renew, any Purchaser Material Authorization; and
 - (iii) has, or has had on its behalf, since the Purchaser Reference Date, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments relating to the Purchaser Entities' business as required by any applicable Laws or Authorizations and to keep its Authorizations relating to the Purchaser Entities'

business in good standing and that all such reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments were complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent submission).

- (b) To the knowledge of the Purchaser, no investigation, inspection, audit or other proceeding by any Governmental Authority involving allegations of any material violation of any Law is currently threatened, including, without limitation, any Cannabis Laws.
- (c) The individuals listed in Section 3.15(c) of the Purchaser Disclosure Letter hold security clearances as required under the Cannabis Laws and otherwise have all qualifications, including training, experience and technical knowledge required by applicable Laws (including, without limitation, Cannabis Laws) with respect to each individual's respective association with any Purchaser Entity, and none of these individuals have previously had security clearances suspended, cancelled or revoked by Health Canada or have had Health Canada reject an application by such individual for security clearance
- (d) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all cannabis products sold or stored by the Purchaser Entities:
 - (i) meet the applicable specifications for the product;
 - (ii) are fit for the purpose for which they are intended by the Purchaser Entities, and of merchantable quality;
 - (iii) have been cultivated, processed, packaged, labelled, imported, tested, stored, transported and delivered in accordance in all material respects with the Purchaser Material Authorizations and all applicable Laws, including, without limitation, Cannabis Laws;
 - (iv) are not adulterated, tainted or contaminated and do not contain any substance not permitted by applicable Laws;
 - (v) have been cultivated, processed, packaged, labelled, imported, tested, stored and transported in facilities authorized by the Purchaser Material Authorizations in accordance in all material respects with the terms of such Authorization; and
 - (vi) (A) are not the object of any claims pursuant to any recall or product warranty or with respect to the production, distribution or sale of defective or inferior products or with respect to any warnings or instructions concerning such products; (B) have not caused or been reported to have caused an adverse reaction or serious adverse reaction, as each such term is defined in the *Cannabis Regulations* (Canada).
- (e) All of the marketing and promotion activities of all Purchaser Entities relating to the Purchaser Entities' business complies with all applicable Laws in all material respects, including, without limitation, Cannabis Laws.
- (f) (i) Each Purchaser Entity has, at all times, complied with and is currently in compliance with the terms of all Authorizations, including, without limitation, all licences held by any Purchaser Entity that have been issued pursuant to the Cannabis Laws; and (ii) to the Purchaser's knowledge, no amendments to the Authorizations (including, without limitation, the licences held by any Purchaser Entity as issued pursuant to the Cannabis Laws) are required or contemplated during the 12-month period following the Closing Date.

- (g) Each Purchaser Entity has only carried on business, affairs or operations or maintained any activities in Canada and only to the extent such business, affairs or operations or activities are legal in Canada, or any province or territory thereof, and has not engaged in the production, cultivation, marketing, distribution or sale of cannabis (as defined in the *Cannabis Act* (Canada)) or any products derived from or intended to be used in connection with cannabis or services intended to relate to cannabis in the United States of America or any other jurisdictions to the extent such activities remain prohibited under applicable Law (which, for greater certainty, will include the United States of America for so long as the production, cultivation, advertisement, marketing, promotion, sale or distribution of cannabis or related products remains prohibited by federal Laws and irrespective of whether such activities are permitted under the Laws of certain states)

3.16 Governmental Authorizations

The Purchaser Entities own, possess or lawfully use all material Authorizations which are necessary to conduct their business or for the ownership and use of their assets (including the Purchaser Owned Properties and Purchaser Leased Properties). All such Authorizations are set out in Purchaser Disclosure Record (the “**Purchaser Material Authorizations**”). Each Purchaser Material Authorization is valid, subsisting and in good standing. The Purchaser is not in default or breach of any Purchaser Material Authorization in any material respect and no proceedings are pending or, to the knowledge of the Purchaser, threatened to revoke or limit any Purchaser Material Authorization.

3.17 Required Purchaser Authorizations

There is no requirement for any Purchaser Entity to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Authority or stock exchange in connection with or as a condition to the lawful completion of, the Transaction, except for the filings, notifications and Authorizations set out in Section 3.17 of the Purchaser Disclosure Letter.

3.18 Third Party Consents

There is no requirement for any Purchaser Entity to make any filing with, give any notice to, or obtain any consent of, any Person who is a party to a Purchaser Material Contract binding on or affecting the Purchaser Entities in connection with or as a condition to the lawful completion of, the transactions contemplated by this Agreement or any of the Transaction Documents, except for the filings, notifications and consents set out in Section 3.18 of the Purchaser Disclosure Letter.

3.19 Material Contracts

Except for the Contracts listed in the “Material Contracts” section of the Purchaser’s annual information form dated April 18, 2022, and as otherwise set out under Section 3.19 of the Purchaser Disclosure Letter (collectively, the “**Purchaser Material Contracts**”), no Purchaser Entity is a party to or bound by any Contract material to its business or the ownership of its assets including:

- (a) any distributor, sales or advertising Contract;
- (b) any Contract for the purchase or sale of materials, supplies, equipment or services (i) involving in the case of any such Contract, the payment by a Purchaser Entity of more than \$250,000 in aggregate in any 12-month period or (ii) which contains minimum purchase commitments or requirements or other terms that restrict or limit the purchasing or selling ability of a Purchaser Entity;
- (c) any Contract that expires, or may be renewed at the option of any Person other than a Purchaser Entity so as to expire, more than one year after the Execution Date;

- (d) any promissory note, loan agreement or other Contract for the borrowing of money, any currency exchange, commodities or other hedging or swap agreement or any leasing transaction of the type required to be capitalized in accordance with IFRS;
- (e) any Contract for capital expenditures in excess of \$250,000 in the aggregate;
- (f) any confidentiality, secrecy or non-disclosure Contract or any Contract limiting the freedom of a Purchaser Entity to engage in any line of business, compete with any Person, solicit any Person, operate its assets at maximum production capacity or otherwise restricting its ability to carry on its business;
- (g) any Contract pursuant to which a Purchaser Entity is a lessor or lessee of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal property;
- (h) any Contract with any Affiliate of a Purchaser Entity or any other Person with whom a Purchaser Entity does not deal at arm's length within the meaning of the ITA;
- (i) any Contract relating to grants or other forms of assistance received by a Purchaser Entity from any Governmental Authority;
- (j) any Contract pursuant to which any Purchaser Entity grants or receives a licence to use any Purchaser IP, other than: (A) those in which grants of Purchaser IP rights are incidental to such Contract; (B) those granting rights to Purchaser IP that is generally commercially available; or (C) Contracts for sales of products and non-exclusive licences entered into in the Ordinary Course;
- (k) any Contract pursuant to which any Purchaser Entity has entered into a material joint venture, strategic alliance, partnership or similar arrangement with any Person;
- (l) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any other Person in excess of \$250,000 in the aggregate;
- (m) any Contract for Indebtedness of a Purchaser Entity in excess of \$250,000 in the aggregate; or
- (n) any Contract made outside of the Ordinary Course.

True, correct and complete copies of all Purchaser Material Contracts are available in the Purchaser Disclosure Record.

3.20 No Breach of Material Contracts

Each of the Purchaser Entities has performed in all material respects all of the obligations required to be performed by it pursuant to, and is not alleged to be in default or breach of, any Purchaser Material Contract. Each of the Purchaser Material Contracts is in full force and effect, unamended, to the knowledge of the Purchaser, no party is in material breach of any of its covenants thereunder and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or circumstance, would reasonably be expected to become a material breach of, or a default or event of default under, any Purchaser Material Contract. To the knowledge of the Purchaser, all of the covenants to be performed and the obligations to be fulfilled by any party to such Purchaser Material Contract, including the applicable Purchaser Entity, have been fully performed and fulfilled in all material respects. No consent or notice is required for a valid assignment to the Purchaser of any Purchaser Material Contract.

3.21 Related Party Transactions

Except as set out the Purchaser Disclosure Record or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all Contracts, binding upon or affecting the Purchaser Entities have been entered into on an arm's length basis (within the meaning of the ITA) and any amounts due and payable by a Purchaser Entity to any Affiliate of a Purchaser Entity in relation to such Contracts are recorded on the Purchaser Books and Records at their fair market value.

3.22 Insurance

The Purchaser Entities maintain such policies of insurance as are appropriate to their business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets. No Purchaser Entity is in default in any material respect with respect to any of the provisions contained in the insurance policies.

3.23 Books and Records

- (a) All accounting and financial Purchaser Books and Records have been fully, properly and accurately kept and are complete in all material respects. Such Purchaser Books and Records are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which are not or will not be available to the FBC in the Ordinary Course after Closing. All corporate proceedings and actions reflected in the Purchaser Books and Records have been conducted or taken in compliance with all applicable Laws and in accordance with the constating documents of the Purchaser Entities.
- (b) Purchaser Books and Records stored on computer-related or other electronic media are appropriately organized and indexed and no data conversions, translations or technology upgrades are required before such data can be accessed, read, searched and used by Purchaser's current Information Technology.

3.24 Intellectual Property

- (a) The Purchaser Disclosure Record sets out a true, correct and complete description of (i) all of the registered Intellectual Property owned or used by a Purchaser Entity in connection with a Purchaser Entity's business (collectively, the "**Purchaser IP**"), and (ii) all licenses or similar agreements or arrangements to which any Purchaser Entity is a party, either as licensee or licensor, with respect to Intellectual Property necessary for the carrying on of a Purchaser Entity's business as presently conducted.
- (b) One of the Purchaser Entities is the exclusive owner of all right, title and interest in and to, or possesses the exclusive right to use the Purchaser IP, free and clear of all Liens other than Permitted Encumbrances. The Purchaser Entities have not assigned, licensed or otherwise conveyed any of the Purchaser IP.
- (c) The Purchaser Entities have maintained or caused to be maintained the rights to any of the registered Purchaser IP in full force and effect and, without limiting the generality of the foregoing, have renewed or have made application for renewal of any registered Purchaser IP owned by a Purchaser Entity and subject to expiration on or prior to the Closing Date.
- (d) The Purchaser IP has not been used, not used, enforced or not enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of any of the Purchaser IP. In the past five years, no Purchaser Entity has received written notice of any alleged infringement or misappropriation from any Person

with respect to the Purchaser IP. During such period, no Purchaser Entity has infringed and is not currently infringing on the Intellectual Property of any other Person in any material respect.

- (e) The Purchaser Entities have the full right and authority to use the Purchaser IP in connection with the conduct of their business in the manner presently conducted, and such use or continuing use does not infringe upon or violate any rights of any other Person. The Purchaser IP is sufficient to conduct the Purchaser Entities' business as presently conducted. All licenses to which a Purchaser Entity is a party relating to Purchaser IP are in good standing, binding and enforceable in accordance with their respective terms and no default exists on the part of a Purchaser Entity thereunder. No royalty or other fees is required to be paid by any Purchaser Entity to use and exploit any of the Purchaser IP rights and, to the Purchaser's knowledge, there are no restrictions on the ability of any Purchaser Entity to use any of the Purchaser IP rights
- (f) To the knowledge of the Purchaser, no Person is infringing, misappropriating or otherwise violating, or threatening to do any of the foregoing, with respect to the Purchaser IP.
- (g) To the knowledge of the Purchaser, subject to and in compliance with applicable Laws, no current or former officer, employee or independent contractor of a Purchaser Entity owns or has claimed an ownership interest in any of the Purchaser IP, nor has any right to a royalty or other consideration as a result of its marketing, licensing or assignment.
- (h) Each Purchaser Entity has used commercially reasonable efforts (including measures to protect secrecy and confidentiality, where appropriate) to protect Purchaser IP and confidential information relating thereto. To the knowledge of the Purchaser, there has not been any material unauthorized disclosure of Intellectual Property such as to prevent the Purchaser Entities from obtaining or enforcing any right that it could otherwise have obtained or enforced with respect to such Intellectual Property.

3.25 Information Technology

- (a) The Information Technology owned, licensed, used or held for use in connection with the Purchaser Entities' businesses is sufficient for the conduct of the Purchaser Entities' businesses in the Ordinary Course after Closing. The Purchaser Entities use reasonable means, consistent with industry practice, to protect the security and integrity of all such Information Technology.
- (b) In the past three years, no notice of a defect or default has been sent or received by a Purchaser Entity in respect of any license or lease under which the Purchaser Entities receive Information Technology.

3.26 Owned Property

Except as set out in Section 3.26 of the Purchaser Disclosure Letter or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Purchaser Entities are the absolute registered and beneficial owner of, and have good and marketable title to, the Purchaser Owned Properties free and clear of all Liens other than Permitted Encumbrances. The Purchaser Entities are not the owner of, or party to any agreement, option or right to own, any real property or any interest in any real property used in connection with the Purchaser Entities' business, other than the Purchaser Owned Properties.

3.27 Leases and Leased Property

- (a) Except as set out in Section 3.27(a) of the Purchaser Disclosure Letter, no Purchaser Entity is a party to, or under any agreement to become a party to, any real property lease other than the Purchaser Leases. Each Purchaser Lease is in good standing, creates a good and valid leasehold estate in favour of the Purchaser Entities in the Purchaser Leased Properties thereby demised and is in full force and effect without amendment. With respect to each Purchaser Lease pursuant to which a Purchaser Entity is tenant (i) all base rents and additional rents have been paid, (ii) no waiver, indulgence or postponement of any Purchaser Entity's obligations has been granted by the lessor, (iii) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the passage of time or the happening of any other event or circumstance, would become a default under the Purchaser Lease or give rise to a right of amendment, cancellation or termination of the Lease or restrict the ability of the applicable Purchaser Entity to exercise any of its rights as lessee thereunder, including any rights of renewal or first rights of refusal contained therein, (iv) to the knowledge of the Purchaser, all of the covenants to be performed by any party (other than the applicable Purchaser Entity) under the Purchaser Lease have been fully performed in all material respects, and (v) the use and occupation by the applicable Purchaser Entity of any of the Purchaser Leased Properties is not in breach, violation or non-compliance of or with any Laws in any material respect and is in material compliance with all applicable provincial plans, official plans, zoning by-laws, by-laws, development approvals and building permits of any applicable Governmental Authority, including any site plan agreements and any other agreements or approvals relating to the use and operation of the Purchaser Leased Property.
- (b) Each applicable Purchaser Entity has adequate rights of ingress and egress to, from and over the Purchaser Leased Properties in the Ordinary Course and the Purchaser Leased Properties have adequate access to and use of all necessary electrical utilities, local power grids, ground water, municipal water, waste water treatment and natural gas supply. To the knowledge of the Purchaser, there is no plan, study, notice of intent or pending by-law which, if implemented, would materially and adversely affect the ability of any Purchaser Entity to carry on business in the Ordinary Course.

3.28 Environmental Matters

- (a) The Purchaser Entities are, and at all times have been, in compliance with all Environmental Laws. There are no Environmentally Hazardous Substances located in the ground or in groundwater under any of the Purchaser Owned Properties.
- (b) Except as permitted under applicable Laws, no Purchaser Entity has used or permitted to be used at any of the Purchaser Owned Properties or Purchaser Leased Properties or any property or facility that was at any time owned, occupied, operated, managed, used or controlled by any Purchaser Entity for the disposal of Environmentally Hazardous Substances, and to the knowledge of the Purchaser there has not been any such use.
- (c) Except as permitted under Environmental Laws, no Purchaser Entity has caused or permitted, and the Purchaser does not have any knowledge of any Environmental Release on or from the Purchaser Owned Properties or Leased Properties or any property or facility that was at any time owned, occupied, operated, managed, used or controlled by any Purchaser Entity.
- (d) No Purchaser Entity has been required in writing by any Governmental Authority to: (i) alter any of the Purchaser Owned Properties or Purchaser Leased Properties in a material way in order to be in compliance with Environmental Laws; or (ii) perform any environmental closure, decommissioning, rehabilitation, clean-up, restoration, post-remedial investigations or corrective action on, about or in connection with any such property; which,

in each case, has not been complied with or cured to the satisfaction of such Governmental Authority, or which remains outstanding and unresolved.

- (e) There are no pending or, to the knowledge of the Purchaser, Environmental Claims, threatened Environmental Claims, threatened claims, proceedings or restrictions of any nature arising or resulting from any environmental liabilities or under or pursuant to any Environmental Laws with respect to or affecting any Purchaser Entity or any Purchaser Owned Properties or Purchaser Leased Properties.
- (f) Neither the Purchaser nor any Purchaser Entity has received written notice, orders or directions, from any Person, including any Governmental Authority, alleging that any Purchaser Entity or the Purchaser Entities' business has been or is in violation or potentially in violation of, or liable under, any Environmental Laws, nor been prosecuted for an offence alleging non-compliance with any Environmental Laws, or received any written request for information relating to an actual or potential violation of or liability under Environmental Laws, which in either case remains outstanding or unresolved, or would not reasonably be expected to have a Material Adverse Effect and neither the Purchaser nor any Purchaser Entity have settled any allegation of non-compliance short of prosecution. To the knowledge of the Purchaser, no Purchaser Entity nor the Purchaser Entities' business is subject to any investigation with respect to an action or potential violation of or liability under any Environmental Laws, which matter remains outstanding or unresolved.
- (g) Section 3.28(g) of the Purchaser Disclosure Letter contains a complete and accurate list of all reports and material documents, including Environmental Authorizations, environmental audits, site assessments, risk assessments, studies or tests relating to environmental matters affecting any Purchaser Entity or any Purchaser Owned Properties or Purchaser Leased Properties currently or formerly owned, leased or used by any Purchaser Entity or over which any Purchaser Entity has or had charge, management or control. Complete and accurate copies of all such reports and material documents, including Environmental Authorizations, environmental audits, site assessments, risk assessments, studies or tests in the possession or control of the Purchaser or the Purchaser Entities have been provided to FBC. To the knowledge of the Purchaser, there are no other reports or material documents relating to environmental matters affecting any Purchaser Entity or any of the Purchaser Owned Properties or Purchaser Leased Properties currently or formerly owned, leased or used by any Purchaser Entity or over which any Purchaser Entity has or had charge, management or control which have not been made available to FBC.
- (h) To the knowledge of the Purchaser, there are not any underground storage tanks located on the Purchaser Owned Properties or Purchaser Leased Properties.
- (i) No Authorizations issued to any Purchaser Entity pursuant to Environmental Laws will become void or voidable as a result of the completion of the Transactions.
- (j) No unbudgeted work or additional expenditure is required or planned in relation to the Purchaser Entities' business, the Purchaser Owned Properties, the Purchaser Leased Properties or any other assets of any Purchaser Entity to ensure compliance with applicable Environmental Laws or Authorizations issued pursuant to applicable Environmental Laws.

3.29 Employee Matters

- (a) No Purchaser Entity is a party to, subject to, or affected by any certification order or any collective agreement and no Person holds bargaining rights with respect to any employees of any Purchaser Entity.

- (b) Except as disclosed in Section 3.29(b) of the Purchaser Disclosure Letter, there are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing by any Purchaser Entity pursuant to any workplace safety and insurance legislation, and there are no orders under applicable occupational health and safety legislation relating to the Purchaser Entities' business which are currently outstanding.
- (c) To the knowledge of the Purchaser, there are no ongoing union certification drives. There are no pending proceedings for certifying a union for a Purchaser Entity and no Purchaser Entity is unionized and does not have an employee association.
- (d) Each Purchaser Entity has observed and complied, in all material respects, with the provisions of all applicable Laws respecting employment, including employment standards Laws as well as Laws relating to human rights, occupational health and safety, workplace safety and insurance, labour relations and pay equity.
- (e) There are no outstanding decisions or settlements or pending settlements under any applicable employment Laws which place any obligation upon the Purchaser Entities to do or refrain from doing any act or which place a financial obligation upon a Purchaser Entity.
- (f) In the past three years, no Purchaser Entity has received any written remedial order, notice of offence or conviction under occupational health and safety, pay equity or employment standards Laws.
- (g) Except as set out in 3.29(g) of the Purchaser Disclosure Letter, there are no actions, suits or proceedings, at law or in equity, by any Person (including the Purchaser Entities), nor any action, suit, arbitration, administrative proceeding or other proceeding by or before (or to the knowledge of the Purchaser any investigation by) any Governmental Authority, pending, or, to the knowledge of the Purchaser, threatened against or affecting the Purchaser Entities in respect of employment matters, that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the Purchaser Entities or the Purchaser Entities' business. To the knowledge of the Purchaser, no event has occurred or circumstance exists which is reasonably be expected to give rise to or serve as a valid basis for the commencement of any such action, suit, investigation, arbitration, administrative proceeding or other proceedings by or against any Purchaser Entity in respect of employment matters.
- (h) All Purchaser Entities have developed and implemented all necessary employee policies, which implementation includes employee training with respect to harassment, occupational health and safety and accessibility for people with disabilities requirements
- (i) There is no labour strike, picketing, slow down, work stoppage or lock out, existing, pending, or to knowledge of the Purchaser Entities, threatened against or directly or indirectly affecting a Purchaser Entity's business, a Purchaser Entity or any of their respective operations. No Purchaser Entity has, in the past three years, experienced any labour strike, picketing, slowdown, work stoppage, lock out or other collective labour action by or with respect to its Purchaser Employees. There are no charges or complaints pending, or to the knowledge of the Purchaser, threatened with respect to or relating to a Purchaser Entity before any Governmental Authority in relation to unlawful employment practices. No Purchaser Entity has received any written notice from any such Governmental Authority responsible for the enforcement of labour or employment Laws of an intention to conduct an investigation of a Purchaser Entity or any of its business concerning its employment practices, wages, hours and terms and conditions of employment and no such investigation is, to the knowledge of the Purchaser Entity, threatened.

3.30 Employee Benefit Plans

- (a) Section 3.30 of the Purchaser Disclosure Letter sets out a true, correct and complete list and, where appropriate, a description of all retirement, pension, supplemental pension, savings, retirement savings, retiring allowance, bonus, profit sharing, stock purchase, stock option, phantom stock, share appreciation rights, deferred compensation, severance or termination pay, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short term or long term disability, salary continuation, unemployment benefits, vacation, incentive, compensation or other employee benefit plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured that is maintained or otherwise contributed to, or required to be contributed to, by or on behalf of any Purchaser Entity for the benefit of current, former or retired employees, directors, officers, shareholders, independent contractors or agents of any Purchaser Entity other than government sponsored pension, employment insurance, workers compensation and health insurance plans, but excluding for the avoidance of doubt any Purchaser Employee Contracts containing any such provisions (collectively, the "**Purchaser Employee Plans**"). None of the Purchaser Employee Plans is a registered pension plan under the ITA.
- (b) Each Purchaser Employee Plan has been maintained and administered in compliance with its terms and with the requirements of all applicable Laws in all material respects. Each Purchaser Employee Plan that is required to be registered under applicable Laws is duly registered with the appropriate Governmental Authorities.
- (c) All contributions or premiums required to be paid, deducted or remitted and all obligations required to be performed by any Purchaser Entity pursuant to the terms of any Purchaser Employee Plan or by applicable Laws, have been paid, deducted, remitted or performed, as the case may be, in a timely fashion, and in all material respects, and there are no outstanding defaults or violations with respect to same.
- (d) There is no pending termination or winding-up procedure in respect of any of the Purchaser Employee Plans, and no event has occurred or circumstance exists under which any of the Purchaser Employee Plans would reasonably be expected to be declared terminated or wound-up, in whole or in part.
- (e) No Purchaser Employee Plan has a deficit and the liabilities of all Purchaser Entities in respect of all Purchaser Employee Plans are properly accrued and reflected in the Purchaser Financial Statements in accordance with IFRS.
- (f) The Purchaser Entities have delivered true, correct and complete copies of each of the following to the Purchaser: the text of all Purchaser Employee Plans (where no text exists, a summary has been provided) and any related trust agreements, insurance contracts or other material documents governing those plans all as amended to the Execution Date and, to the knowledge of the Purchaser, no fact, condition or circumstances exists or has occurred since the date of those documents which would materially affect or change the information contained in them.
- (g) No promises or commitments have been made by any Purchaser Entity to amend any Purchaser Employee Plan, to provide increased benefits or to establish any new benefit plan, except as required by applicable Laws.
- (h) The transactions contemplated in this Agreement and in each of the Transaction Documents will not result in or require any payment or severance, or the acceleration, vesting or increase in benefits under any Purchaser Employee Plan.

- (i) No Purchaser Entity has any obligation to provide retirement benefits for any current, former or retired employees of any Purchaser Entity or to any other Person.
- (j) None of the Purchaser Employee Plans require or permit retroactive increases or assessments in premiums or payments.
- (k) No Purchaser Entity contributes, nor is any Purchaser Entity required to contribute, to any multi-employer pension or benefit plan. None of the Purchaser Employee Plans is a multi-employer pension or benefit plan.
- (l) Each of the Purchaser Employee Plans can be amended or terminated without restrictions and any applicable Purchaser Entities have the unrestricted power and authority to amend or terminate the Purchaser Employee Plans.

3.31 Tax Matters

- (a) Other than as set out in Section 3.31 of the Purchaser Disclosure Letter, the Purchaser Entities have paid or made arrangements for the payment of all Taxes in respect of any Pre-Closing Tax Period.
- (b) All Tax Returns of the Purchaser Entities that are required to be filed prior to the Closing Date have or will have been timely filed. All material Taxes shown to be due on such Tax Returns have or will be timely paid on or before the Closing Date. Each such Tax Return is true, correct and complete in all material respects.
- (c) The Purchaser Entities have properly withheld and paid or remitted to the relevant Governmental Authority, in all material respects, all Taxes required to have been withheld and paid or remitted.
- (d) No written agreement or document extending the period of assessment or collection of any Tax payable which relates to the assets of the Purchaser Entities or the Purchaser Entities' businesses is currently in effect.
- (e) The Purchaser is duly registered for HST under Part IX of the *Excise Tax Act* (Canada).
- (f) The Purchaser is a "taxable Canadian corporation" and a "public corporation" within the meaning of the ITA.

3.32 Anti-Corruption

- (a) None of the Purchaser Entities nor any of their respective directors, officers, employees or other Persons acting on their behalf has, directly or indirectly: (i) made or authorized any contribution, payment, loan, reward, benefit or gift of funds or property or anything else of value to any official, employee or agent of any Governmental Authority or public international organization, or to any Person for the benefit of any Governmental Authority or public international organization or public international organizations; (ii) for the purpose of bribing any Governmental Authority established or maintained accounts which do not appear in any of the books and records that they are required to keep in accordance with applicable accounting and auditing standards, made transactions that are not recorded or that are inadequately identified, recorded non-existent expenditures, entered liabilities with incorrect identification of their object, knowingly used false documents, or intentionally destroyed accounting books and records earlier than permitted by law; or (iii) made any contribution to any candidate for public office; where either the payment or the purpose of such contribution, payment, loan, reward or gift was, is, or would be prohibited under Anti-Corruption Legislation.

- (b) None of the Purchaser Entities nor any of their respective directors, officers, employees or other Person acting on their behalf has breached or violated in any material respect any Law regulating lobbying, accounting, bids or conflicts of interest. To the knowledge of the Purchaser, no change, fact, event, circumstance, condition or omission has occurred that would reasonably be expected to result in the Purchaser from being suspended or debarred from doing business with a Governmental Authority or otherwise prevent the Purchaser from bidding on or applying for Contracts with a Governmental Authority after Closing.

3.33 Privacy Laws

- (a) Each Purchaser Entity has complied and is complying with and is complying with all applicable Privacy Laws, including in connection with its collection, maintenance, use, disclosure, processing or transmission of Personal Information, including medical records, patient information or other personal information made available to or collected by the Purchaser Entities in connection with the operation of the Purchaser Entities' business (the "**Healthcare Data Requirements**"). No Purchaser Entity has received written complaint or notice of any breach or violation by it of any such Privacy Laws. All Personal Information of the Purchaser Entities: (i) has been collected, used or disclosed with the consent of each individual to which such Personal Information relates (if such consent was required under applicable Privacy Laws); (ii) has been used only for the purposes for which the Personal Information was initially collected or for a subsequent purpose for which consent was subsequently obtained; and (iii) has been collected, used or disclosed for a purpose in respect of which consent may, under applicable Privacy Laws, be implied.
- (b) The Purchaser Entities have taken commercially reasonable steps to implement appropriate confidentiality, security and other protective measures required by Healthcare Data Requirements.
- (c) No Purchaser Entity has disclosed, made available or provided Personal Information to third parties for any purpose except in compliance with, or as required by, applicable Laws.

3.34 No Broker

Other than as set out in Section 3.34 of the Purchaser Disclosure Letter, the Purchaser has carried on all negotiations relating to this Agreement and the Transaction directly and without intervention on its behalf of any other party in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the FBC Shareholder.

3.35 Reporting Issuer

The Purchaser is a reporting issuer not in default (or the equivalent) under Applicable Securities Laws in each of the provinces and territories of Canada, and the Purchaser Shares are listed for trading on the CSE. No order ceasing or suspending trading in any securities nor prohibiting the sale of any securities of the Purchaser has been issued by any Governmental Authority or is outstanding against the Purchaser and, to the knowledge of the Purchaser, no investigation or proceeding for such purposes are pending or threatened. To the knowledge of the Purchaser it is not, and will not be at the time of Closing, in default under any of its obligations as a reporting issuer with securities regulatory authorities or the CSE.

3.36 Consideration Shares

The Consideration Shares to be issued pursuant to this Agreement will, immediately following their issuance to the FBC Shareholder, (a) be duly and validly authorized and issued as fully paid and non-assessable Purchaser Shares in accordance with applicable Law and (b) be subject to resale restrictions, as applicable under Applicable Securities Laws. Subject to the truth of the representations and warrants of the FBC

Shareholder, the distribution of the Consideration Shares to the FBC Shareholder will be exempt from the prospectus requirements of Applicable Securities Laws.

3.37 Material Facts

This Agreement does not, nor does any Transaction Document, contain any untrue statement of a material fact nor omits to state a material fact necessary in order to make the statements contained therein or herein not misleading in light of the circumstances under which they were made.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES CONCERNING FBC

The FBC Shareholder makes the following representations to the Purchaser solidarily and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the execution, delivery and performance of this Agreement:

4.1 Incorporation, Corporate Power and Registration

- (a) Each FBC Entity is a corporation or sole proprietorship, as applicable, validly existing and in good standing under its jurisdiction of incorporation (or existence, as applicable) and has all necessary corporate power, authority and capacity to own or lease its property and to carry on the FBC Business as presently conducted.
- (b) Subject to 4.2, neither the nature of the FBC Business, nor the location or character of the assets owned by any FBC Entity, requires any FBC Entity to be registered, licensed or otherwise qualified as an extra-provincial or foreign corporation in any jurisdiction other than in jurisdictions where it is duly registered, licensed or otherwise qualified for such purpose and other than jurisdictions where the failure to be so registered, licensed or qualified does not have a Material Adverse Effect.

4.2 Qualification

Each FBC Entity is qualified, licensed or registered to carry on business in the jurisdictions set out in Section 4.2 of the FBC Disclosure Letter. The jurisdictions set out in Section 4.2 of the FBC Disclosure Letter include all jurisdictions in which (a) the nature of the assets owned by each FBC Entity or the FBC Business makes such qualification necessary, (b) each FBC Entity owns or leases any material property or assets which form part of FBC Business, or (c) the FBC Business is conducted, in each case except as would not have a Material Adverse Effect.

4.3 Due Authorization and Enforceability of Obligations

- (a) FBC has all necessary corporate power, authority and capacity to enter into this Agreement and to carry out its obligations under this Agreement.
- (b) The execution and delivery of this Agreement and the Transaction Documents, and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of FBC.
- (c) This Agreement constitutes a valid and binding obligation of FBC enforceable against it in accordance with its terms, except as enforcement may be limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditors' rights and to general equity principles.

4.4 No Conflict with Authorizations, Laws, etc.

Except as would not, individually or in the aggregate, have a Material Adverse Effect, the execution, delivery and performance by FBC of this Agreement and each of the Transaction Documents to which it is a party do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

- (a) result in a breach or a violation of, conflict with, or cause the termination or revocation of, any Authorization held by any FBC Entity or necessary to the ownership and use of the assets owned by any FBC Entity or the operation of the FBC Business;
- (b) result in or require the creation of any Lien upon any of the assets owned by any FBC Entity, other than in respect of the FBC Promissory Note;
- (c) result in a breach or a violation of, or conflict with, any judgement, order or decree of any Governmental Authority; or
- (d) result in a material breach or a material violation of, or materially conflict with, any Law applicable to any FBC Entity.

4.5 No Conflict with Contracts

Except as would not, individually or in the aggregate, have a Material Adverse Effect, or as otherwise set forth in Section 4.5 of the FBC Disclosure Letter, the execution, delivery and performance by FBC of this Agreement and each of the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

- (a) result in a material breach or a material violation of, or materially conflict with, any FBC Material Contract; or
- (b) result in or give any Person the right to cause (i) the termination, cancellation, amendment or renegotiation of any FBC Material Contract, (ii) the acceleration of any debt or other obligation of any FBC Entity, or (iii) the forfeiture or other loss, in whole or in part, of any benefit which would otherwise accrue to any FBC Entity.

4.6 FBC Financial Statements

The FBC Financial Statements have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein and present fairly in all material respects:

- (a) the financial position of the FBC Entities on a consolidated basis as at such dates; and
- (b) the results of operation and changes in financial position of the FBC Entities on a consolidated basis for the periods then ended.

4.7 No Undisclosed Liabilities and Indebtedness

Since the FBC Reference Date, no FBC Entity has any liabilities of the type required to be reflected as liabilities on a balance sheet prepared in accordance with IFRS, except for: (a) liabilities reflected or reserved against in the applicable FBC Financial Statements; (b) current liabilities incurred since the FBC Reference Date in the Ordinary Course; or (c) liabilities that are not material to any FBC Entity, taken as a whole, and liabilities listed in Section 4.7 of the FBC Disclosure Letter. Other than the amounts owed under the FBC Promissory Note and pursuant to the FB Payment Plan, there shall be no outstanding Indebtedness owing by FBC to the FBC Shareholder or any Affiliates of the FBC Shareholder at Closing,

provided that, notwithstanding anything in this Agreement to the contrary, any new Accounts Payable that are generated in the Ordinary Course, and approved in advance in writing by the Purchaser, following the date hereof and through to the Closing Date, payable to FBC Shareholder or its Affiliates, shall be for the account of the Purchaser and the Purchaser shall pay such Accounts Payable when due.

4.8 Bank Accounts and Powers of Attorney

Section 4.8 of the FBC Disclosure Letter sets forth a correct and complete listing of the name, address and bank account numbers for each bank or other financial institution in which any FBC Entity has an account or safe deposit box and the names of all individuals authorized to draw on the account(s) or that have access to the safety deposit box(s). No FBC Entity has granted any Person a power of attorney.

4.9 Subsidiaries

Section 4.9 of the FBC Disclosure Letter sets forth a complete and accurate organizational chart of the FBC Entities. All of the issued and outstanding shares of each FBC Entity other than FBC have been issued in accordance with all applicable laws (including Applicable Securities Laws). Other than the FBC Entities, no FBC Entity has any subsidiaries (as such term is defined in Applicable Securities Laws).

4.10 Capitalization of FBC

- (a) The authorized capital of FBC consists of an unlimited number of FBC Shares.
- (b) As at the Execution Date, the only issued and outstanding shares in the capital of FBC are the Purchased FBC Shares. In addition, as at the Execution Date, no options, warrants or other rights to purchase or acquire shares or other securities of FBC and no securities or obligations convertible into or exchangeable for shares or other securities of FBC have been authorized or agreed to be issued.
- (c) Except as set forth in this Section 4.10, no other FBC Shares are issued and outstanding and there are no existing Equity Interests in, FBC or any of its subsidiaries obligating FBC to issue, transfer, register or sell or cause to be issued, transferred, registered or sold any shares in the capital of, or voting debt securities of, or other Equity Interest in, FBC or securities convertible into or exchangeable for such shares or Equity Interests or other securities.
- (d) All of the outstanding FBC Shares were duly authorized and validly issued and are fully paid and non-assessable.
- (e) All transfer restrictions affecting the transfer of the Purchased FBC Shares to the Purchaser will have been complied with or effectively waived on Closing.
- (f) None of the FBC Entities is a reporting issuer (as such term is defined in the *Securities Act* (Ontario)) and there is no published market for the Purchased FBC Shares.
- (g) No FBC Entity is party to, or subject to, or affected by, any unanimous shareholders' agreement or declaration; and (ii) there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of any FBC Entity.

4.11 Conduct of Business in Ordinary Course

Except as set out in Section 4.11 of the FBC Disclosure Letter or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, since the FBC Reference Date, the FBC Business has been carried on in the Ordinary Course. Without limiting the generality of the foregoing,

no FBC Entity has, except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect:

- (a) sold, transferred or otherwise disposed of any assets, other than inventory sold in the Ordinary Course;
- (b) granted or suffered any Lien upon any assets other than Permitted Encumbrances and unsecured current obligations and liabilities incurred in the Ordinary Course;
- (c) made any capital expenditures in excess of \$250,000;
- (d) paid any secured or unsecured obligation or liability (whether accrued, absolute, contingent or otherwise) which, individually or in the aggregate, exceeds \$250,000;
- (e) cancelled any debts or claims owed to it or amended, terminated or waived any rights of value pertaining it;
- (f) made any payment to an officer, director, former director or other related party other than at the regular rates payable by way of salary or other remuneration or for the reimbursement of expenses incurred in the Ordinary Course;
- (g) made any bonus or other extraordinary payment to an Employee, officer, director, former director or related party other than regular amounts payable to each such Person by way of salary or other remuneration or for the reimbursement of expenses incurred in the Ordinary Course;
- (h) suffered any extraordinary loss, damage or destruction in respect of the FBC Business or any of its assets, whether or not covered by insurance;
- (i) terminated or suffered the termination of, any FBC Material Contract other than due to its expiration in accordance with its terms and not as a result of the potential completion of the transactions contemplated by the Agreement;
- (j) declared or paid any dividends or declared or made any other distribution on the Purchased FBC Shares or other securities of any of the FBC Entities and has not, directly or indirectly, redeemed, purchased or otherwise acquired any of the Purchased FBC Shares or other securities of the FBC Entities;
- (k) written off as uncollectible any Accounts Receivable or any part thereof;
- (l) suffered any material shortage or any cessation or material interruption of inventory shipments, supplies or ordinary services;
- (m) made any forward commitments either in excess of the requirements for normal operating purposes or at prices higher than the current market prices;
- (n) compromised or settled any litigation or governmental action relating to assets owned or used by a FBC Entity (including the Leased Properties);
- (o) cancelled or reduced any insurance coverage on its business, property or assets;
- (p) made any change in any method of accounting or auditing practice except in each case as required by IFRS;

- (q) made any change in the method of billing or the credit terms made available to its customers;
- (r) amended its organizational documents or structure; or
- (s) authorized, agreed or otherwise committed, whether or not in writing, to do any of the foregoing.

4.12 Litigation

Except as set out in Section 4.12 of the FBC Disclosure Letter, or as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, there are no actions, suits, proceedings, grievances, arbitrations, investigations, audits or other alternative dispute resolution processes at law or in equity, by any Person (including any FBC Entity or the FBC Shareholder), nor any arbitration, administrative or other proceeding by or before any Governmental Authority, current or pending, to the knowledge of the FBC Shareholder, threatened against any FBC Entity or any property or assets used by any FBC Entity, including the Leased Properties, or FBC IP, or in respect of any regulatory matters or employment matters.

4.13 Title to Assets

Each FBC Entity has good and marketable title to, and legal and beneficial ownership of, its properties and assets (whether immovable, movable, real, personal or mixed and whether tangible or intangible) that it purports to own including all the properties and assets reflected as being owned by the FBC Entities in their respective financial books and records free and clear of all Liens except for Permitted Encumbrances.

4.14 No Options, etc.

Except for the Purchaser under this Agreement, no Person has any written or oral agreement, option, understanding or commitment, or any right or privilege (whether by law, contractual or otherwise) capable of becoming such for the purchase or other acquisition of any FBC Entity or any of the property and assets of any FBC Entity, other than pursuant to purchase orders for inventory sold in the Ordinary Course.

4.15 Condition of Assets

Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the buildings, structures, fixtures, vehicles, equipment and other tangible personal property of FBC or leased for use by FBC are structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put, and none of such buildings, structures, fixtures, vehicles, equipment or other property are in need of maintenance or repairs except for ordinary routine maintenance and repairs that are not material in nature or cost.

4.16 Collectability of Accounts Receivable

The Accounts Receivable are recorded in the FBC Books and Records and are good and collectible at the aggregate recorded amounts, except to the extent of any reserves and allowances for doubtful accounts provided for such Accounts Receivable in the FBC Books and Records, copies of which have been provided to the Purchaser, and are not subject to any defence, counterclaim or set off.

4.17 Compliance with Law

- (a) Each of the FBC Entities:
 - (i) is, other than as disclosed in Section 4.17(i) of the FBC Disclosure Letter, conducting the FBC Business in compliance with all applicable Laws, in all material

respects, including the Cannabis Laws, any and all Laws prescribed by and in respect of the Cannabis Laws and all other Laws relating in whole or in part to the production, handling, storage, processing, packaging, labelling, importing, selling, and distributing of Cannabis (including all Cannabis products and derivatives), medical records, medical information privacy, personal information, employment, employment practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and Environmental Laws which are applicable to the FBC Business;

- (ii) has not received, since the FBC Reference Date, any correspondence or notice from Health Canada or any other Governmental Authority, other than as disclosed in Section 4.17(ii) of the FBC Disclosure Letter, (A) alleging or asserting any material violation or noncompliance (or any investigation, inspection, audit, or other proceeding by any Governmental Authority involving allegations of any material violation) in respect of the FBC Business with applicable Laws, including the Cannabis Laws, any and all Laws prescribed by and in respect of the Cannabis Laws and all other Laws relating in whole or in part to the production, handling, storage, processing, packaging, labelling, importing, selling, and distributing of Cannabis (including all Cannabis products and derivatives), medical records, medical information privacy, personal information, employment, employment practices, labour (including pay equity and wages, termination and severance, and unfair labour practice), health and safety and Environmental Laws which are applicable to the FBC Business, or any Authorization; or (B) have existed or currently exist that could lead to a loss, suspension, or modification of, or a refusal to issue or renew, any FBC Material Authorization; and
 - (iii) has, or has had on its behalf, since the FBC Reference Date, filed, declared, obtained, maintained or submitted all reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments relating to the FBC Business as required by any applicable Laws or Authorizations and to keep its Authorizations relating to the FBC Business in good standing and that all such reports, documents, forms, notices, applications, records, Claims, submissions and supplements or amendments were complete and correct in all material respects on the date filed (or were corrected or supplemented by a subsequent submission).
- (b) To the knowledge of the FBC Shareholder, no investigation, inspection, audit or other proceeding by any Governmental Authority involving allegations of any material violation of any Law is currently threatened, including, without limitation, any Cannabis Laws, other than as disclosed in Section 4.17(b) of the FBC Disclosure Letter.
 - (c) The individuals listed in Section 4.17(c) of the FBC Disclosure Letter hold security clearances as required under the Cannabis Laws and otherwise have all qualifications, including training, experience and technical knowledge required by applicable Laws (including, without limitation, Cannabis Laws) with respect to each individual's respective association with any FBC Entity, and none of these individuals have previously had security clearances suspended, cancelled or revoked by Health Canada or have had Health Canada reject an application by such individual for security clearance.
 - (d) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all Cannabis products sold by any FBC Entity, directly or indirectly, or stored in inventory for any FBC Entity:
 - (i) meet the applicable specifications for the product;
 - (ii) are fit for the purpose for which they are intended, and of merchantable quality;

- (iii) have been cultivated, processed, packaged, labelled, imported, tested, stored, transported and delivered in accordance in all material respects with FBC Material Authorizations and all applicable Laws, including, without limitation, Cannabis Laws;
 - (iv) are not adulterated, tainted or contaminated and do not contain any substance not permitted by applicable Laws;
 - (v) have been cultivated, processed, packaged, labelled, imported, tested, stored and transported in facilities authorized by the FBC Material Authorizations in accordance in all material respects with the terms of such Authorization; and
 - (vi) (A) are not the object of any claims pursuant to any recall or product warranty or with respect to the production, distribution or sale of defective or inferior products or with respect to any warnings or instructions concerning such products; (B) have not caused or been reported to have caused an adverse reaction or serious adverse reaction, as each such term is defined in the *Cannabis Regulations* (Canada).
- (e) All of the marketing and promotion activities of all FBC Entities relating to the FBC Business complies with all applicable Laws in all material respects, including, without limitation, Cannabis Laws.
- (f) (i) Each FBC Entity has, at all times, complied with and is currently in compliance with the terms of all Authorizations, including, without limitation, all licences held by any FBC Entity that have been issued pursuant to the Cannabis Laws; and (ii) to the FBC Shareholder's knowledge, no amendments to the Authorizations (including, without limitation, the licences held by any FBC Entity as issued pursuant to the Cannabis Laws) are required or contemplated during the 12-month period following the Closing Date.
- (g) Each FBC Entity has only carried on business, affairs or operations or maintained any activities in Canada and only to the extent such business, affairs or operations or activities are legal in Canada, or any province or territory thereof, and has not engaged in the production, cultivation, marketing, distribution or sale of cannabis (as defined in the *Cannabis Act* (Canada)) or any products derived from or intended to be used in connection with cannabis or services intended to relate to cannabis in the United States of America or any other jurisdictions to the extent such activities remain prohibited under applicable Law (which, for greater certainty, will include the United States of America for so long as the production, cultivation, advertisement, marketing, promotion, sale or distribution of cannabis or related products remains prohibited by federal Laws and irrespective of whether such activities are permitted under the Laws of certain states).

4.18 Governmental Authorizations

The FBC Entities own, possess or lawfully use all material Authorizations which are necessary to conduct their business or for the ownership and use of their assets (including the Leased Properties). All such Authorizations are set out in Section 4.18 of the FBC Disclosure Letter (the "**FBC Material Authorizations**"). Each FBC Material Authorization is valid, subsisting and in good standing. FBC is not in default or breach of any FBC Material Authorization in any material respect and no proceedings are pending or, to the knowledge of the FBC Shareholder, threatened to revoke or limit any FBC Material Authorization.

4.19 Required Authorizations

There is no requirement for any FBC Entity, FBC or the FBC Shareholder to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Authority or stock exchange in connection with

or as a condition to the lawful completion of, the Transaction, except for the filings, notifications and Authorizations set out in Section 4.19 of the FBC Disclosure Letter.

4.20 Third Party Consents

There is no requirement for any FBC Entity to make any filing with, give any notice to, or obtain any consent of, any Person who is a party to a FBC Material Contract binding on or affecting the FBC Entities in connection with or as a condition to the lawful completion of, the transactions contemplated by this Agreement or any of the Transaction Documents, except for the filings, notifications and consents set out in Section 4.20 of the FBC Disclosure Letter.

4.21 Material Contracts

Except for the FB Payment Plan and the FBC Promissory Note to be entered into at Closing and the Contracts set out in Section 4.21 of the FBC Disclosure Letter (collectively, the “**FBC Material Contracts**”), FBC is not a party to or bound by any Contract material to it including:

- (a) any distributor, sales or advertising Contract;
- (b) any Contract for the purchase or sale of materials, supplies, equipment or services (i) involving in the case of any such Contract, the payment by any FBC Entity of more than \$250,000 in aggregate in any 12-month period or (ii) which contains minimum purchase commitments or requirements or other terms that restrict or limit the purchasing or selling ability of any FBC Entity;
- (c) any Contract that expires, or may be renewed at the option of any Person other than any FBC Entity so as to expire, more than one year after the Execution Date;
- (d) any promissory note, loan agreement or other Contract for the borrowing of money, any currency exchange, commodities or other hedging or swap agreement or any leasing transaction of the type required to be capitalized in accordance with IFRS;
- (e) any Contract for capital expenditures in excess of \$250,000 in the aggregate;
- (f) any confidentiality, secrecy or non-disclosure Contract limiting the freedom of any FBC Entity to engage in any line of business, compete with any Person, solicit any Person, operate its assets at maximum production capacity or otherwise restricting its ability to carry on business;
- (g) any Contract pursuant to which any FBC Entity is a lessor or lessee of any machinery, equipment, motor vehicles, office furniture, fixtures or other personal property;
- (h) any Contract with any Person with whom any FBC Entity or the FBC Shareholder do not deal at arm’s length within the meaning of the ITA;
- (i) any Contract relating to grants or other forms of assistance received by any FBC Entity from any Governmental Authority;
- (j) any Contract pursuant to which any FBC Entity grants or receives a licence to use any FBC IP, other than: (A) those in which grants of FBC IP rights are incidental to such Contract; (B) those granting rights to FBC IP that is generally commercially available; or (C) Contracts for sales of products and non-exclusive licences entered into in the Ordinary Course;
- (k) any Contract pursuant to which any FBC Entity has entered into a material joint venture, strategic alliance, partnership or similar arrangement with any Person;

- (l) any agreement of guarantee, support, indemnification, assumption or endorsement of, or any similar commitment with respect to, the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any other Person in excess of \$250,000 in the aggregate;
- (m) any Contract for Indebtedness of a FBC Entity in excess of \$250,000 in the aggregate; or
- (n) any Contract made outside of the Ordinary Course.

True, correct and complete copies of all FBC Material Contracts have been provided to the Purchaser.

4.22 No Breach of Material Contracts

Each FBC Entity has performed in all material respects all of the obligations required to be performed by it pursuant to, and is not alleged to be in default or breach of, any FBC Material Contract, other than as disclosed in Section 4.22 of the FBC Disclosure Letter. Each of the FBC Material Contracts is in full force and effect, unamended, to the knowledge of the FBC Shareholder, no party is in material breach of any of its covenants thereunder and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or circumstance, would reasonably be expected to become a material breach of, or a default or event of default under, any FBC Material Contract, other than as disclosed in Section 4.22 of the FBC Disclosure Letter. To the knowledge of the FBC Shareholder, all of the covenants to be performed and the obligations to be fulfilled by any party to such FBC Material Contract, including the applicable FBC Entity, have been fully performed and fulfilled in all material respects, other than as disclosed in Section 4.22 of the FBC Disclosure Letter. No consent or notice is required for a valid assignment to the Purchaser of any FBC Material Contract.

4.23 Related Party Transactions

Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, all Contracts, binding upon or affecting any FBC Entity have been entered into on an arm's length basis (within the meaning of the ITA) and any amounts due and payable by any FBC Entity in relation to such Contracts are recorded on the FBC Books and Records at their fair market value.

4.24 Insurance

Each FBC Entity maintains such policies of insurance as are appropriate to the FBC Business and the Leased Properties, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses, properties and assets. Section 4.24 of the FBC Disclosure Letter is a list of insurance policies which are maintained by or on behalf of all FBC Entities setting out, in respect of each policy, a description of the type of policy, the name of insurer, the coverage, the expiration date, the annual premium and any pending claims. No FBC Entity is in default in any material respect with respect to any of the provisions contained in such insurance policies or has failed to give any material notice or to present any material claim under any insurance policy in a due and timely fashion. True, correct and complete copies of all insurance policies held by or on behalf of all FBC Entities and the most recent inspection reports received from insurance underwriters have been delivered to the Purchaser.

4.25 Books and Records

- (a) All accounting and financial FBC Books and Records have been fully, properly and accurately kept and are complete in all material respects. Such FBC Books and Records are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which are not or will not be available to the Purchaser in the Ordinary Course after Closing. All corporate proceedings and actions reflected in the FBC

Books and Records have been conducted or taken in compliance with all applicable Laws and in accordance with the constating documents of the FBC Entities.

- (b) FBC Books and Records stored on computer-related or other electronic media are appropriately organized and indexed and no data conversions, translations or technology upgrades are required before such data can be accessed, read, searched and used by FBCs current Information Technology.

4.26 Intellectual Property

- (a) Section 4.26(a) of the FBC Disclosure Letter sets out a true, correct and complete list, and, where appropriate, a description of (i) all of the registered Intellectual Property owned or used by all FBC Entities (collectively, the “**FBC IP**”) and (ii) all licenses or similar agreements or arrangements to which FBC is a party, either as licensee or licensor, with respect to Intellectual Property necessary for the carrying on of the FBC Business as presently conducted.
- (b) The applicable FBC Entity is the exclusive owner of all right, title and interest in and to, or possesses the exclusive right to use the FBC IP, free and clear of all Liens other than Permitted Encumbrances. No FBC Entity has assigned, licensed or otherwise conveyed any of the FBC IP.
- (c) Each applicable FBC Entity has maintained or caused to be maintained the rights to any of the registered FBC IP in full force and effect and, without limiting the generality of the foregoing, have renewed or have made application for renewal of any registered FBC IP subject to expiration on or prior to the Closing Date.
- (d) The FBC IP has not been used, not used, enforced or not enforced in a manner that would reasonably be expected to result in the abandonment, cancellation or unenforceability of any of the FBC IP. In the past five years, no FBC Entity has received written notice of any alleged infringement or misappropriation from any Person with respect to the FBC IP. During such period, no FBC Entity has infringed and is not currently infringing on the Intellectual Property of any other Person in any material respect.
- (e) The applicable FBC Entity has the full right and authority to use, and the Purchaser will be entitled to continue to use after the Closing Date, the FBC IP in the manner presently conducted, and such use or continuing use does not infringe upon or violate any rights of any other Person. The FBC IP is sufficient to conduct the FBC Business as presently conducted. All licenses to which any applicable FBC Entity is a party relating to FBC IP are in good standing, binding and enforceable in accordance with their respective terms and no default exists on the part of any FBC Entity thereunder. No royalty or other fees is required to be paid by any FBC Entity to use and exploit any of the FBC IP rights and, to the FBC Shareholder’s knowledge, there are no restrictions on the ability of any FBC Entity to use any of the FBC IP rights.
- (f) To the knowledge of the FBC Shareholder, no Person is infringing, misappropriating or otherwise violating, or threatening to do any of the foregoing, with respect to the FBC IP.
- (g) To the knowledge of the FBC Shareholder, subject to and in compliance with applicable Laws, no current or former officer, employee or independent contractor of any FBC Entity owns or has claimed an ownership interest in any of the FBC IP, nor has any right to a royalty or other consideration as a result of its marketing, licensing or assignment.
- (h) All applicable FBC Entities have used commercially reasonable efforts (including measures to protect secrecy and confidentiality, where appropriate) to protect FBC IP and confidential

information relating thereto. To the knowledge of the FBC Shareholder, there has not been any material unauthorized disclosure of Intellectual Property such as to prevent any FBC Entity from obtaining or enforcing any right that it could otherwise have obtained or enforced with respect to such Intellectual Property.

4.27 Information Technology

- (a) The Information Technology owned, licensed, used or held for use in connection with the FBC Business is sufficient for the conduct of the FBC Business in the Ordinary Course after Closing. Each FBC Entity uses reasonable means, consistent with industry practice, to protect the security and integrity of all such Information Technology.
- (b) In the past three years, no notice of a defect or default has been sent or received by any FBC Entity in respect of any license or lease under which any FBC Entity receives Information Technology.

4.28 Leases and Leased Property

- (a) No FBC Entity is a party to, or under any agreement to become a party to, any real property lease other than the Leases, true, correct and complete copies of which have been provided to the Purchaser. Each Lease is in good standing, creates a good and valid leasehold estate in favour of the applicable FBC Entity in the Leased Properties thereby demised and is in full force and effect without amendment. With respect to each Lease pursuant to which a FBC Entity is tenant (i) all base rents and additional rents have been paid, (ii) no waiver, indulgence or postponement of any FBC Entity's obligations has been granted by the lessor, (iii) there exists no event of default or event, occurrence, condition or act which, with the giving of notice, the passage of time or the happening of any other event or circumstance, would become a default under the Lease or give rise to a right of amendment, cancellation or termination of the Lease or restrict the ability of the applicable FBC Entity to exercise any of its rights as lessee thereunder, including any rights of renewal or first rights of refusal contained therein, (iv) to the knowledge of the FBC Shareholder, all of the covenants to be performed by any party (other than the applicable FBC Entity) under the Lease have been fully performed in all material respects, and (v) the use and occupation by the applicable FBC Entity of any of the Leased Properties is not in breach, violation or non-compliance of or with any Laws in any material respect and is in material compliance with all applicable provincial plans, official plans, zoning by-laws, by-laws, development approvals and building permits of any applicable Governmental Authority, including any site plan agreements and any other agreements or approvals relating to the use and operation of the Leased Property. Section 4.28(a) of the FBC Disclosure Letter contains a list of all of the Leases setting out, in respect of each Lease, the identity of the lessor and the lessee, a description of the leased premises (by municipal address and proper legal description), the term of the Lease, the rental payments under the Lease (specifying any breakdown of base rent and additional rents), any rights of renewal and the term thereof, and any restrictions on assignment.
- (b) Each applicable FBC Entity has adequate rights of ingress and egress to, from and over the Leased Properties in the Ordinary Course and the Leased Properties have adequate access to and use of all necessary electrical utilities, local power grids, ground water, municipal water, waste water treatment and natural gas supply. To the knowledge of the FBC Shareholder, there is no plan, study, notice of intent or pending by-law which, if implemented, would materially and adversely affect the ability of any FBC Entity to carry on business in the Ordinary Course.

4.29 Customers and Suppliers

Section 4.29 of the FBC Disclosure Letter sets out a true, correct and complete list of the ten largest customers (or, if the FBC Entities have fewer than ten customers, all of the customers) and ten largest suppliers of the FBC Entities by dollar amount for the 12-month period ending the FBC Reference Date. Such list includes the approximate value of the sales and purchases for each such customer and supplier during that time. To the knowledge of the FBC Shareholder, no such supplier or customer has any intention to change its relationship or the terms upon which it conducts business with FBC Business.

4.30 Environmental Matters

- (a) The FBC Entities are, and at all times have been, in compliance with all Environmental Laws. There are no Environmentally Hazardous Substances located in the ground or in groundwater under any of the Leased Properties.
- (b) Except as permitted under applicable Laws, no FBC Entity has used or permitted to be used at any of the Leased Properties or any property or facility that was at any time owned, occupied, operated, managed, used or controlled by any FBC Entity for the disposal of Environmentally Hazardous Substances, and to the knowledge of the FBC Shareholder there has not been any such use.
- (c) Except as permitted under Environmental Laws, no FBC Entity has caused or permitted, and the FBC Shareholder does not have any knowledge of any Environmental Release on or from the Leased Properties or any property or facility that was at any time owned, occupied, operated, managed, used or controlled by any FBC Entity.
- (d) No FBC Entity has been required in writing by any Governmental Authority to: (i) alter any of the Leased Properties in a material way in order to be in compliance with Environmental Laws; or (ii) perform any environmental closure, decommissioning, rehabilitation, clean-up, restoration, post-remedial investigations or corrective action on, about or in connection with any such property; which, in each case, has not been complied with or cured to the satisfaction of such Governmental Authority, or which remains outstanding and unresolved.
- (e) There are no pending or, to the knowledge of the FBC Shareholder, Environmental Claims, threatened Environmental Claims, threatened claims, proceedings or restrictions of any nature arising or resulting from any environmental liabilities or under or pursuant to any Environmental Laws with respect to or affecting any FBC Entity or any Leased Properties.
- (f) Neither the FBC Shareholder nor any FBC Entity has received written notice, orders or directions, from any Person, including any Governmental Authority, alleging that any FBC Entity or the FBC Business has been or is in violation or potentially in violation of, or liable under, any Environmental Laws, nor been prosecuted for an offence alleging non-compliance with any Environmental Laws, or received any written request for information relating to an actual or potential violation of or liability under Environmental Laws, which in either case remains outstanding or unresolved, or would not reasonably be expected to have a Material Adverse Effect and neither the FBC Shareholder nor any FBC Entity have settled any allegation of non-compliance short of prosecution. To the knowledge of the FBC Shareholder, no FBC Entity nor the FBC Business is subject to any investigation with respect to an action or potential violation of or liability under any Environmental Laws, which matter remains outstanding or unresolved.
- (g) There are not any reports or material documents, including Environmental Authorizations, environmental audits, site assessments, risk assessments, studies or tests relating to environmental matters affecting any FBC Entity or any Leased Properties currently or formerly owned, leased or used by any FBC Entity or over which any FBC Entity has or

had charge, management or control. Complete and accurate copies of all such reports and material documents, including Environmental Authorizations, environmental audits, site assessments, risk assessments, studies or tests in the possession or control of the FBC Shareholder or the FBC Entities have been provided to Purchaser. To the knowledge of the FBC Shareholder, there are no other reports or material documents relating to environmental matters affecting any FBC Entity or any of the Leased Properties currently or formerly owned, leased or used by any FBC Entity or over which any FBC Entity has or had charge, management or control which have not been made available to Purchaser.

- (h) To the knowledge of the FBC Shareholder, there are not any underground storage tanks located on the Leased Properties.
- (i) No Authorizations issued to any FBC Entity pursuant to Environmental Laws will become void or voidable as a result of the completion of the Transactions.
- (j) No unbudgeted work or additional expenditure is required or planned in relation to the FBC Business, the Leased Properties, or any other assets of any FBC Entity to ensure compliance with applicable Environmental Laws or Authorizations issued pursuant to applicable Environmental Laws.

4.31 Employee Matters

- (a) No FBC Entity is a party to, subject to, or affected by any certification order or any collective agreement and no Person holds bargaining rights with respect to any employees of any FBC Entity.
- (b) Section 4.31 of the FBC Disclosure Letter includes a complete list of all Employees. The list includes each Person's:
 - (i) position or title with all applicable FBC Entities;
 - (ii) material terms and conditions of employment, including reference to any Employee Plans to which such Person participates and a summary of such Person's benefits thereunder;
 - (iii) current wages, salaries or hourly rate of pay and bonus (whether monetary or otherwise) paid since the beginning of the most recently completed financial year or payable in the current financial year to such Person;
 - (iv) the date upon which the wage, salary, rate or bonus in Section 4.31(b)(iii) became effective;
 - (v) the date upon which such Person was first hired or engaged;
 - (vi) the Employee Plans in which the Person participates; and
 - (vii) accrued vacation, if any.
- (c) Except as disclosed in Section 4.31(c) of the FBC Disclosure Letter, no employee of any FBC Entity has any written agreement as to length of notice or termination payment required to terminate his or her employment, other than such as results by Law from the employment of an employee without an agreement as to notice or termination, and there are no outstanding amounts owed to any Employees pursuant to any employment, consulting or similar type agreement relating to any FBC Entity.

- (d) There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing by any FBC Entity pursuant to any workplace safety and insurance legislation, and there are no orders under applicable occupational health and safety legislation relating to the FBC Business which are currently outstanding.
- (e) To the knowledge of the FBC Shareholder, there are no ongoing union certification drives. There are no pending proceedings for certifying a union for any FBC Entity and no FBC Entity is unionized or has an employee association.
- (f) No complaint, grievance, claim, proceeding, civil action, work order or investigation has been filed, made or commenced against any FBC Entity in respect of, concerning or affecting any of the Employees.
- (g) All FBC Entities have observed and complied, in all material respects, with the provisions of all applicable Laws respecting employment, including employment standards Laws as well as Laws relating to human rights, occupational health and safety, workplace safety and insurance, labour relations and pay equity.
- (h) There are no outstanding decisions or settlements or pending settlements under any applicable employment Laws which place any obligation upon any FBC Entity to do or refrain from doing any act or which place a financial obligation upon any FBC Entity.
- (i) In the past three years, no FBC Entity has received any written remedial order, notice of offence or conviction under occupational health and safety, pay equity or employment standards Laws.
- (j) Except as set out in Section 4.31(j) of the FBC Disclosure Letter, there are no actions, suits or proceedings, at law or in equity, by any Person (including the FBC Entities), nor any action, suit, arbitration, administrative proceeding or other proceeding by or before (or to the knowledge of the FBC Shareholder any investigation by) any Governmental Authority, pending, or, to the knowledge of the FBC Shareholder, threatened against or affecting the FBC Entities in respect of employment matters, that, if adversely determined, would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on the FBC Entities or the FBC Business. To the knowledge of the FBC Shareholder, no event has occurred or circumstance exists which is reasonably be expected to give rise to or serve as a valid basis for the commencement of any such action, suit, investigation, arbitration, administrative proceeding or other proceedings by or against any FBC Entity in respect of employment matters.
- (k) All FBC Entities have developed and implemented all necessary employee policies, which implementation includes employee training with respect to harassment, occupational health and safety and accessibility for people with disabilities requirements.
- (l) There is no labour strike, picketing, slow down, work stoppage or lock out, existing, pending, or to knowledge of the FBC Shareholder, threatened against or directly or indirectly affecting any FBC Entity or its operations. No FBC Entity has, in the past three years, experienced any labour strike, picketing, slowdown, work stoppage, lock out or other collective labour action by or with respect to its Employees. There are no charges or complaints pending, or threatened with respect to or relating to any FBC Entity before any Governmental Authority in relation to unlawful employment practices. No FBC Entity has received any written notice from any such Governmental Authority responsible for the enforcement of labour or employment Laws of an intention to conduct an investigation of any FBC Entity concerning its employment practices, wages, hours and terms and conditions of employment and no such investigation is, to the knowledge of the FBC Shareholder, threatened.

4.32 Employee Benefit Plans

- (a) Section 4.32 of the FBC Disclosure Letter sets out a true, correct and complete list and, where appropriate, a description of all retirement, pension, supplemental pension, savings, retirement savings, retiring allowance, bonus, profit sharing, stock purchase, stock option, phantom stock, share appreciation rights, deferred compensation, severance or termination pay, life insurance, medical, hospital, dental care, vision care, drug, sick leave, short term or long term disability, salary continuation, unemployment benefits, vacation, incentive, compensation or other employee benefit plan, program, arrangement, policy or practice whether written or oral, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured that is maintained or otherwise contributed to, or required to be contributed to, by or on behalf of any FBC Entity for the benefit of current, former or retired employees, directors, officers, shareholders, independent contractors or agents of any FBC Entity other than government sponsored pension, employment insurance, workers compensation and health insurance plans, but excluding for the avoidance of doubt any Employee Contracts containing any such provisions (collectively, the “**Employee Plans**”). None of the Employee Plans is a registered pension plan under the ITA.
- (b) Each Employee Plan has been maintained and administered in compliance with its terms and with the requirements of all applicable Laws in all material respects. Each Employee Plan that is required to be registered under applicable Laws is duly registered with the appropriate Governmental Authorities.
- (c) All contributions or premiums required to be paid, deducted or remitted and all obligations required to be performed by any FBC Entity pursuant to the terms of any Employee Plan or by applicable Laws, have been paid, deducted, remitted or performed, as the case may be, in a timely fashion, and in all material respects, and there are no outstanding defaults or violations with respect to same.
- (d) There is no pending termination or winding-up procedure in respect of any of the Employee Plans, and no event has occurred or circumstance exists under which any of the Employee Plans would reasonably be expected to be declared terminated or wound-up, in whole or in part.
- (e) No Employee Plan has a deficit and the liabilities of all FBC Entities in respect of all Employee Plans are properly accrued and reflected in the FBC Financial Statements in accordance with IFRS.
- (f) The FBC Entities have delivered true, correct and complete copies of each of the following to the Purchaser: the text of all Employee Plans (where no text exists, a summary has been provided) and any related trust agreements, insurance contracts or other material documents governing those plans all as amended to the Execution Date and, to the knowledge of the FBC Shareholder, no fact, condition or circumstances exists or has occurred since the date of those documents which would materially affect or change the information contained in them.
- (g) No promises or commitments have been made by any FBC Entity to amend any Employee Plan, to provide increased benefits or to establish any new benefit plan, except as required by applicable Laws.
- (h) The transactions contemplated in this Agreement and in each of the Transaction Documents will not result in or require any payment or severance, or the acceleration, vesting or increase in benefits under any Employee Plan.

- (i) No FBC Entity has any obligation to provide retirement benefits for any current, former or retired employees of any FBC Entity or to any other Person.
- (j) None of the Employee Plans require or permit retroactive increases or assessments in premiums or payments.
- (k) No FBC Entity contributes, nor is any FBC Entity required to contribute, to any multi-employer pension or benefit plan. None of the Employee Plans is a multi-employer pension or benefit plan.
- (l) Each of the Employee Plans can be amended or terminated without restrictions and any applicable FBC Entities have the unrestricted power and authority to amend or terminate the Employee Plans.

4.33 Tax Matters

- (a) Each of the FBC Entities have (i) properly completed, maintained appropriate supporting documentation for, and timely filed all Tax Returns required to be filed by it on or prior to the date hereof, and all such Tax Returns are true, correct and complete in all respects, (ii) has timely paid all Taxes required to be paid by it for which payment was due, (iii) has established an adequate accrual or reserve for the payment of all Taxes payable in respect of the periods or portions thereof prior to the FBC Reference Date (which accrual or reserve as of the FBC Reference Date is fully reflected on the face of the FBC Financial Statements (rather than in any notes thereto) and will establish an adequate accrual or reserve for the payment of all Taxes payable in respect of the periods or portion thereof through the Closing Date), (iv) has no liability for Taxes in excess of the amount so paid or accruals or reserves so established, other than as set out in Section 4.33 of the FBC Disclosure Letter, and (v) since the FBC Reference Date, has not incurred any liability for Taxes outside the ordinary course of business. The FBC Entities have provided to the Purchaser correct and complete copies of all Tax Returns with respect to the FBC Entities, that were filed or received for all taxable years remaining open under the applicable statute of limitations.
- (b) Except as set forth in Schedule 4.33 of the FBC Disclosure Letter: (A) the FBC Entities are not delinquent in the payment of any Tax or in the filing of any Tax Returns and no claims for assessment or collection of Taxes or for deficiencies for any Tax have been threatened, claimed, proposed or assessed against the FBC Entities or any of its officers, employees or agents in their capacity as such; and (B) there is no action by any Governmental Authority pending or, to FBC's knowledge threatened, against the FBC Entities.
- (c) Any government assistance and Tax refunds claimed or received by any FBC Entity, including under section 125.7 and subsection 153(1.02) of the ITA, and all subsidies, government assistance and Tax refunds claimed or received by any FBC Entity were claimed and received in accordance with applicable Law and no FBC Entity is liable to repay any such amounts.
- (d) No claim has ever been made by a Governmental Authority in the United States in respect of Taxes and no FBC Entity is liable for Tax in the United States.
- (e) Each of FB and FBC is registered under Part IX of the Excise Tax Act, R.S.C., 1985, c. E-15, in respect of GST/HST, and FB and FBC's registration numbers are 787522945RT0001 and 78063924RT0001, respectively.
- (f) No FBC Entity has entered into or been contractually obligated to enter into a "reportable transaction" within the meaning of section 237.3 of the Tax Act or "notifiable transaction" within the meaning of section 237.4.

4.34 Anti-Corruption

- (a) No FBC Entity nor, to its knowledge, any of their respective shareholders, directors, officers, employees or other Persons acting on their behalf has, directly or indirectly: (i) made or authorized any contribution, payment, loan, reward, benefit or gift of funds or property or anything else of value to any official, employee or agent of any Governmental Authority or public international organization, or to any Person for the benefit of any Governmental Authority or public international organization or public international organizations; (ii) for the purpose of bribing any Governmental Authority established or maintained accounts which do not appear in any of the books and records that they are required to keep in accordance with applicable accounting and auditing standards, made transactions that are not recorded or that are inadequately identified, recorded non-existent expenditures, entered liabilities with incorrect identification of their object, knowingly used false documents, or intentionally destroyed accounting books and records earlier than permitted by law; or (iii) made any contribution to any candidate for public office; where either the payment or the purpose of such contribution, payment, loan, reward or gift was, is, or would be prohibited under the *Canada Corruption of Foreign Public Officials Act*, the *US Foreign Corrupt Practices Act of 1977*, the *UK Bribery Act, 2010* and any related or similar rules, regulations or guidelines made, issued, administered or enforced by any Governmental Authority thereunder and any other applicable Laws of similar purpose and scope (collectively, “**Anti-Corruption Legislation**”).
- (b) Neither any FBC Entity nor the FBC Shareholder, nor, to its knowledge, any of their directors, officers, employees or other Persons acting on their behalf has breached or violated in any material respect any Law regulating lobbying, accounting, bids or conflicts of interest. To the FBC Shareholder’s knowledge, no change, fact, event, circumstance, condition or omission has occurred in respect of the FBC Business that would reasonably be expected to result in the Purchaser from being suspended or debarred from doing business with a Governmental Authority or otherwise prevent the Purchaser from bidding on or applying for Contracts with a Governmental Authority after Closing.

4.35 Privacy Laws

- (a) Each FBC Entity has complied and is complying with and is complying with all applicable Privacy Laws, including in connection with its collection, maintenance, use, disclosure, processing or transmission of Personal Information, including medical records, patient information or other personal information made available to or collected by the FBC Entities in connection with the operation of the FBC Business (the “**Healthcare Data Requirements**”). No FBC Entity has received written complaint or notice of any breach or violation by it of any such Privacy Laws. All Personal Information of the FBC Entities: (i) has been collected, used or disclosed with the consent of each individual to which such Personal Information relates (if such consent was required under applicable Privacy Laws); (ii) has been used only for the purposes for which the Personal Information was initially collected or for a subsequent purpose for which consent was subsequently obtained; and (iii) has been collected, used or disclosed for a purpose in respect of which consent may, under applicable Privacy Laws, be implied.
- (b) The FBC Entities have taken commercially reasonable steps to implement appropriate confidentiality, security and other protective measures required by Healthcare Data Requirements.
- (c) No FBC Entity has disclosed, made available or provided Personal Information to third parties for any purpose except in compliance with, or as required by, applicable Laws.

4.36 No Predecessors

Except as set out in Section 4.36 of the FBC Disclosure Letter, FBC has not merged with any corporation, or by amalgamation, dissolution, arrangement or otherwise, in such a manner that FBC is or may become liable for any liabilities (contingent or otherwise) of any kind whatsoever of that corporation.

4.37 No Broker

The FBC Entities have carried on all negotiations relating to this Agreement and the Transaction directly and without intervention on its behalf of any other party in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Purchaser.

4.38 Government Grants and Subsidies

FBC has not received any refundable or non-refundable grants and subsidies received by any FBC Entity from any Governmental Authority, including pursuant to any program set up in connection with the COVID-19 pandemic, and such list shall include the amounts in question, the date on which funds were received, the name of the programs in question as well as whether such funds are refundable or non-refundable.

4.39 Material Facts

This Agreement does not, nor does any Transaction Document, contain any untrue statement of a material fact nor omits to state a material fact necessary in order to make the statements contained therein or herein not misleading in light of the circumstances under which they were made.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE FBC SHAREHOLDER

The FBC Shareholder makes the following representations to the Purchaser on a solidary basis and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the execution, delivery and performance of this Agreement:

5.1 Authorization

The FBC Shareholder has the capacity to enter into this Agreement and each Transaction Document to which it is a party, to perform all of its agreements and obligations hereunder and thereunder in accordance with their terms and to consummate the Transactions. The FBC Shareholder has the capacity to sell to the Purchaser all of its FBC Shares without any restriction other than restrictions on sales of securities under Applicable Securities Laws. The FBC Shareholder has duly executed and delivered this Agreement and each Transaction Document to which it is a party and, assuming the due authorization, execution and delivery by all parties thereto (other than the FBC Shareholder), this Agreement and the Transaction Documents constitute valid and binding obligations of the FBC Shareholder, enforceable against the FBC Shareholder in accordance with their respective terms, except as such enforceability may be subject to applicable bankruptcy, reorganization, insolvency, fraudulent conveyance, moratorium and similar Laws affecting the enforcement of creditors' rights and remedies generally and by general principles of equity.

5.2 Title

The FBC Shareholder is the record and beneficial owner of the FBC Shares and has good and marketable title to such FBC Shares, free and clear of all Liens, including pre-emptive rights, rights of first refusal or "put" or "call" rights created by statute, any FBC Entity's constating documents or otherwise. The FBC Shareholder does not, nor does any other Person, own or have any interest in any shares in the capital of any FBC Entity other than the FBC Shareholder's ownership of the FBC Shares. Immediately following the Closing, the Purchaser will be the legal and beneficial owner of, and have good and marketable title to, all of the issued and outstanding FBC Shares, free and clear of all Liens. Except pursuant to this Agreement,

there is no agreement pursuant to which the FBC Shareholder has, directly or indirectly, granted any option, warrant or other right to any Person to acquire any FBC Shares.

5.3 Consents

Except as set out in Section 4.19 and 4.20 of the FBC Disclosure Letter, no consent, waiver, approval, order or authorization of, or registration, declaration or filing with, or notice to any Governmental Authority or any other Person is required by, or with respect to, the valid and lawful authorization, execution, delivery and performance by the FBC Shareholder of this Agreement or the consummation of the Transactions.

5.4 No Brokers

The FBC Shareholder have carried on all negotiations relating to this Agreement and the Transaction directly and without intervention on its behalf of any other party in such manner as to give rise to any valid claim for a brokerage commission, finder's fee or other like payment against the Purchaser.

5.5 Conflicts

The execution, delivery and performance by the FBC Shareholder of this Agreement and the Transaction Documents to which it is party and the consummation of the Transactions do not and will not conflict with or result in any material violation of or material default under (with or without notice or lapse of time, or both) or give rise to a right of termination, cancellation, modification or acceleration of any material obligation or loss of any material benefit under, or result in the imposition or creation of any Lien upon the FBC Shares or any of the FBC Shareholder's properties or assets (tangible or intangible) under, (a) any agreement of the FBC Shareholder, (b) any Authorization held by the FBC Shareholder that is necessary to the ownership by the FBC Shareholder of the FBC Shares or to the FBC Business, or (c) any Law applicable to the FBC Shareholder.

5.6 Litigation

No Claim is pending or, to the FBC Shareholder's knowledge, threatened, against the FBC Shareholder with respect to its execution, delivery and performance of this Agreement or any Transaction Document to which such FBC Shareholder is to be a party or the consummation of the Transactions. No Claim is pending or, to the FBC Shareholder's knowledge, threatened against it before any arbitrator or court or other Governmental Authority which (a) if adversely determined, would be reasonably likely to result in payments, penalties or fines payable by any FBC Shareholder, or (b) challenges the validity of this Agreement or any Transaction Document or any action taken or to be taken in connection herewith or therewith, including the FBC Shareholder; sale and transfer of the FBC Shares hereunder.

ARTICLE 6 CLOSING

6.1 Closing

Unless this Agreement is earlier terminated in accordance with its terms, the Transaction will be consummated as soon as practicable after all the conditions established in Article 7 and Article 8 of this Agreement have been satisfied or waived. The closing of the Transaction (the "**Closing**") will be completed at the Effective Time on the fifth (5th) Business Day following the date on which the conditions set out in Article 7 and Article 8 of this Agreement have been satisfied or waived (other than those conditions that by their nature are to be satisfied at the Closing, but subject to the satisfaction or waiver of such conditions at such time) or such other date prior to the Drop Dead Date as may be agreed to by the Parties (the "**Closing Date**"), at the offices of Aird & Berlis LLP, 181 Bay Street, Suite 1800, Toronto, Ontario, or at such other location and time as is mutually agreed to by the Purchaser and the FBC Shareholder. Notwithstanding the location of the Closing, each Party agrees that the Closing may be completed by undertakings or the email

exchange of documents between the respective legal counsel for the Purchaser and the FBC Shareholder, provided such undertakings and exchanges are satisfactory to each Party's respective legal counsel.

6.2 Effective Time

The transfer of the FBC Shares is deemed to take effect at the Effective Time on the Closing Date.

6.3 FBC Closing Documents

At the Closing, FBC and the FBC Shareholder will deliver, or cause to be delivered, to the Purchaser the documents set forth in Section 7.1, and such other documents as the Purchaser may reasonably require to effect the Transaction.

6.4 Purchaser Closing Documents

At the Closing, the Purchaser will deliver, or cause to be delivered, to FBC and the FBC Shareholder the documents set forth in Section 8.1, and such other documents as FBC and the FBC Shareholder may reasonably require to effect the Transaction.

6.5 Survival of Representations and Warranties

- (a) The representations and warranties made by each Party and contained in this Agreement (which for clarity, are made as of the date of this Agreement to be brought down only to the Closing Date), or contained in any document or certificate given in order to carry out the transactions contemplated hereby shall survive the Closing until the 12 month anniversary of the Closing Date (the "**Release Date**"). A Party has no obligation or liability for indemnification under this Agreement or otherwise with respect thereto after the Release Date. All of the covenants contained in this Agreement that by their nature are required to be performed after the Closing shall survive the Closing until fully performed or fulfilled.
- (b) Notwithstanding Section 6.5(a), any representation, warranty, covenant or obligation, and any obligation or liability for indemnification or otherwise with respect thereto, that would otherwise terminate on the Release Date will continue to survive if a notice of Claim shall have been given under Section 10.3, on or prior to the Release Date until the related claim for indemnification has been satisfied or otherwise resolved, but such survival shall only be with respect to the matters covered by such notice of Claim.

ARTICLE 7 PURCHASER'S CONDITIONS PRECEDENT

7.1 Purchaser's Conditions

The obligation of the Purchaser to complete the Transaction will be subject to the satisfaction of, or compliance with, at or before the Closing, the conditions precedent set forth below:

- (a) (i) the representations and warranties contained in Section 4.1 [*Incorporation, Corporate Power and Registration*], Section 4.3 [*Due Authorization and Enforceability of Obligations*], Section 4.10 [*Capitalization of the Purchaser*], Section 4.13 [*Title to Assets*] (collectively, the "**FBC Specified Representations**") and in Article 5 shall be true and correct as of the Closing Date other than for *de minimis* inaccuracies (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date; and (ii) the representations and warranties of FBC and the FBC Shareholder

contained in this Agreement (other than the FBC Specified Representations) shall be true and correct as of the Closing Date (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that the failure of such representations and warranties of FBC and the FBC Shareholder to be so true and correct (read for purposes of this Section 7.1(a) without any materiality, a Material Adverse Effect or similar qualification), individually or in the aggregate, has not had or would not reasonably be likely to have a Material Adverse Effect, and (iii) each of FBC, the FBC Shareholder, and the three individuals set out in the last sentence of Section 10.2(f), shall have each executed and delivered a certificate to that effect;

- (b) each of FBC and the FBC Shareholder shall have fulfilled, performed or complied with in all material respects all covenants contained in this Agreement to be fulfilled, performed or complied with by it at or prior to Closing, and each of FBC and the FBC Shareholder shall have executed and delivered a certificate of a senior officer to that effect;
- (c) the consents, approvals and notices listed in Section 3.17 and Section 3.18 of the Purchaser Disclosure Letter shall have been obtained on terms acceptable to the Purchaser, acting reasonably;
- (d) the consents, approvals and notices listed in Sections 4.19 and 4.20 of the FBC Disclosure Letter shall have been obtained on terms acceptable to the Purchaser, acting reasonably;
- (e) any approval of the directors and/or shareholders of the Purchaser relating to the Transaction required pursuant to applicable Law or the rules, policies or guidelines of CSE, if applicable, shall have been obtained;
- (f) since the Execution Date, there shall not have occurred any Material Adverse Effect with respect to FBC;
- (g) no Law is in effect nor shall there be any Order issued and in effect by any Governmental Authority to enjoin or prohibit (i) any of the transactions contemplated by this Agreement or any of the Transaction Documents, (ii) the right of the Purchaser to acquire the FBC Shares, or (iii) the Purchaser from operating the FBC Business after Closing on substantially the same basis as currently operated;
- (h) each of FBC and the FBC Shareholder shall have delivered or caused to be delivered to the Purchaser the following:
 - (i) certified copies of (A) the notice of articles, articles and/or by-laws, as applicable, of such Party, (B) as applicable, the resolutions of the shareholders and/or the board of directors of such Party approving the entering into and completion of the transactions contemplated by this Agreement, and (C) a list of the officers and directors authorized to sign agreements together with their specimen signatures, all in form and substance satisfactory to the Purchaser, acting reasonably;
 - (ii) a certificate of status, compliance, good standing or like certificate with respect to such Party issued by appropriate government officials of its jurisdiction of incorporation;
 - (iii) executed copies of the Transaction Documents executed by FBC and/or the FBC Shareholder, as applicable;
 - (iv) the certificates referred to in Sections 7.1(a) and 7.1(b);

- (v) certificate(s) representing the FBC Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers or other evidence authorizing the transfer of the FBC Shares to the Purchaser acceptable to the Purchaser, acting reasonably;
 - (vi) a direction with respect to the registration of the Consideration Shares; and
 - (vii) the FBC Books and Records.
- (i) the CSE shall not oppose the issuance of the Consideration Shares or the completion of the Transaction as contemplated herein;
 - (j) the issuance and delivery of the Consideration Shares to the FBC Shareholder pursuant to this Agreement shall be exempt from the prospectus requirements of Applicable Securities Laws, and no prospectus is required nor are any other documents required to be filed, proceedings taken, or approvals, permits, consents, orders, or authorizations of any regulatory authorities obtained under Applicable Securities Laws to permit the issue and delivery of such securities by the Purchaser, it being noted that within 10 days after the date of the issuance of such securities, the Purchaser may be required to file a report on Form 45-106F1 prepared and executed in accordance with National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, accompanied by the prescribed fees, if any, with respect to some or all of the issuances of securities contemplated under this Agreement;
 - (k) FBC and the FBC Shareholder shall have delivered a copy of the FBC Financial Statements in a form and substance satisfactory to the Purchaser, acting reasonably;
 - (l) FBC and the FBC Shareholder shall have arranged for the irrevocable transfer and assignment to FBC of any asset or entity which is necessary or incidental to the ongoing operation of the FBC Business and that is held by a party not dealing at arm's length with FBC as at the Execution Date, other than in respect of ongoing brand licensing agreements between the Merged Entity and FBC Shareholder following Closing;
 - (m) employment agreements executed by Greg Boone and Jennifer Maccarone with the Merged Entity, in form and substance agreed to by the parties thereto, acting reasonably;
 - (n) executed resignations effective as at the Closing Date for all of the directors and officers (with the exception of Greg Boone and Jennifer Maccarone) of FBC;
 - (o) executed releases from each of the directors and officers of FBC of Claims they may have against FBC arising out of any cause existing as at or prior to Closing, in form and substance agreed to by the Purchaser and the FBC Shareholder, acting reasonably;
 - (p) executed release from the FBC Shareholder, and all subsidiaries of the FBC Shareholder except for the FBC Entities, of any and all amounts owed to it by the FBC Entities, save and except for the amounts owed under the FBC Promissory Note and as part of the FB Payment Plan;
 - (q) the executed Subordination Agreement;
 - (r) the executed Intercreditor Agreement;
 - (s) the executed Stone Pine Amendments;
 - (t) the executed Golden Iris Release;

- (u) the executed Lock-up Agreement from the FBC Shareholder;
- (v) each of the Parties shall have agreed to allocation of the Purchase Price pursuant to Section 2.2;
- (w) all other documentation and evidence reasonably requested by the Purchaser in order to establish the due authorization and completion by FBC and the FBC Shareholder of the Transaction contemplated by this Agreement, including the taking of all corporate proceedings by the board of directors and shareholders of FBC and the FBC Shareholder required to effectively carry out their respective obligations under this Agreement.

7.2 Waiver

The conditions set forth in this Article 7 are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in writing in whole or in part on or before the Closing, and the Closing will be deemed to mean a waiver of all conditions of the Purchaser to Closing.

7.3 Covenant of FBC and the FBC Shareholder

Each of FBC and the FBC Shareholder covenants to deliver all of the Closing documentation required to be delivered by each such party as set out in Section 7.1 that is within its control.

ARTICLE 8 FBC SHAREHOLDER'S CONDITIONS PRECEDENT

8.1 FBC Shareholder's Conditions

The obligation of FBC Shareholder to complete the Transaction will be subject to the satisfaction of, or compliance with, at or before the Closing, the conditions precedent set forth below:

- (a) (i) the representations and warranties of the Purchaser contained in Sections 3.1 [*Incorporation, Corporate Power and Registration*], 3.3 [*Due Authorization and Enforceability of Obligations*], 3.9 [*Capitalization of the Purchaser*], 3.35 [*Reporting Issuer*] and 3.36 [*Consideration Shares*] (the "**Purchaser Specified Representations**") shall be true and correct as of the Closing Date other than for de minimis inaccuracies (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date; and (ii) the representations and warranties of the Purchaser contained in this Agreement (other than the Purchaser Specified Representations) shall be true and correct as of the Closing Date (except for representations and warranties expressly stated to relate to a specified date, in which case such representations and warranties shall be true and correct as of such specified date) with the same force and effect as if such representations and warranties had been made on and as of such date, except to the extent that the failure of such representations and warranties of the Purchaser to be so true and correct (read for purposes of this Section 8.1(a) without any materiality, Material Adverse Effect or similar qualification), individually or in the aggregate, has not had or would not reasonably be likely to have a Material Adverse Effect; and (iii) the Purchaser shall have executed and delivered a certificate of a senior officer to that effect;
- (b) the Purchaser shall have fulfilled, performed or complied with in all material respects all other covenants contained in this Agreement to be fulfilled, performed or complied with by it at or prior to Closing, and the Purchaser shall have executed and delivered a certificate of a senior officer to that effect;

- (c) the CSE has provided any necessary approval in respect of the Transaction and this Agreement and the Purchaser Shares (including the Consideration Shares) shall have been conditionally approved for listing, subject to customary conditions, on the CSE following completion of the Transactions contemplated herein;
- (d) the consents, approvals and notices listed in Section 3.17 and Section 3.18 of the Purchaser Disclosure Letter shall have been obtained on terms acceptable to the FBC and the FBC Shareholder, acting reasonably;
- (e) the consents, approvals and notices listed in Sections 4.19 and 4.20 of the FBC Disclosure Letter shall have been obtained on terms acceptable to the FBC Shareholder, acting reasonably;
- (f) the executed Subordination Agreement;
- (g) the executed Intercreditor Agreement;
- (h) the executed Stone Pine Amendments;
- (i) effective on the Closing Date, change of corporate name of FBC to a name which excludes the use of "Final Bell";
- (j) the entering into of licensing arrangements between the Merged Entity and the FBC Shareholder for certain brands owned by the FBC Shareholder and/or its Affiliates, to be utilized by FBC for a target license fee of at least 10% and higher for certain brands, net of customary taxes and fees owed for licenses of this nature, and on such other terms as acceptable to the Parties thereto;
- (k) any approval of the directors and/or shareholders of the Purchaser relating to the Transaction required pursuant to applicable Law or the rules, policies or guidelines of CSE, if applicable, shall have been obtained;
- (l) since the Execution Date, there shall not have occurred any Material Adverse Effect with respect to the Purchaser;
- (m) no Law is in effect nor shall there be any Order issued and in effect by any Governmental Authority to enjoin or prohibit (i) any of the transactions contemplated by this Agreement or any of the Transaction Documents, or (ii) the right of the FBC Shareholder to sell the FBC Shares;
- (n) the Purchaser shall have delivered or caused to be delivered to FBC and the FBC Shareholder the following:
 - (i) certified copies of (A) the articles and by-laws of the Purchaser, (B) the resolutions of the board of directors of the Purchaser approving the entering into and completion of the transactions contemplated by this Agreement, and (C) a list of the officers and directors authorized to sign agreements together with their specimen signatures, all in form and substance satisfactory to FBC and the FBC Shareholder, acting reasonably;
 - (ii) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government officials of its jurisdiction of incorporation dated within five (5) Business Days of the Closing Date;
 - (iii) executed copies of the Transaction Documents executed by the Purchaser;

- (iv) the certificates referred to in Sections 8.1(a) and 8.1(b); and
 - (v) the Consideration Shares;
- (o) the Purchaser Shares shall continue to be listed for trading on the CSE;
- (p) the issuance and delivery of the Consideration Shares to the FBC Shareholder pursuant to this Agreement shall be exempt from the prospectus requirements of Applicable Securities Laws, and no prospectus is required nor are any other documents required to be filed, proceedings taken, or approvals, permits, consents, orders, or authorizations of any regulatory authorities obtained under Applicable Securities Laws to permit the issue and delivery of such securities by the Purchaser, it being noted that within 10 days after the date of the issuance of such securities, the Purchaser may be required to file a report on Form 45-106F1 prepared and executed in accordance with National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, accompanied by the prescribed fees, if any, with respect to some or all of the issuances of securities contemplated under this Agreement;
- (q) executed resignations and releases of Greg Boone as director of the FBC Shareholder, and Jennifer Maccarone as Chief Operating Officer of the FBC Shareholder, of any Claims they may have against FBC Shareholder for any matter, in form and substance agreed to by the FBC Shareholder, acting reasonably;
- (r) executed releases from each of the directors and officers of FBC of Claims they may have against FBC Shareholder arising out of any cause existing at or prior to Closing, in form and substance agreed to by the Purchaser and the FBC Shareholder, acting reasonably;
- (s) the FBC Shareholder shall be entitled to nominate one (1) individual to the board of directors of the Merged Entity effective as of the Closing Date, subject to compliance with the regulations of the CSE and applicable securities laws, and the receipt of all applicable regulatory approvals on or before the Closing Date;
- (t) each of the Parties shall have agreed to allocation of the Purchase Price pursuant to Section 2.2; and
- (u) all other documentation and evidence reasonably requested by FBC and the FBC Shareholder in order to establish the due authorization and completion by the Purchaser of the Transaction contemplated by this Agreement, including the taking of all corporate proceedings by the board of directors and shareholders of the Purchaser required to effectively carry out their respective obligations under this Agreement.

8.2 Waiver

The conditions set forth in this Article 8 are for the exclusive benefit of FBC and the FBC Shareholder and may be waived by FBC and the FBC Shareholder in writing in whole or in part on or before the Closing, and the Closing will be deemed to mean a waiver of all conditions of the FBC and the FBC Shareholder to Closing.

8.3 Covenant of the Purchaser

The Purchaser covenants to deliver all of the Closing documentation set out in Section 8.1 that is within its control.

ARTICLE 9 COVENANTS

9.1 FBC Conduct of Business Prior to Closing

During the Closing Period, FBC shall:

- (a) carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Closing and the Transaction;
- (b) not, without the prior written consent of the Purchaser, enter into any contract in respect of its business or assets, other than in the ordinary course of business;
- (c) maintain payables and other liabilities at levels consistent with past practice;
- (d) not, without the prior written consent of the Purchaser, engage in any extraordinary material transactions;
- (e) not, without the prior written consent of the Purchaser, make any distributions, dividends or special bonuses;
- (f) not, without the prior written consent of the Purchaser, repay any shareholders' loans;
- (g) make all commercially reasonable efforts to preserve the goodwill of FBC and its relationships with customers, suppliers, and others having business dealings with FBC;
- (h) not, without the prior written consent of the Purchaser, hire, engage, or retain any new employees or independent contractors to be employed, engaged or retained in connection with the FBC Business that provides for annual remuneration in an amount exceeding \$90,000 for each employee or independent contractor;
- (i) not, without the prior written consent of Purchaser, terminate any employees or transfer employees to any other positions, or take any action to materially amend any Contract with any employee;
- (j) continue in full force all of its existing insurance policies;
- (k) comply in all material respects with all Laws applicable to the FBC Business; and
- (l) apply for, and maintain in good standing, all permits and authorizations relevant to the FBC Business.

9.2 Purchaser Conduct of Business Prior to Closing

During the Closing Period, the Purchaser shall:

- (a) carry on its business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Closing and the Transaction;
- (b) not, without the prior written consent of FBC, enter into any contract in respect of its business or assets, other than in the ordinary course of business;
- (c) maintain payables and other liabilities at levels consistent with past practice;

- (d) not, without the prior written consent of FBC, engage in any extraordinary material transactions;
- (e) not, without the prior written consent of FBC, make any distributions, dividends or special bonuses;
- (f) not, without the prior written consent of FBC, repay any shareholders' loans;
- (g) make all commercially reasonable efforts to preserve the goodwill of the Purchaser and its relationships with customers, suppliers, and others having business dealings with the Purchaser;
- (h) not, without the prior written consent of FBC, hire, engage, or retain any new employees, directors or independent contractors to be employed, engaged or retained in connection with the Purchaser Entities' business that provides for annual remuneration in an amount exceeding \$90,000 for each employee, director or independent consultant, as applicable, or increase the remuneration of any employees or directors;
- (i) not, without the prior written consent of FBC, terminate any employees or transfer employees to any other positions, or take any action to materially amend any Contract with any employee;
- (j) continue in full force all of its existing insurance policies;
- (k) comply in all material respects with all Laws applicable to the Purchaser Entities' business; and
- (l) apply for, and maintain in good standing, all permits and authorizations relevant to the Purchaser Entities' business.

9.3 Actions to Satisfy Closing Conditions

- (a) FBC and the FBC Shareholder shall take all such actions as are within its power to control and shall use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 7.1.
- (b) The Purchaser shall take all such actions as are within its power to control and shall use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 8.1.

9.4 Consents, Approvals and Authorizations

- (a) FBC and the FBC Shareholder shall use commercially reasonable efforts to obtain, prior to Closing, all consents, approvals, waivers or other authorizations listed in Section 4.19 or Section 4.20 of the FBC Disclosure Letter. Such consents shall be on such terms as are acceptable to the Purchaser and the FBC Shareholder, acting reasonably.
- (b) The Purchaser shall use commercially reasonable efforts to obtain, prior to Closing, all consents, approvals, waivers or other authorizations listed in Section 3.17 or Section 3.18 of the Purchaser Disclosure Letter. Such consents shall be on such terms as are acceptable to FBC and the FBC Shareholder, acting reasonably.

- (c) Each Party hereby covenants that it shall promptly prepare, file and diligently pursue until received all necessary Authorizations and make such necessary filings as are required to be obtained under applicable Law or the rules, policies and guidelines of the CSE with respect to this Agreement and the Transaction. Each Party shall offer the other Parties a reasonable opportunity to review and comment on any such filing or other such submission.
- (d) FBC and the FBC Shareholder represent and warrant that any information or disclosure relating to FBC that is furnished in writing by FBC for inclusion in any filing or submission made pursuant to this Section 9.4 will comply in all material respects with all applicable laws (including Applicable Securities Laws), and, without limiting the generality of the foregoing, that any filing or submission made pursuant to this Section 9.4 shall not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (provided that FBC of the FBC Shareholder shall not be responsible for the accuracy of any information relating to the Purchaser that is furnished in writing by the Purchaser for inclusion in any filing or submission made pursuant to this Section 9.4).
- (e) Each Party shall keep the other Parties fully informed regarding the status of such consents, approvals and authorizations, and the other Parties, their representatives and counsel shall have the right to participate in any substantive discussions with any other applicable Governmental Authority in connection with the Transaction and provide input into any applications for approval and related correspondence, which will be incorporated by such Party, acting reasonably. A Party will provide notice to the other Parties (and their counsel) of any proposed substantive discussions with any applicable Governmental Authority in connection with the Transaction. Promptly after any such consent, approval and authorization has been obtained by a Party and any such filing has been made by such Party, such Party shall notify the other Parties of same.
- (f) Without limiting the generality of the foregoing, the Purchaser shall promptly make all filings required by the CSE to obtain applicable Authorizations. If the approval of the CSE is conditional on the making of customary deliveries to the CSE, the Purchaser shall ensure that such filings are made as promptly as practicable and in any event within the time frame contemplated in the conditional approval letter from the CSE. The Purchaser shall offer FBC and the FBC Shareholder a reasonable opportunity to review and comment on any such filing.

9.5 Access for Investigation

- (a) The Purchaser will permit FBC, until the Closing Date, to have reasonable access during normal business hours to any real property used in connection with the business of the Purchaser and to all the Purchaser Books and Records and to the properties and assets of Purchaser. Purchaser will also provide FBC and the FBC Shareholder with any financial and operating data and other information with respect to Purchaser as FBC or the FBC Shareholder reasonably requests to enable FBC or the FBC Shareholder to confirm the accuracy of the matters represented and warranted by Purchaser in Article 3.
- (b) FBC will permit the Purchaser, until the Closing Date, to have reasonable access during normal business hours to any real property used in connection with the FBC Business and to all the FBC Books and Records and to the properties and assets of FBC. FBC will also provide the Purchaser with any financial and operating data and other information with respect to FBC or the FBC Business as the Purchaser reasonably requests to enable the Purchaser to confirm the accuracy of the matters represented and warranted by FBC or the FBC Shareholder in Articles 4 and 5.

9.6 Delivery of Books and Records and Cooperation

At Closing, the FBC Shareholder will cause to be delivered to the Purchaser all of the FBC Books and Records, including copies of all of its insurance policies. The Purchaser shall cooperate with and assist FBC Shareholder in the filing of any Tax Returns with respect to Taxes of FBC for any Pre-Closing Tax Period, including allowing the FBC Shareholder reasonable access to all relevant FBC Books and Records following Closing.

9.7 Notification of Untrue Representation or Warranty or Breach

During the Closing Period, each Party will promptly notify the other Parties in writing if any such Party acquires knowledge of any fact or condition that causes or constitutes a breach of any of the representations and warranties set forth herein, or if such Party acquires knowledge of the occurrence of any fact or condition that would (except as expressly contemplated by this Agreement) cause or constitute a breach of any such representation or warranty had such representation or warranty been made as of the time of occurrence or discovery of such fact or condition, or if the respective Disclosure Letters require updating. During the Closing Period, each Party will promptly notify the other Parties of the occurrence of any breach of any covenant set forth herein or of the occurrence of any event of which it has knowledge that would reasonably be expected to make the satisfaction of the conditions to Closing set forth herein impossible, or of any update to the respective Disclosure Letters. For clarity, no notice given pursuant to this Section 9.6 shall be deemed to cure any breach of, affect or otherwise diminish any representation or warranty made in this Agreement unless the non-breaching Parties specifically agrees thereto in writing.

9.8 Disclosure of Confidential Information

The Parties acknowledge that the Confidentiality Agreement continues to apply and that any information provided by one Party to the other Parties that is non-public and/or proprietary in nature shall be subject to the terms of the Confidentiality Agreement.

9.9 Exclusive Dealing

Each Party agrees that, during the period from the date this Agreement is entered into to earlier of: (i) the Closing; and (ii) the termination of this Agreement, each Party will not, nor will they permit any Affiliates, associates, agents, consultants, advisors or representatives of any such Party to:

- (a) directly or indirectly, solicit any proposal relating to the acquisition by any third party of all or any portion of the securities of the Party or the Parties' assets (an "**Acquisition Proposal**");
- (b) directly or indirectly, engage in or continue any discussions or negotiations with any other Person regarding any such Acquisition Proposal, or otherwise encourage or facilitate any efforts by any other Person to engage in such an Acquisition Proposal;
- (c) sell, transfer or dispose of any of its material assets or businesses; or
- (d) with respect to the FBC Shareholder, sell, transfer or dispose of the Purchased FBC Shares.

9.10 Public Communications

- (a) The Purchaser and FBC Shareholder shall agree on the text of press releases by which each of the Purchaser and FBC Shareholder will announce (i) the execution of this Agreement and (ii) the completion of the Transaction contemplated herein. A Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement or the transactions contemplated herein without the consent of the other

Party (which consent shall not be unreasonably withheld, conditioned or delayed), and neither Party shall make any filing with any Governmental Authority (except as contemplated by this Section 9.9) with respect to this Agreement or the transactions contemplated herein without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that is required to make disclosure by Laws shall use its commercially reasonable efforts to give the other Party prior oral or written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing.

- (b) Without limiting the generality of the foregoing and for greater certainty, each of the Parties acknowledges and agrees that the Purchaser and the FBC Shareholder shall file, in accordance with Applicable Securities Laws, this Agreement, together with a material change report related thereto, under the Purchaser's profile on SEDAR.

9.11 Tax Matters

- (a) FBC shall be responsible for all Tax Returns for all FBC Entities for any Pre-Closing Tax Period for which Tax Returns have not been filed as of the Closing Date. Each such Tax Return shall be prepared in a manner consistent with (i) Law, (ii) the FBC Financial Statements, and (iii) the past practices and procedures of FBC, and each such Tax Return shall be accompanied with a statement setting forth the amount of Taxes on such Tax Return that are attributable to the Pre-Closing Tax Period for which the FBC is responsible for pursuant to Section 9.11(c). FBC shall provide to the Purchaser a draft of each such Tax Return no later than 30 days prior to the due date for filing such Tax Return with the appropriate Governmental Authorities. The Purchaser shall notify FBC in writing within 15 days after delivery of such Tax Return if it has any reasonable comments with respect to items set forth in such Tax Return. FBC shall consider in good faith all such comments.
- (b) The Purchaser will cause to be prepared and filed on a timely basis all Tax Returns for all FBC Entities for all Straddle Periods. The Purchaser shall prepare each such Tax Return on a basis consistent with (i) Law, (ii) the FBC Financial Statements, and (iii) the past practices and procedures of FBC. The Purchaser shall provide to FBC a draft of each such Tax Return no later than 30 days prior to the due date for filing such Tax Return with the appropriate Governmental Authorities, together with a statement setting forth the amount of Taxes on such Tax Returns that are attributable to a Pre-Closing Tax Period for which FBC is responsible for pursuant to Section 9.11(c). FBC shall notify the Purchaser in writing within 15 days after delivery of such Tax Return if it has any reasonable comments with respect to items set forth in such Tax Return. The Purchaser shall consider in good faith all such comments.
- (c) Except as required by Law, the Purchaser and a FBC Entity shall not, without the prior written consent of the FBC Shareholder (not to be unreasonably withheld, conditioned or delayed), refile, amend or otherwise modify any Tax Return filed for any Pre-Closing Tax Period.

**ARTICLE 10
INDEMNITY**

10.1 Indemnification

- (a) Subject to subsection (c) below, the FBC Shareholder shall indemnify and save harmless the Purchaser and its respective directors, officers, agents, employees and shareholders (collectively referred to as the "**Purchaser Indemnified Parties**"), harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense ("**Purchaser Indemnified Losses**") which may be made or brought against the Purchaser Indemnified Party or which the Purchaser Indemnified Party may suffer or incur as a result of, in respect of or arising out of:
- (i) any non-performance or non-fulfilment of any covenant or agreement on the part of FBC or the FBC Shareholder contained in this Agreement that are required to be performed on or before Closing and not waived or in any document given by the FBC Shareholder in order to carry out the transactions contemplated hereby;
 - (ii) any Misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by FBC or the FBC Shareholder contained in this Agreement or contained in any document or certificate given by the FBC Shareholder in order to carry out the transactions contemplated hereby; and
 - (iii) all costs and expenses including, without limitation, reasonable legal fees incidental to or in respect of the foregoing.
- (b) Subject to subsection (c) below, the Purchaser hereby agrees to indemnify and save the FBC Shareholder and its respective directors, officers, agents, employees and shareholders (collectively referred to as the "**FB Indemnified Parties**"), harmless from and against any claims, demands, actions, causes of action, damage, loss, deficiency, cost, liability and expense ("**FB Indemnified Losses**") which may be made or brought against the FB Indemnified Party or which the FB Indemnified Party may suffer or incur as a result of, in respect of or arising out of:
- (i) any non-performance or non-fulfilment of any covenant or agreement on the part of the Purchaser in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
 - (ii) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Purchaser contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby; and
 - (iii) all costs and expenses including, without limitation, reasonable legal fees incidental to or in respect of the foregoing.
- (c) The obligations of indemnification in respect of subsections 10.1(a) and 10.1(b), will be subject to the limitations set out under Section 10.2.
- (d) The amount of the FBC Shareholder's liability for any Claim in respect of the FBC Shareholder's indemnification obligations set forth in this Section 10.1(a) shall be fully and finally satisfied as follows: (i) by return to the Purchaser of such number of Consideration Shares issued to the FBC Shareholder as are equal to any remaining amount owing to the Purchaser by the FBC Shareholder, calculated in accordance with Section 10.1(f) or; (ii) at the option of the FBC Shareholder, in cash.

- (e) Notwithstanding the foregoing Section 10.1(d), if it is determined that: (i) the return of any of the Consideration Shares to satisfy indemnification obligations owed pursuant to this Section 10.1 constitutes an “issuer bid” under National Instrument 62-104 – *Take-Over Bids and Issuer Bids*; or (ii) a relevant prospectus exemption is not available to allow for the sale of the Consideration Shares back to the Merged Entity to address any indemnification obligations owed pursuant to this Section 10.1; then any such any indemnification obligations owed will be settled by the FBC Shareholder in cash.
- (f) If applicable, the number of Consideration Shares to be returned in accordance with Section 10.1(c), shall be determined by dividing (i) the applicable amount of the FBC Shareholder’s liability for such Claim by (ii) the higher of the deemed issue price per Consideration Share set out in Section 2.2(b) (as adjusted for any stock splits, combinations and the like) and the market price of the Consideration Shares at the time of the Claim in respect of the FBC Shareholder’s indemnification obligations, rounded down to the nearest whole share.

10.2 Limitations on Indemnification

- (a) Notwithstanding the foregoing, no obligation to indemnify a Purchaser Indemnified Party for Purchaser Indemnified Losses, or a FB Indemnified Party for FB Indemnified Losses, under this Agreement will arise in respect of subsections 10.1(a) and 10.1(b), as applicable, until the aggregate amount of all of Purchaser Indemnified Losses or FB Indemnified Losses, as the case may be, in respect of which a claim for indemnity has been made exceeds the sum of \$300,000 (the “**Liability Deductible**”) and, in such case, such indemnity shall only apply to the amount in excess of the Liability Deductible.
- (b) The maximum aggregate liability of any Indemnified Party under this Agreement for Indemnified Losses suffered is limited to 20% of the Purchase Price, other than for a claim by the Purchaser pursuant to Section 10.1 hereof in respect of one or more Fundamental Representations in which case the maximum liability for such Indemnified Losses shall be 50% of the Purchase Price, subject to the Liability Deductible.
- (c) Neither the Purchaser nor the FBC Shareholder will have any liability for, or obligation with respect to, any special, indirect, consequential, punitive or aggravated Damages resulting from any Claims, unless: (a) such Damages have been awarded to a third Person by a court of competent jurisdiction; and (b) in the case of any special or consequential Damages, to the extent that such Damages have been determined by a court of competent jurisdiction to be reasonably foreseeable.
- (d) The limitations set forth above in Sections 10.2(a) and (b) shall not apply with respect to any portion of Damages that have been determined by a court of competent jurisdiction to have resulted primarily and directly from the fraud or the willful misconduct of a Party or its officers, directors, employees, agents, affiliates, representatives, successors or assigns.
- (e) If the amount of Indemnified Losses incurred by an Indemnified Party at any time subsequent to the making of a payment pursuant to an Indemnity claim is reduced by any recovery, settlement or otherwise under any insurance coverage or under any claim, recovery, settlement or payment by or against any other Person, the Indemnified Party will promptly repay to the Indemnifying Party the amount of the reduction (less any costs, expenses (including Taxes) or premiums incurred in connection therewith). Upon making full payment of an Indemnity Claim, the Indemnifying Party will, to the extent of the payment, be subrogated to all rights of the Indemnified Party against any third party that is not an affiliate of the Indemnified Party in respect of Indemnified Losses to which the indemnify payment relates. Until the Indemnified Party recovers full payment of its Indemnified Losses, any and all claims of the Indemnifying Party against any such third

party on account of the payment for Indemnity Losses will be postponed and subordinated in right of payment to the Indemnified Party's right against that third party.

- (f) Notwithstanding anything to the contrary in this Agreement, the FBC Shareholder shall not be liable under this Article 10 for any Purchaser Indemnified Losses pursuant to Section 10.1(a)(ii) if the Purchaser Indemnified Party seeking indemnification for such losses had knowledge of or FBC had knowledge of any such Misrepresentation, inaccuracy, incorrectness or breach on or before Closing. For clarity, the term "knowledge" as used in the paragraph as relating to FBC shall mean the knowledge of Greg Boone, Jennifer Maccarone, or Qingru Zhou.

10.3 Indemnification Procedures

- (a) In the case of Claims made by a third party with respect to which indemnification is sought, the Indemnified Party shall give prompt notice, and in any event within 15 days, to the Indemnifying Party of any such Claims made upon it. If the Indemnified Party fails to give such notice, such failure shall not preclude the Indemnified Party from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the Claim or increased the amount of liability or cost of defence.
- (b) The Indemnifying Party shall have the right, at its sole expense, to have carriage of any negotiations with respect to, and to dispute and contest any Claims provided that it so notifies the Indemnified Party within 10 Business Days of receiving such notice and provided further that such dispute is prosecuted or negotiations conducted by the Indemnifying Party reasonably and in good faith.
- (c) The Indemnifying Party and the Indemnified Party shall cooperate with each other in any proceedings with respect to any Claims.
- (d) The rights and benefits provided in this Article 10 are supplemental to any other rights, actions or causes of action which may arise pursuant to any other Section of this Agreement.
- (e) Any Claim pursuant to the provisions of this Article 10 must be commenced within the time periods provided for herein.
- (f) The amount of any loss or Damage which may be claimed by a party pursuant to the provisions of this Article 10 shall be calculated after giving effect to any insurance proceeds received by the Indemnifying Party in relation to the subject matter of the Claim.

ARTICLE 11 TERMINATION

11.1 Termination

This Agreement may be terminated at any time prior to the Closing by:

- (a) mutual written agreement of the Parties;
- (b) the written notice of the Purchaser to FBC and the FBC Shareholder if the Closing shall not have occurred on or before the Drop Dead Date, provided that the right to terminate this Agreement under this Section 11.1(b) shall not be available to the Purchaser if the failure of the Purchaser to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to the Drop Dead Date;

- (c) the written notice of the Purchaser to FBC and the FBC Shareholder if there has been a violation or breach by FBC or the FBC Shareholder of any representation, warranty, covenant or agreement set forth in this Agreement such that any condition specified in Section 7.1 would be incapable of being satisfied by the Closing Date or if any such condition is otherwise incapable of being satisfied by the Closing Date, and such violation or breach is not waived by the Purchaser or, in the case of a covenant breach, cured by FBC and the FBC Shareholder to the reasonable satisfaction of the Purchaser within ten (10) Business Days after notice of such breach is given by the Purchaser (except that no cure period will be provided for a breach by FBC or the FBC Shareholder that, by its nature, cannot be cured);
- (d) the written notice of the FBC Shareholder to the Purchaser if the Closing shall not have occurred on or before the Drop Dead Date, provided that the right to terminate this Agreement under this Section 11.1(d) shall not be available to the FBC Shareholder if the failure of FBC or the FBC Shareholder to fulfill any obligation under this Agreement shall have been the cause of, or shall have resulted in, the failure of the Closing to occur on or prior to such date;
- (e) the written notice of the FBC Shareholder to the Purchaser if there has been a violation or breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement such that any condition specified in Section 8.1 would be incapable of being satisfied by the Closing Date or if any such condition is otherwise incapable of being satisfied by the Closing Date, and such violation or breach is not waived by the FBC Shareholder or, in the case of a covenant breach, cured by the Purchaser to the reasonable satisfaction of the FBC Shareholder within ten (10) Business Days after notice of such breach is given by the FBC Shareholder (except that no cure period will be provided for a breach by the Purchaser that by its nature cannot be cured); or
- (f) any of the Parties if: (i) there shall be any applicable Law that makes consummation of the Transaction contemplated by this Agreement illegal or otherwise prohibited; or (ii) any Governmental Authority shall have issued an Order restraining or enjoining the Transaction contemplated by this Agreement, and such Order shall have become final and non-appealable.

11.2 Agreement of No Further Force or Effect

In the event of the termination of this Agreement by a Party as provided in Section 11.1, written notice thereof shall forthwith be given by the terminating Party to the other Parties, and this Agreement shall thereupon terminate and will be of no further force or effect, except as otherwise expressly contemplated hereby and provided that the provisions of Article 1, Section 9.8, Section 9.10, Article 12, and this Section 11.2 shall survive any termination hereof; and provided further that (a) such termination shall not relieve any Party of any liability for any breach of this Agreement (other than non-willful breaches of representations, warranties and covenants, as to which no Party shall be liable hereunder) and (b) upon such termination, the Parties shall comply with all of the provisions of the Confidentiality Agreement.

11.3 Remedies; Injunctive Relief

The Parties agree that irreparable harm would occur for which money Damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by a Party, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, and the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at Law or equity to each of the Parties.

ARTICLE 12 GENERAL

12.1 Expenses

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel, brokers, investment advisers, consultants and accountants) incurred in connection with this Agreement and the transactions contemplated herein are to be paid by the Party incurring such expenses.

12.2 Assignment

No Party to this Agreement may assign any of its respective rights under this Agreement without the prior consent of each of the other Parties. Any attempt to assign any of the rights, duties or obligations in this Agreement without such written consent is void. This Agreement and each of the terms and provisions hereof will enure to the benefit of and be binding upon the Parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns, as applicable.

12.3 Notices

Any notice required or permitted to be given under this Agreement will be in writing and may be given by delivering, sending by email or other means of electronic communication capable of producing a printed copy, or sending by overnight courier, the notice to the following address or number:

If to the Purchaser:

BZAM Ltd.
19100 Airport Way, Unit 518
Pitt Meadows, BC V3Y 0E2

Attention: Matt Milich, Chief Executive Officer
Email: mmilich@bzam.com

If to FBC (prior to closing) or the FBC Shareholder:

Final Bell Holdings International Ltd.
#1000, 925 West Georgia Street
Vancouver, British Columbia V7C 3L2

Attention: Robert Meyer, Chief Executive Officer
Email: robert@finalbell.com

(or to such other address or number as any Party may specify by notice in writing to another Party).

Any notice delivered or sent by email or other means of electronic communication capable of producing a printed copy on a Business Day will be deemed conclusively to have been effectively given on the day the notice was sent or, if such day is not a Business Day, on the next following Business Day. Any notice sent by overnight courier will be deemed conclusively to have been effectively given on the second Business Day after it is deposited with the courier service.

12.4 Severability

If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, then such covenant or other provision will be severed from and will not affect any other covenant or other provision of this Agreement, and this Agreement will be construed

as if such invalid, illegal, or unenforceable covenant or provision had never been contained in this Agreement. All other covenants and provisions of this Agreement will, nevertheless, remain in full force and effect and no covenant or provision will be deemed dependent upon any other covenant or provision unless so expressed herein.

12.5 Entire Agreement

This Agreement, the Confidentiality Agreement and the exhibits and schedules attached hereto contain the entire agreement among the Parties with respect to the subject matter hereof, and expressly supersede and terminate all prior offers, arrangements and understandings, both written and oral, expressed or implied, with respect thereto.

12.6 Waiver

The failure or delay by a Party in enforcing, or insisting upon strict performance of, any provision of this Agreement does not constitute a waiver of such provision or in any way affect the enforceability of this Agreement (or any of its provisions) or deprive a Party of the right, at any time or from time to time, to enforce or insist upon strict performance of that provision or any other provision of this Agreement. Any waiver by a Party of any provision of this Agreement is effective only if in writing and signed by a duly authorized representative of such Party.

12.7 Further Assurances

The Parties will execute and deliver all such further documents, do or cause to be done all such further acts and things, and give all such further assurances as may be necessary to give full effect to the provisions and intent of this Agreement.

12.8 Third Party Beneficiaries

Except as otherwise expressly provided in this Agreement, the Parties do not intend that this Agreement benefit or create any legal or equitable right, remedy or cause of action in, or on behalf of, any Person other than a Party and no Person, other than a Party, is entitled to rely on the provisions of this Agreement in any proceeding.

12.9 Amendment

This Agreement may not be amended except by an instrument in writing signed by each of the Parties.

12.10 Counterparts

This Agreement may be executed in several counterparts, each of which will be deemed to be an original and all of which will together constitute one and the same instrument and delivery of an executed copy of this Agreement by electronic facsimile transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the Execution Date.


12.11 Language

The Parties acknowledge that it is their express wish that this agreement and all documents related thereto be drawn up in the English language only. Les parties reconnaissent qu'il est de leur volonté expresse que la présente convention et tous les documents s'y rapportant soient rédigés en anglais seulement.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF each of the Parties has duly executed this Agreement as of the Execution Date.

BZAM LTD.

By: 
Name: Matt Milich
Title: Chief Executive Officer

FINAL BELL CANADA INC.

By: _____
Name:
Title:

FINAL BELL HOLDINGS INTERNATIONAL LTD.

By: _____
Name:
Title:

IN WITNESS WHEREOF each of the Parties has duly executed this Agreement as of the Execution Date.

BZAM LTD.

By: _____
Name: Matt Milich
Title: Chief Executive Officer

FINAL BELL CANADA INC.

By: _____
DocuSigned by:
Greg Boone
18EDE32FA6CC485...
Name: Greg Boone
Title: GB

FINAL BELL HOLDINGS INTERNATIONAL LTD.

By: _____
DocuSigned by:
Kay Jesse
FE82A36B667C4D2...
Name: Kay Jesse
Title: Executive Director

SCHEDULE A
FB Payment Plan
PROMISSORY NOTE

VANCOUVER, BRITISH COLUMBIA

Cdn. \$4,000,000.00

•, 2023

FOR VALUE RECEIVED, and subject to the terms and conditions set forth in this note (this "**Note**"), Final Bell Canada Inc. (the "**Borrower**"), hereby unconditionally promises to pay to the order of 14th Round Inc. (the "**Lender**"), in immediately available funds, at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 or such other location as the Lender shall designate in writing, four million dollars (\$4,000,000.00) advanced by the Lender to the Borrower on •, 2023 (the amount advanced under this Note being the "**Principal Amount**"), and to pay interest on the unpaid Principal Amount hereof at the rates and as specified below. Repayment shall be made in lawful currency of the United States, at the daily exchange rate published by the Bank of Canada applicable to any payment date.

The aggregate advanced and unpaid Principal Amount of this Note, together with all accrued and unpaid interest thereon, shall mature on December 15, 2024 and shall be payable in accordance with the payment schedule at Exhibit "A" hereto.

The Borrower agrees to pay interest to the Lender on the advanced and unpaid Principal Amount of this Note from the date of advance at a rate per annum equal to zero percent (0%) per annum, such interest to be calculated monthly and payable on the last day of each calendar month. The advanced and unpaid Principal Amount, together with all interest accrued and unpaid thereon are hereinafter referred to as the "**Indebtedness**".

The Borrower may prepay the Principal Amount of this Note in whole or in part at any time or from time to time without premium or penalty by giving three (3) Business Days' notice to the Lender; *provided that* each prepayment shall be accompanied by payment of all accrued and unpaid interest to the date of such prepayment. For this Note, "**Business Day**" means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in Vancouver, British Columbia are not open for business.

If the Borrower fails to pay any amounts due and payable hereunder, and such default remains uncured for five (5) Business Days from written notice of such default, all outstanding obligations payable by the Borrower under this Note shall begin to accrue interest at a rate of 18% per annum (which interest, for clarity, shall constitute Indebtedness) and shall be immediately due and payable, and the Lender may exercise any right, power or remedy granted to the Lender pursuant to this Note, the Security Agreement, or otherwise available to it by law, either by suit in equity or by action at law, or both.

The books and records of the Lender shall constitute *prima facie* evidence of the amount of principal and interest outstanding under this Note from time to time.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof or a consent thereto; nor shall a single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

The Borrower may not assign this Note or any of its respective rights or obligations under this Note without the prior written consent of the other Lender, which consent may be withheld in the sole discretion of such party. The Lender may assign this Note or any rights and obligations under this Note at its sole discretion. Any such assignment of this Note must be made in accordance with applicable securities laws.

This Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

This Note and any amendments, waivers, consents, acknowledgements or supplements may be executed in number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Counterparts may be executed in original or facsimile form or similar method of electronic transmission. Upon the request of the Lender, the Borrower shall deliver, or cause to be delivered, a manually executed, original counterpart of any electronic signature to this Note or any other documents reasonably requested by the Lender in connection herewith.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

FINAL BELL CANADA INC.

By: _____

Name:

Title:

AGREED TO AND ACCEPTED as of the above original issue date of this Note.

14TH ROUND INC.

By: _____

Name:

Title:

GUARANTEE AGREEMENT

The undersigned hereby declares that it has read the promissory note between Final Bell Canada Inc. (the "**Borrower**") and 14th Round Inc. (the "**Lender**") dated as of ●, 2023 (the "**Note**"), and agrees that it is liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to the Lender, the prompt payment and performance when due, owing, and so obliged, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all of the payment obligations of the Borrower under the Note (the "**Obligations**") and all costs and expenses including, without limitation, all court costs and reasonable attorneys' and paralegals' fees and expenses paid or incurred by the Lender in endeavoring to collect or secure performance of all or any part of the Obligations from, or in prosecuting any action against, the Borrower of all or any part of the Obligations (such costs and expenses, together with the Obligations, collectively the "**Guaranteed Obligations**"). This Guarantee is a guarantee of payment, performance and collection. The Guarantor hereby waives any right to require the Lender to sue the Borrower or any other person obligated for all or any part of the Guaranteed Obligations.

In addition, to the extent that the Borrower is unable to make payments to the Lender as a result of banking or other similar restrictions, the undersigned agrees to make such payments in accordance with the Borrower's payment obligations.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Note.

For the purposes of any notice to be sent in accordance with the Note, the undersigned's address shall be:

BZAM Ltd.
19100 Airport Way, Unit 518
Pitt Meadows, British Columbia
V3Y 0E2

Attention: Matt Milich, Chief Executive Officer

BZAM LTD.

Per: _____

Name:

Title:

Exhibit "A"

Due Date	Amount
15-Jan-24	\$333,333
15-Feb-24	\$333,333
15-Mar-24	\$333,333
15-Apr-24	\$333,333
15-May-24	\$333,333
15-Jun-24	\$333,333
15-Jul-24	\$333,333
15-Aug-24	\$333,333
15-Sep-24	\$333,333
15-Oct-24	\$333,333
15-Nov-24	\$333,333
15-Dec-24	\$333,333
	\$4,000,000

**SCHEDULE B
FBC PROMISSORY NOTE**

SECURED DEMAND PROMISSORY NOTE

VANCOUVER, BRITISH COLUMBIA

Cdn. \$4,000,000.00

•, 2023

FOR VALUE RECEIVED, and subject to the terms and conditions set forth in this note (this "**Note**"), Final Bell Canada Inc. (the "**Borrower**"), hereby unconditionally promises to pay to the order of 14th Round Inc. (the "**Lender**"), in immediately available funds, at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, V6C 3L2 or such other location as the Lender shall designate in writing, four million dollars (\$4,000,000.00) advanced by the Lender to the Borrower on •, 2023 (the amount advanced under this Note being the "**Principal Amount**"), and to pay interest on the unpaid Principal Amount hereof at the rates and as specified below. Repayment shall be made in lawful currency of the United States, at the daily exchange rate published by the Bank of Canada applicable to any payment date.

The aggregate advanced and unpaid Principal Amount of this Note, together with all accrued and unpaid interest thereon, shall be due and payable on demand; *provided that*, the Lender agrees and acknowledges that the Lender shall not be permitted to make demand hereunder until at least March 31, 2025.

The Borrower agrees to pay interest to the Lender on the advanced and unpaid Principal Amount of this Note from the date of advance at a rate per annum equal to zero percent (0%) per annum, such interest to be calculated monthly and payable on the last day of each calendar month. The advanced and unpaid Principal Amount, together with all interest accrued and unpaid thereon are hereinafter referred to as the "**Indebtedness**". For greater certainty, no payments on account of the Principal Amount shall be required to be made by the Borrower until demand by the Lender for payment in full of the Indebtedness hereunder.

The Borrower may prepay the Principal Amount of this Note in whole or in part at any time or from time to time without premium or penalty by giving three (3) Business Days' notice to the Lender; *provided that* each prepayment shall be accompanied by payment of all accrued and unpaid interest to the date of such prepayment. For this Note, "**Business Day**" means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in Vancouver, British Columbia are not open for business.

The Indebtedness hereunder is secured by a security interest in the collateral specified in the security agreement dated on or about the date hereof by and between the Borrower and Lender (the "**Security Agreement**"). In accordance with the terms of an intercreditor agreement entered into between Stone Pine Capital Ltd. and the Lender, and a subordination agreement entered into between Cortland Credit Lending Corporation and the Lender: (i) the Security Agreement and Indebtedness are hereby postponed and subordinated in right of payment to the prior payment in full of any and all Senior Indebtedness, except and to the extent as may be expressly permitted by the terms of such Senior Indebtedness; and (ii) the Security Agreement and the Indebtedness shall rank pari passu with all secured debts owed by the BZAM Ltd. and its subsidiaries, to Stone Pine. For the purposes of this Note, "**Senior Indebtedness**" shall mean all amounts due in connection with indebtedness of the Merged Entity under the amended and restated credit agreement dated September 29, 2021 (as amended) to the Senior Lender and the other lenders party thereto.

If the Borrower fails to pay on demand any amounts due and payable hereunder, and such default remains uncured for five (5) Business Days from written notice of such default, all outstanding obligations payable by the Borrower under this Note shall begin to accrue interest at a rate of 18% per annum (which interest, for clarity, shall constitute Indebtedness) and shall be immediately due and payable, and the Lender may

exercise any right, power or remedy granted to the Lender pursuant to this Note, the Security Agreement, or otherwise available to it by law, either by suit in equity or by action at law, or both.

The books and records of the Lender shall constitute *prima facie* evidence of the amount of principal and interest outstanding under this Note from time to time.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof or a consent thereto; nor shall a single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

The Borrower may not assign this Note or any of its respective rights or obligations under this Note without the prior written consent of the other Lender, which consent may be withheld in the sole discretion of such party. The Lender may assign this Note or any rights and obligations under this Note at its sole discretion. Any such assignment of this Note must be made in accordance with applicable securities laws.

The Borrower acknowledges that the security granted pursuant to the Security Agreement secures all Indebtedness evidenced by this Note.

This Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

This Note and any amendments, waivers, consents, acknowledgements or supplements may be executed in number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Counterparts may be executed in original or facsimile form or similar method of electronic transmission. Upon the request of the Lender, the Borrower shall deliver, or cause to be delivered, a manually executed, original counterpart of any electronic signature to this Note or any other documents reasonably requested by the Lender in connection herewith.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

FINAL BELL CANADA INC.

By: _____

Name:

Title:

AGREED TO AND ACCEPTED as of the above original issue date of this Note.

14TH ROUND INC.

By: _____

Name:

Title:

GUARANTEE AGREEMENT

The undersigned hereby declares that it has read the promissory note between Final Bell Canada Inc. (the "**Borrower**") and 14th Round Inc. (the "**Lender**") dated as of ●, 2023 (the "**Note**"), and agrees that it is liable for, and, as a primary obligor and not merely as surety, absolutely, unconditionally and irrevocably guarantees to the Lender, the prompt payment and performance when due, owing, and so obliged, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, all of the payment obligations of the Borrower under the Note (the "**Obligations**") and all costs and expenses including, without limitation, all court costs and reasonable attorneys' and paralegals' fees and expenses paid or incurred by the Lender in endeavoring to collect or secure performance of all or any part of the Obligations from, or in prosecuting any action against, the Borrower of all or any part of the Obligations (such costs and expenses, together with the Obligations, collectively the "**Guaranteed Obligations**"). This Guarantee is a guarantee of payment, performance and collection. The Guarantor hereby waives any right to require the Lender to sue the Borrower or any other person obligated for all or any part of the Guaranteed Obligations, or otherwise to enforce its payment against the Collateral securing all or any part of the Guaranteed Obligations.

In addition, to the extent that the Borrower is unable to make payments to the Lender as a result of banking or other similar restrictions, the undersigned agrees to make such payments in accordance with the Borrower's payment obligations.

Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Note.

For the purposes of any notice to be sent in accordance with the Note, the undersigned's address shall be:

BZAM Ltd.
19100 Airport Way, Unit 518
Pitt Meadows, British Columbia
V3Y 0E2

Attention: Matt Milich, Chief Executive Officer

BZAM LTD.

Per: _____

Name:

Title:

This is Exhibit "B" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

PROMISSORY NOTE

VANCOUVER, BRITISH COLUMBIA

Cdn. \$8,000,000.00

January 5th, 2024

FOR VALUE RECEIVED, and subject to the terms and conditions set forth in this note (this "**Note**"), Final Bell Canada Inc. (the "**Borrower**"), hereby unconditionally promises to pay to the order of Final Bell Holdings Inc. (the "**Lender**"), in immediately available funds, at 7720 Airport Business Park Way, Van Nuys, California, 91406, United States of America or such other location as the Lender shall designate in writing, eight million dollars (\$8,000,000.00) (the "**Principal Amount**"), and to pay interest on the unpaid Principal Amount hereof at the rates and as specified below. Repayment shall be made in lawful currency of the United States, at the daily exchange rate published by the Bank of Canada applicable to any payment date. The Borrower and the Lender acknowledge that the Borrower has made a payment equal to \$525,559, in connection with amounts owing under this Note.

The aggregate advanced and unpaid Principal Amount of this Note, together with all accrued and unpaid interest thereon, shall mature on June 15, 2027 (the "**Maturity Date**").

The Borrower agrees to pay interest to the Lender on the advanced and unpaid Principal Amount of this Note from (a) the date of the advance through to March 31, 2025, at a rate per annum equal to zero percent (0.0%) per annum; and (b) April 1, 2025 through to the Maturity Date, at a rate per annum equal to ten percent (10.0%) per annum (plus any additional interest as provided for in par. (c) below), such interest to be calculated monthly in arrears and payable on the 15th day of each subsequent calendar month. The advanced and unpaid Principal Amount, together with all interest accrued and unpaid thereon are hereinafter referred to as the "**Indebtedness**".

The Principal Amount of this Note shall be paid, together with interest, on the 15th day of each month, commencing January 15, 2024, as follows:

- (a) From January 1, 2024 to June 30, 2024, \$1,000,000 of the Principal Amount shall be paid in monthly installments in accordance with the payment schedule provided at Exhibit A; and
- (b) From July 1, 2024 and ending on the Maturity Date, the remaining \$7,000,000 of the Principal Amount shall be paid in equal monthly installments of \$194,444.44, with blended payments of principal and interest, in the same amount, commencing with the payment due on April 15, 2025, provided that with respect to payments made pursuant to this par. (b):
 - (i) in the event that positive Quarterly Operating Cashflow (as hereinafter defined) of the Borrower is insufficient to pay such monthly installments in the amount set forth in par. (b) from July 2024 through to March 2025, the Principal Amount shall not be payable until such time as positive Quarterly Operating Cashflow of the Borrower is sufficient to pay monthly installments in the amount set forth in par. (b), in which case the Borrower will make a balloon payment on the Maturity Date for the balance of the Principal Amount outstanding at such time plus all accrued unpaid interest; and
 - (ii) in the event that positive Quarterly Operating Cashflow of the Borrower remains insufficient to pay such monthly installments in the amount set forth in par. (b) from April 2025 through to the Maturity Date, no such monthly payment shall be payable until such time as positive Quarterly Operating Cashflow of the Borrower is sufficient to pay monthly installments in the amount set forth in par. (b), in which case the Borrower will make a balloon payment on the Maturity Date for the balance of the Principal Amount outstanding at such time plus all accrued unpaid interest; and

Notwithstanding subpar. (i) and subpar. (ii) above, the Borrower shall make, and the Lender shall be entitled to receive, the Minimum 2024 Payment (as hereinafter defined) as payment of principal and interest, as applicable, towards the Note.

- (c) From April 1, 2025, to the extent that a required monthly payment referred to in par. (b) is not paid, the unpaid balance of such monthly payment (each, a "**Balance**") shall immediately accrue interest at a rate of 18% per annum in respect of any such unpaid Balance. Monthly installments may be adjusted such that the outstanding Principal Amount at such time shall be payable in equal monthly installments (or otherwise) through to and including the Maturity Date, as may be agreed to by the Lender and the Borrower.

The following terms shall have the following meanings for the purposes of this Note:

1. "**Minimum 2024 Payment**" means an amount equal to \$79,167, plus interest in accordance with the terms of this Note, payable on a monthly basis.
2. "**Quarterly Operating Cashflow**" shall be defined as: (i) the Borrower's net income; *plus* (ii) depreciation and amortization; *minus* (iii) net working capital and adjustments (to add back all non-cash items and all non-recurring, one-time expenses); and *minus* (iv) all capital expenditures, in each case without duplication, as set forth in the most recently completed quarterly financial statements of the Borrower.

The Borrower agrees to provide the Lender with (i) annual financial statements of the Borrower prepared in accordance with IFRS as prepared to support the audited financial statements of the Borrower's parent, BZAM Ltd. ("**BZAM**") as soon as available, but in any event within 120 days after the end of each fiscal year the Borrower, and (ii) quarterly interim financial statements of the Borrower prepared in accordance with IFRS as prepared to support the unaudited interim financial statements of BZAM as soon as available, but in any event within 60 days after the end of each fiscal quarter, all in reasonable detail, fairly presenting in all material respects the financial position and results of operations of Borrower in order to determine Quarterly Operating Cashflow (for clarity, such financial statements shall at minimum include an income statement, balance sheet and cashflow statement, together with an adjusted EBITDA calculation consistently prepared in accordance with the methodologies utilized in BZAM's publicly filed MD&A).

The Borrower may prepay the Principal Amount of this Note in whole or in part at any time or from time to time without premium or penalty by giving three (3) Business Days' notice to the Lender; *provided that* each prepayment shall be accompanied by payment of all accrued and unpaid interest to the date of such prepayment. For this Note, "**Business Day**" means a day other than a Saturday, a Sunday, or any other day on which the principal chartered banks located in Vancouver, British Columbia are not open for business.

If the Borrower fails to pay any amounts due and payable hereunder, and such default remains uncured for thirty (30) days from written notice of such default (the "**Cure Period**"), all outstanding obligations payable by the Borrower under this Note shall begin to accrue interest at a rate of 18% per annum (which interest, for clarity, shall constitute Indebtedness) and shall be immediately due and payable, and the Lender may exercise any right, power or remedy granted to the Lender pursuant to this Note or otherwise available to it by law, either by suit in equity or by action at law, or both.

The books and records of the Lender shall constitute *prima facie* evidence of the amount of principal and interest outstanding under this Note from time to time.

The Borrower hereby waives demand and presentment for payment, notice of non-payment, protest and notice of protest of this Note. No failure on the part of the Lender to exercise, and no delay in exercising, any right, power or privilege hereunder shall operate as a waiver thereof or a consent thereto; nor shall a single or partial exercise of any such right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. All payments under this Note shall be made without offset, counterclaim or deduction of any kind.

The Borrower may not assign this Note or any of its respective rights or obligations under this Note without the prior written consent of the Lender, which consent may be withheld in the sole discretion of such party. The Lender may assign this Note or any rights and obligations under this Note at its sole discretion. Any such assignment of this Note must be made in accordance with applicable securities laws.

All notices under this Note must be in writing and addressed to the other party at its address set forth below (or to any other address that the receiving party has designated). Unless otherwise agreed herein, all notices must be delivered by overnight courier or electronic mail. Notice will be deemed given upon the first to occur of (i) the day of confirmation of delivery by the courier; or (ii) the day of confirmed electronic transmission to the addressee of the notice if sent during regular business hours, or the following business day if sent after regular business hours:

To the Borrower: Final Bell Canada Inc.

Canada
Attn: Chief Executive Officer
Email:

With a copy to:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2

Attention: Bruce Sherk
Telephone: (416) 407-4440
Email: bsherk@cortlandcredit.ca

To the Lender: Final Bell Holdings Inc.
7720 Airport Business Park Way
Van Nuys, California, 91406
USA
Attn: Chief Executive Officer
Email: ir@finalbell.com

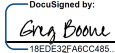
This Note shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

This Note and any amendments, waivers, consents, acknowledgements or supplements may be executed in number of counterparts and by different parties hereto in separate counterparts, each of which, when so executed and delivered, shall be deemed an original, but all of which counterparts together shall constitute but one agreement. Counterparts may be executed in original or facsimile form or similar method of electronic transmission. Upon the request of the Lender, the Borrower shall deliver, or cause to be delivered, a manually executed, original counterpart of any electronic signature to this Note or any other documents reasonably requested by the Lender in connection herewith.

[Remainder of page intentionally left blank.]

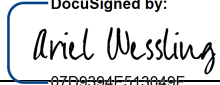
IN WITNESS WHEREOF, the undersigned has executed this Note as of the date first written above.

FINAL BELL CANADA INC.

By: 
Name: Greg Boone
Title: President

AGREED TO AND ACCEPTED as of the above original issue date of this Note.

FINAL BELL HOLDINGS INC.

By: 
Name: Ariel wessling
Title: VP of Finance


By: 
Name: Jordan Gielchinsky
Title: President

Exhibit "A"

Due Date	Amount
15-Jan-24	\$79,167
15-Feb-24	\$79,167
15-Mar-24	\$ 79,167
15-Apr-24	\$79,167
15-May-24	\$79,167
15-Jun-24	\$79,167
	\$1,000,000

* Amounts have been adjusted in respect of pre-payments in the amount of \$525,559 as accepted by the Lender.

This is Exhibit "C" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

CREDIT AGREEMENT

Dated as of March 31, 2020

Among:

Cortland Credit Lending Corporation,
in its capacity as administrative agent
for the Lenders (as defined herein)
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2 (the “**Agent**”)

And:

The Green Organic Dutchman Ltd.
Building A, Suite 301 6205 Airport Road
Mississauga, Ontario L4V 1E3 (the “**Borrower**”)

And:

Those lenders from time to time party hereto in accordance with Section 29 (collectively, the “**Lenders**”, and each a “**Lender**”).

AND WHEREAS the Lenders wish to establish a revolving credit facility the Revolving Facility, to provide funding to the Borrower for the purposes more specifically set out in Section 1(c).

AND WHEREAS terms used and not otherwise defined have the meanings given to such terms in **Schedule “C”** attached hereto.

IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Funding Commitment.**

- (a) Subject to the satisfaction of the terms and conditions set out in this Agreement, the Agent, on behalf of the Lenders, hereby agrees to provide the Borrower with the Revolving Facility, by way of Loan Advances, provided that the aggregate amount of Loan Advances outstanding at any time shall not exceed the Revolving Facility Limit.
- (b) Notwithstanding anything contained herein, if by 5:00 p.m. (Toronto time) on May 29, 2020 either (i) the Borrower has not satisfied the conditions precedent to the initial Loan Advance, or (ii) despite having satisfied such conditions precedent, the Borrower does not request such initial Loan Advance, then the Agent may, in its sole discretion, terminate the Revolving Facility, provided that upon such termination the Commitment Fee shall be immediately due and payable by the Borrower, except in the case where the Lender does not make the initial Loan

Advance solely because either or both of the Cortland Conditions have not been satisfied or waived.

- (c) The Borrower acknowledges and agrees that the proceeds of the Revolving Facility will be used to finance the working capital requirements of the Obligors, including the payment of the Outstanding Payables, and other ordinary course payables of the Obligors, and including fees and expenses relating to the transactions contemplated by this Agreement.

2. **Agent Compensation.** In consideration of making the Revolving Facility available to the Borrower, the Agent shall be entitled to the following fees or reimbursement of the following costs (which fees and costs shall be in addition to any other amounts payable to the Agent and/or Lenders hereunder, including interest):

- (a) A financing review work fee equal to Three Hundred Thousand Dollars (\$300,000), inclusive of HST (the “**Work Fee**”), which was paid to the Agent on March 18, 2020, provided that:
- (i) fifty percent (50%) of the Work Fee shall be credited against the Commitment Fee (as defined below) if the initial Loan Advance is made; and
 - (ii) the Work Fee shall only be refunded to the Borrower if the Agent elects to not make the initial Loan Advance solely because the Cortland Conditions have not been satisfied or waived.
- (b) A commitment fee equal to One Million Dollars (\$1,000,000) (the “**Commitment Fee**”), which fee, subject to Section 2(a), together with the Warrants (as defined in Section 2(e)) shall be earned on the date hereof, provided that:
- (i) the Commitment Fee shall be payable on the earlier of (1) the date of the initial Loan Advance, and (2) May 29, 2020, provided that if on May 29, 2020, the initial Loan Advance is not made by the Lenders solely because the Cortland Conditions have not been satisfied or waived, the Commitment Fee will not be payable until the date of the initial Loan Advance; and
 - (ii) the Warrants shall be issued on the earlier of (1) the date of the initial Loan Advance, and (2) May 29, 2020, provided that if on May 29, 2020, the initial Loan Advance is not made by the Lenders solely because the Cortland Conditions have not been satisfied or waived, the Warrants will not be issued until the date of the initial Loan Advance.
- (c) Any documented out-of-pocket expenses incurred in connection with (i) the Agent’s due diligence, and (ii) the monitoring of the Revolving Facility while the Revolving Facility is made available to the Borrower, shall be payable upon demand.
- (d) A utilization fee, calculated daily and payable on the last Business Day of each month, by subtracting the aggregate amount of the Loan Advances outstanding on each day, from the sum of \$30,000,000 and multiplying the difference by the Utilization Fee Rate.
- (e) Subject to the approval of the Toronto Stock Exchange and the provisions of this Agreement, as of the date of this Agreement the Agent shall be entitled to receive, on behalf of the Lenders, warrants to purchase Three Million (3,000,000) freely tradeable common shares (the “**Warrant Shares**”) of Holdings (such Warrant Shares together with all documents, instruments and

certificates given in connection therewith, the “**Warrants**”), at a twenty-five percent (25%) premium to the five (5) day volume weighted average trading price of the common shares of Holdings on the Toronto Stock Exchange ending on the trading day immediately prior to the date of this Agreement, for a period of thirty-six (36) months following the date of issuance.

3. **Loan Advances.**

- (a) Subject to satisfaction of the terms and conditions set out in this Agreement, the Agent shall, from time to time, upon request of the Borrower made in accordance with the terms and conditions of this Agreement, make one or more Loan Advances available to the Borrower provided that the aggregate principal amount of such Loan Advances does not exceed, at any given time, the Revolving Facility Limit at such time. If at any time the aggregate principal amount of all Loan Advances outstanding (collectively, the “**Total Exposure**”) exceeds the Revolving Facility Limit at such time, then the Borrower will promptly repay such Loan Advances in cash by an amount required to reduce the Total Exposure to an amount less than or equal to the Revolving Facility Limit.
- (b) Each Loan Advance will bear interest at the Interest Rate, which interest will be due and payable in cash on the last Business Day of each month.
- (c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit.
- (d) The Collection Account will be swept daily as provided for in Section 8 (w).
- (e) Interest owing on the Loan Advances shall be calculated daily and not in advance on the basis of the then current calendar year of three-hundred and sixty-five (365) or three-hundred and sixty-six (366) days for the actual number of days elapsed, and in the case of a leap year, the annual interest rate corresponding to the interest calculated on a three-hundred and sixty-five (365) day year is equal to the interest rate thus calculated multiplied by three-hundred and sixty-six (366) and divided by three-hundred and sixty-five (365). Any amount of principal, interest, commission, discount or of any other nature remaining unpaid at maturity shall bear interest at the Interest Rate. Interest on all overdue interest calculated as aforesaid and compounded monthly at the aforesaid rate from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement. The Borrower acknowledges and agrees that for the purposes of the *Interest Act* (Canada), the information provided to it hereunder with respect to the calculation of interest hereunder or under any other Transaction Document shall constitute an express statement of the yearly rate or percentage of interest to which such interest rate (including the Interest Rate) or percentage is equivalent. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Transaction Document, that the interest payable under this Agreement (including the Interest Rate) or any other Transaction Document and the calculation thereof has not been adequately disclosed to

the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law.

- (f) Where the rate of interest payable under any Loan Advance is found by a competent court of law, governmental agency or other tribunal to exceed the maximum rate of interest permitted by the laws of any applicable jurisdiction or the rules or regulations of any appropriate regulatory authority, then during the time that the rate of interest would exceed the permissible limit, that portion of each interest payment attributable to the portion of the interest rate that exceeds the permissible limit shall be deemed to be a voluntary prepayment of principal.
- (g) The Agent's books and records relating to the Loan Advances and any related interest shall be *prima facie* evidence of same, absent manifest error.

4. **Conditions Precedent to the Initial Advance.** The obligation of the Lenders to make the initial Loan Advance will be subject to receipt by the Agent of the following, each in a form satisfactory to the Agent, and/or satisfaction of the following, unless waived by the Agent on terms satisfactory to the Agent:

- (a) an executed copy of an Advance Request Certificate and a Borrowing Base Certificate shall have been received not less than 1 Business Day before the date of the proposed Loan Advance;
- (b) an executed copy of a Guarantee delivered by each of the Obligor (other than the Borrower);
- (c) an executed copy of each of the Security Agreements, other than the Vendor Subordination Agreements;
- (d) approval from the Toronto Stock Exchange with respect to issuance of the Warrants, together with executed copies of the Warrants and a customary opinion covering securities matters related to such Warrants;
- (e) the Agent being added (i) as an additional insured to each commercial general liability insurance policy maintained by an Obligor and (ii) as a mortgagee and loss payee to each property and business insurance policy maintained by an Obligor, and the Agent receiving certificates of insurance for all such insurance policies, with such additional insured and second loss payee endorsements, together with copies of the applicable policies;
- (f) receipt by the Agent of all information necessary for the Agent to comply with its legal and internal requirements in respect of applicable money-laundering legislation, proceeds of crime legislation and "know your customer" requirements;
- (g) completion of and satisfaction with all necessary financial, insurance and legal due diligence (including the Agent's satisfaction with the nature and scope of any Liens affecting the Obligor);
- (h) a corporate organizational chart for the Obligor;
- (i) a certificate of a senior officer of each Obligor to which are appended: (i) copies of the articles of incorporation, certificate of formation and by-laws or constitution (if applicable), operating agreement or shareholder agreement governing the affairs of each Obligor (if applicable), (ii) an

incumbency certificate setting out the names and offices of all directors and officers of each Obligor, together with specimen signatures of same, and (iii) certified copies of the resolutions of the shareholders or directors of each Obligor authorizing the execution, delivery and performance of the Transaction Documents to which each is a party and the transactions contemplated thereby, and the granting of security;

- (j) opinions regarding corporate status of each Obligor, the due authorization, execution and delivery of the Transaction Documents to which such Obligor is a party, all registrations in respect of such security, the results of all applicable searches, and the enforceability of such Transaction Documents; all such opinions to be in form and substance satisfactory to the Agent;
- (k) the Agent shall have received a title insurance policy in respect of the real properties owned by the Obligors (provided that such title insurance policies shall only be required if the Agent can be added to any existing policies in favour of Maynbridge Capital Inc. in a commercially reasonable manner);
- (l) establishment of the Collections Account;
- (m) all representations and warranties provided for in the Transaction Documents being true, accurate and complete, in all material respects, as of the date of such Loan Advance;
- (n) evidence that all security given to the Agent is registered and perfected in all such jurisdictions satisfactory to the Agent in order to provide the Agent with a first-ranking security interest (subject only to Permitted Encumbrances) in the Collateral;
- (o) a fully executed copy of the Maynbridge Intercreditor Agreement;
- (p) no Default or Event of Default (as such terms are defined in the Maynbridge Intercreditor Agreement) shall have occurred as of the date of such Loan Advance; and
- (q) such other conditions and/or documents or instruments as the Agent may reasonably require

The conditions set forth in paragraphs (g) and (q) above are referred to herein as the “**Cortland Conditions**”).

5. **Conditions Precedent to Subsequent Loan Advances.** The obligation of the Lenders to make any Loan Advance (subsequent to the initial Loan Advance) will be subject to receipt by the Agent of the following, each in a form satisfactory to the Agent, and/or satisfaction of the following, in each case, without duplication, unless waived by the Agent on terms satisfactory to the Agent:

- (a) an executed Advance Request Certificate and a Borrowing Base Certificate shall have been received not less than 1 Business Day before the date of the proposed Loan Advance;
- (b) all representations and warranties provided for in the Transaction Documents being true, accurate and complete, in all material respects, as of the date of such Loan Advance, except to the extent specified to be made as of a specific date; and
- (c) no Default or Event of Default (as such terms are defined in the Maynbridge Intercreditor

Agreement) shall have occurred as of the date of such Loan Advance.

6. **Representations and Warranties.** The Borrower, on behalf of itself and each other Obligor, represents and warrants to the Agent as follows:

- (a) **Status.** It has been duly organized and is a valid and subsisting legal entity in good standing under the laws of its jurisdiction of formation and has full capacity and power to carry on its business as the same is presently conducted and, to own and lease property.
- (b) **Power and Authority.** It has the power and is duly authorized to enter into, execute, deliver and perform its obligations under this Agreement and each other Transaction Document to which it is a party, and it has the power and is duly authorized to borrow as herein contemplated and to provide the security interests herein contemplated.
- (c) **Ownership of Assets.** It owns, leases or has rights in all assets required in order to carry on its businesses as presently conducted. All such assets are owned by it free and clear of all Liens other than Permitted Encumbrances.
- (d) **Compliance with Laws** – It is in compliance in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws).
- (e) **Litigation, Judgments and Executions.** There are no actions, suits or proceedings pending, or to the knowledge of it threatened, against it in any court or before or by any federal, provincial, municipal or other Governmental Authority, except: (i) the litigation disclosed in **Schedule “D”** attached hereto; and (ii) other litigation in which all amounts claimed against the Obligors do not in the aggregate exceed Fifty Thousand Dollars (\$50,000). There are no judgments or executions against it.
- (f) **Environmental Laws.** Except to the extent disclosed in **Schedule “E”** attached hereto:
 - (i) each Obligor and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all Requirements of Environmental Law, specifically including all Requirements of Environmental Law concerning the storage and handling of Hazardous Materials;
 - (ii) each Obligor holds all material permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials and all other Requirements of Environmental Law;
 - (iii) there has been no material emission, spill, release, or discharge into or upon the air, soils (or any improvements located thereon), surface water or groundwater or the sewer, septic system or waste treatment, storage or disposal system servicing any premises, of any Hazardous Materials at or from any of the properties owned or leased by any of the Obligors;

- (iv) no material written complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person has been received by any Obligor with respect to any of the properties owned or leased by any of the Obligors in respect of air emissions, spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing any of the properties owned or leased by any of the Obligors, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation, or disposal of Hazardous Materials or other Requirements of Environmental Law affecting any of the properties owned or leased by any of the Obligors;
- (v) there are no material legal or administrative proceedings, investigations or claims now pending, or to the Borrower's knowledge, threatened in writing, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into or upon any of the properties owned or leased by any of the Obligors, the atmosphere, or any watercourse or body of water, of any Hazardous Material; nor are there any material matters under discussion between any Obligor and any Governmental Authority relating thereto; and there is no factual basis for any such proceedings, investigations or claims; and
- (vi) the Obligors have no material indebtedness, obligation or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials, including without limitation any such indebtedness, obligation, or liability under any Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal.
- (g) Bankruptcy Events. No Bankruptcy Event has been initiated by it or occurred in respect of it, and no Bankruptcy Event has been threatened against it.
- (h) Anti-Terrorism and Corruption Laws. It has conducted its business in compliance with Anti-Terrorism and Corruption Laws and has instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws.
- (i) Subsidiaries. As of the date hereof, the only Subsidiaries it has are listed in **Schedule "F"** attached hereto.
- (j) Corporate Information. **Schedule "F"** attached hereto contains a true and complete list as of the date hereof of the following information in respect of each Obligor: all prior names and predecessor corporations, jurisdiction of incorporation, registered office and chief executive office, principal place of business, all locations at which it has places of business or owns assets, the number and classes of its issued and outstanding shares, except in the case of Holdings, a list of all shareholders including the number and class of shares held by each and a list of all of its subsidiaries.
- (k) Solvency. It is Solvent.
- (l) No Pending Corporate Changes. Except as disclosed on **Schedule "G"** attached hereto, or in the

public filings of Holdings, as of the date hereof, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any properties or assets of any Obligor out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or equity securities of any Obligor.

- (m) Material Agreements and Material Permits. Its Material Agreements and Material Permits are listed in **Schedule "H"** attached hereto (as such Schedule may be updated from time to time to reflect any Material Agreements or Material Permits entered into or obtained in compliance with the terms hereof) and true, correct and complete copies of each have been delivered to the Agent. Each such Material Agreement and Material Permit is in good standing, in full force and effect and there are no defaults thereunder, except to the extent any such Material Agreement has terminated as scheduled in the ordinary course in accordance with its terms.
- (n) No Conflicts under Material Agreements or Material Permits. The execution and delivery by each Obligor of those Transaction Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit to which it is a party.
- (o) Owned Real Properties. Its real property interests as of the date hereof, both owned and leased, are listed in **Schedule "I"** attached hereto.
- (p) No Guarantees. It has not granted any Guarantees, other than Permitted Guarantees.
- (q) Statutory Liens. It has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax and employment insurance), goods and services tax and all other amounts, which if not paid when due could result in the creation of a statutory lien against any of its property.
- (r) No Default or Event of Default. No Default or Event of Default has occurred and is continuing.
- (s) Financial Statements and No Material Change. The financial statements of the each Obligor that have been made available to the Agent have been prepared in accordance with GAAP, and fairly present the financial position and results of operations of such Obligor for the dates or periods reported on thereby subject, in relation to any unaudited financial statements, any year-end adjustments. From the date of the last audited financial statements made available to the Agent, there has been no event which would reasonably be expected to result in a Material Adverse Change.
- (t) Related Party Transactions. Except as (A) disclosed in the financial statements or other public disclosure of the Obligors or (B) as permitted by this Agreement, no Obligor: (i) is a creditor under a loan or otherwise committed to make any payment or loan to, or borrowed any moneys from or otherwise been indebted to, any related party thereof (other than another Obligor); or (ii) been a party to any contract with any related party thereof, other than independent contractor or indemnification agreements entered into with officers or directors. Any transactions between an Obligor and a related party (other than another Obligor) has been

completed on reasonable commercial terms that, considered as a whole, are not in any material respect less advantageous to such Obligor, than if the transaction was with a Person dealing at arm's length with such Obligor, as the case may be.

- (u) U.S. Cannabis. It has no direct, indirect or ancillary interest in any "marijuana-related activity" in the United States as defined in Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana Activities* of the Canadian Securities Administrators.
- (v) Internal Controls. It has established and maintains a system of internal controls over financial reporting that is designed to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with GAAP, and includes policies and procedures that: (i) pertain to the maintenance of records that accurately and fairly reflect the material transactions, acquisitions and dispositions of the property and assets of it; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that material receipts and expenditures of it are made only in accordance with authorizations of management its directors; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of its property or assets that could have a material adverse effect on its financial statements.
- (w) Full Disclosure. All information (including, without limitation, financial information and financial statements) furnished by or in respect of the Obligors to the Agent for the purposes of or in connection with this Agreement and each of the other Transaction Documents was true and correct in all material respects as at the date such information is stated to have been given, and is not incomplete by omitting to state any material fact necessary to make the statements contained in such information not misleading in any material respect in light of the circumstances under which the statements contained in such information were made.
- (x) Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Warrants and the Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Warrants, will, when issued, represent a valid, legal and binding obligation of the Company enforceable in accordance with its terms.
- (y) Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants, it will cause the Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
- (z) Actions to Issue Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.

- (aa) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (bb) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Warrants) and to have the Warrant Shares issued pursuant to the exercise of the Warrants listed and posted for trading on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Warrants) as expeditiously as possible.
- (cc) Issuance of Warrant Shares. That Holdings has agreed that upon exercise of the Warrants, the Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.

7. Reporting Covenants.

- (a) The Borrower will provide to the Agent the following financial information:
 - (i) quarterly consolidated financial statements, within forty-five (45) days of each fiscal quarter of the Borrower;
 - (ii) copies of management updates, budgets and other related reports on the operational results of the Obligors which have been provided to the board of directors of the Borrower at such directors' regular board meetings and all such other financial information relating to the foregoing as the Agent reasonably requires to assess the liquidity of the Obligors and the Obligors' performance against such budgets;
 - (iii) a quarterly business review on such terms, and such basis, as is required by the Agent, such to determine the status of business as it relates to the Obligors, and in particular compliance with the terms of this Agreement;
 - (iv) annual audited consolidated financial statements within ninety (90) days of the end of each fiscal year of the Borrower;
 - (v) on a monthly basis, within twenty (20) days of the end of each calendar month:
 - 1. unconsolidated financial statements of each Obligor;
 - 2. unconsolidated general and ledger trial balance for each Obligor;
 - 3. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;
 - 4. an accounts payable summary for each creditor of the Obligors, aged by invoice date;
 - 5. bank reconciliations, including for greater certainty, bank statements and a complete listing of outstanding cheques;

- 6. confirmation of payment of all taxes owing by any Obligor; and
- (vi) on a weekly basis, on Friday of each week (as of Thursday of such week);
 - 1. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;
 - 2. an accounts payable summary for each creditor of the Obligors, aged by invoice date; and
- (vii) any additional financial and reporting information as the Agent may reasonably request from time to time, in its sole discretion.

8. **Covenants.** The Borrower, on behalf of itself and each other Obligor, covenants and agrees with the Agent that it:

- (a) will pay all interest, principal, fees and other amounts due under the terms of this Agreement and any other Transaction Document to which it is a party;
- (b) will satisfy, in all material respects, all the terms and conditions of this Agreement and any other Transaction Document to which it is a party;
- (c) will immediately advise the Agent of any Default or Event of Default (as such terms are defined in the Maynbridge Intercreditor Agreement);
- (d) will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all taxes (including interest and penalties) and Potential Priority Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
- (e) it will comply in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws). and use the proceeds of all Loan Advances hereunder for legal and proper purposes; and without limiting the generality of the foregoing the Borrower shall and shall cause each other Obligor to:
 - (i) engage in Cannabis-Related Activities only to the extent that such Cannabis-Related Activities are (A) in an Approved Jurisdiction, and (B) in compliance with all Applicable Laws in such Approved Jurisdiction (including, without limitation on a federal, state, provincial, territorial and municipal basis);
 - (ii) ensure that all activities of the Obligors relating to the cultivation, production and processing of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions; and
 - (iii) ensure that all activities of the Obligors relating to the sale of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions or between entities licensed by Governmental Authorities in Approved Jurisdictions.

- (f) will: (i) immediately, with respect to Material Agreements and/or Material Permit; and (ii) promptly, and in any event within three Business Days, notify the Agent of any material action requests or material violation notices received by it from any Person (including, without limitation, from any Governmental Authority) concerning it (including, without limitation, any notices or requests in connection with the protection or preservation of the environment) and hold the Agent and the Lenders harmless from and against any losses, costs or expenses which the Agent or any Lender may suffer in connection therewith;
- (g) will promptly advise the Agent of any Material Adverse Change;
- (h) will keep its assets (including, without limitation, the Collateral) fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default that is continuing, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, (i) to visit and inspect any Obligor's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and (ii) to discuss the Obligors' affairs with the auditors of the Obligors (in the presence of the Obligors' representatives as it may designate); the Obligors hereby authorize and direct any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent;
- (j) except for Permitted Encumbrances, will not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its:
 - (i) accounts receivables; or
 - (ii) other than accounts receivables, properties or assets (excluding obsolete or otherwise superfluous assets) other than (i) in the ordinary course of business and on commercially reasonable terms, or (ii) to another Obligor, (iii) to the extent the proceeds of such sale are promptly reinvested in assets useful to the business of the Obligors, or (iv) if such disposition would not materially impact the operation, business or financial condition of any Obligor and Maynbridge Capital Inc. has consented to such disposition.
- (l) will not, without the prior written consent of the Agent, provide any Guarantees (other than Permitted Guarantees);
- (m) will not, without first obtaining the prior written consent of the Agent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person and it will cause any such resulting Person to become an Obligor hereunder and to grant such security and enter into such Transaction Documents and other agreements as the Agent may require,

provided that (i) upon 10 days' prior written notice to the Agent any Obligor may merge, amalgamate or wind-up with or into another Obligor, and (ii) concurrently with such merger, amalgamation or winding-up the Borrower shall provide, or cause to be provided to the Agent all additional or replacement Security Agreements as the Agent may reasonably require in connection therewith;

- (n) will not pay any dividends, other corporate distributions, or any interest or principal on subordinated debt other than (i) to another Obligor, (ii) in respect to Permitted Indebtedness, or (iii) with the prior written consent of the Agent;
- (o) will not acquire or move any material Collateral or change its chief executive office or principal place of business to any jurisdiction outside of the jurisdiction of each such respective Obligor listed in **Schedule "C"** attached hereto without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;
- (p) will not incur additional indebtedness other than Permitted Indebtedness;
- (q) will not enter into any swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other derivative transactions for investment or speculative purposes (for greater certainty, the entering into of any such swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other transactions for protection against fluctuation in currency or interest rates or commodity prices is permitted);
- (r) will not, without the prior written consent of the Agent, make, cause or permit any amendment to any Material Agreement if the effect of such amendment would be reasonably likely to result in a Default or Event of Default;
- (s) will provide written notice to the Agent of each of the following promptly after the occurrence thereof:
 - (i) all proposed amendments to Material Agreements and Material Permits;
 - (ii) all correspondence and notices received from any Governmental Authority or stock exchange with respect to any Material Agreement, Material Permit or any regulatory or other investigations into the Obligors' business practices which could have a material and negative effect on any of the Obligors or their business, or any of the Obligors' ability to repay the obligations owing under this Agreement or would be likely to result in a Default;
 - (iii) any changes in the identity of Responsible Persons, which materially effect the Obligors together with satisfactory evidence of security clearances for such Responsible Persons under the Cannabis Act or the Cannabis Regulations; and any rejection notice for new or renewal security clearance applications for each Responsible Person;
- (t) will conduct its business in compliance with Anti-Terrorism and Corruption Laws and institute

and maintain policies and procedures designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws;

- (u) will (i) where an Account Debtor makes a payment in the form of a cheque, deposit such cheque into the Collections Account, (ii) where an Account Debtor makes a payment by electronic funds transfer, direct such Account Debtor to make such transfer to the Collections Account;
- (v) will not (i) amend, vary or terminate the Collections Account or the Blocked Account Agreement, and (ii) amend, modify or otherwise change any banking instructions provided to the financial institution maintaining the Collections Account, which would result in the application of any funds from any Account Debtor to an account other than the Collections Account;
- (w) the Borrower shall sweep the Collections Account at the end of each day and use such funds to repay all or any portion of the Loan Advances under the Revolving Facility outstanding at such time;
- (x) will grant the Agent and the Lenders and Maynbridge Capital Inc. the first right of refusal to provide any debtor in possession financing during any applicable Bankruptcy Event, as provided for in the Maynbridge Intercreditor Agreement;
- (y) not amend, supplement (in a way that is detrimental to the Lender), terminate, abandon, allow to expire or fail to renew any Material Permits, or permit any other Person to use, become party to or otherwise have an interest in, any Material Permits, or take any action in furtherance of, or fail to take any action, which failure could be reasonably expected to result in, any of the foregoing;
- (z) not enter into any transaction with any Affiliate, other than the another Obligor, except on terms no less favourable than could be obtained in an arm's-length transaction;
- (aa) change in any material respect the nature of its business or operations, nor engage directly or indirectly in any material business activity, or purchase or otherwise acquire any material property, in either case, not related to or in furtherance of the conduct of the business as presently conducted by it;
- (bb) obtain, and cause Holdings to obtain, conditional approval of the Toronto Stock Exchange to the issue of the Warrants as soon as possible and in any event prior to the earlier of the date of the initial Loan Advance and May 29, 2020 and use its commercially reasonable efforts to cause the Warrants to be issued by the dates required hereunder;
- (cc) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants and to issue and deliver the Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (dd) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of

any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;

- (ee) to cause a news release of Holdings announcing this Agreement, the issuance of the Warrants and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing; and
- (ff) to cause Holdings to provide a draft of any other news release related to this Agreement and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release.

9. **Use of Insurance Proceeds.** The parties agree that the proceeds of any insurance policies received by the Agent in connection with insurable events relating to the Collateral shall be applied (subject to the terms of the Maynbridge Intercreditor Agreement) to repay the outstanding fees, interest and principal in respect of the Loan Advances.

10. **Term and Termination.**

- (a) The initial term of the Revolving Facility will be twelve (12) months (the “**Initial Term**”), which term, subject to the continued satisfactory performance of the Obligor’s obligations under this Agreement and the other Transaction Documents, may, with, in each case, with the consent of the Borrower and the Agent, be renewed for up to two (2) additional periods of six (6) months (each, a “**Term Extension**”) (the Initial Term and the Term Extensions are, collectively, the “**Term**”).
- (b) The Agent shall have the right to terminate the Revolving Facility:
 - (i) upon immediate notice, if an Event of Default has occurred and is continuing;
 - (ii) upon immediate notice, if the initial Loan Advance is not made by May 29, 2020;
 - (iii) upon one hundred and eighty (180) days notice, if a material adverse change in market conditions is negatively affecting the liquidity of any Lender; and
 - (iv) upon immediate notice, if the Revolving Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law.
- (c) The Revolving Facility may be terminated upon the mutual agreement of the Agent and the Borrower, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash by the Borrower to the Agent on such date.
- (d) If there is a Bankruptcy Event of the Borrower, then this Agreement shall be forthwith ended and terminated.
- (e) If the Revolving Facility is terminated for any reason, with respect to any outstanding Loan Advances, the Agent shall retain all of its rights and remedies, under the Transaction Documents.

(f) If the Revolving Facility is terminated for any reason, then at the election of the Agent by way of immediate notice to the Borrower, all accrued and/or unpaid interest, all outstanding Loan Advances, and all unpaid fees will be due and payable under this Agreement, and the Borrower will pay such amounts to the Agent forthwith, provided that if such termination is pursuant to Section 10(b) and the sole reason such Loan Advance is not made is that the Cortland Conditions have not been satisfied or waived, the Commitment Fee shall not be payable and the Warrants shall not be issued.

11. **Post-Closing Undertaking.** The Borrower, on behalf of each Obligor, hereby agrees that it shall take (or cause to be taken, as applicable) the following actions within the applicable time periods set out below, and further agrees that any failure of the Borrower to take such actions within such time period shall constitute, at the option of the Agent, an Event of Default:

- (a) if requested by the Agent, cause to be delivered to the Agent, within forty-five (45) days of such request, a landlord agreement in form and substance satisfactory to the Agent with respect to any real property leased by an Obligor, other than office space that is either not material or reasonably fungible;
- (b) subject to Section 2(b)(ii), cause to be delivered to the Agent, or as the Agent shall direct, on or before May 30, 2020, the Warrants; and
- (c) use commercially reasonable efforts to obtain executed copies of the Vendor Subordination Agreements and subordination agreements from Fluence Bioengineering Inc. by June 30, 2020.

12. **Remedies Upon Default.** Upon the occurrence of any Event of Default, the Lender may at its sole option:

- (a) declare, by notice in writing to the Borrower, any or all of the Loan Advances and fees and other obligations owing to the Agent and or the Lenders to be immediately due and payable;
- (b) realize upon all or any part of the Collateral, pursuant to the Security Documents; and
- (c) take such actions and commence such proceedings as may be permitted at law or in equity (whether or not provided for herein or in the Transaction Documents) at such times and in such manner as the Agent in its sole discretion may consider expedient

13. **Accredited Investor Representation.** The Agent represents and warrants to the Borrower and Holdings that it is a an “accredited investor” within the meaning of section 73.3 of the *Securities Act* (Ontario) by virtue of being a person described in the Accredited Investor Certificate (attached as Schedule “L”), and the Agent is delivering with this Agreement a completed and signed Accredited Investor Certificate.

14. **Extended Meanings.** Terms defined in the singular have the same meaning when used in the plural, and vice-versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation”, and the term “includes” shall mean “includes, without limitation”. Any reference herein to the exercise of discretion by the Agent or any Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and

unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

15. **Headings.** The section headings are not to be considered part of this Agreement, are inserted for convenience of reference only, are not intended to be full or accurate descriptions of the content thereof and shall not affect the construction or interpretation of this Agreement.

16. **Currency.** All dollar amounts referred to in this Agreement and all payments to be made hereunder are in Canadian dollars unless agreed to otherwise in writing by the Agent.

17. **Entire Agreement.** This Agreement, including the Schedules hereto, and the Exhibits to such Schedules, and any other agreement required hereunder to be delivered in connection herewith, constitute the entire agreement between the parties as to the subject matter of this Agreement and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

18. **Severability.** In the event that any one or more provisions contained in this Agreement, or any other agreement required hereunder to be delivered in connection herewith, shall be invalid, illegal or unenforceable in any way, the remaining provisions hereof or thereof shall not be affected or impaired thereby unless as a consequence thereof of the rights and benefits granted to the Agent are, in the discretion of the Agent, materially and adversely affected.

19. **Execution.** This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

20. **Electronic Execution of Certain Documents.** The words "delivery", "execution," "signed," "signature," and words of like import in any Transaction Document or any other document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law; provided, that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

21. **Business Day.** If under the provisions of this Agreement any amount is to be paid or any act or thing is to be done or step is to be taken on a day other than a Business Day, then such amount shall be paid or such act or thing or step shall be done or taken on the next succeeding Business Day.

22. **Further Assurance.** The Borrower shall, from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Agent may deem necessary or desirable for the purposes of carrying into effect any or all of the provisions of this Agreement or any documents delivered hereunder or of securing the fulfillment of all the obligations of the Borrower to the Agent hereunder.

23. **Costs, Expenses and Fees.** The Borrower agrees to pay all fees owing to the Agent hereunder and all of the Agent's costs incurred from time to time (including reasonable legal fees and disbursements and reasonable accountant fees and disbursements) in the preparation, negotiation and execution of this Agreement and the other Transaction Documents and all third party costs associated with bringing or attempting to bring this transaction to a close and any costs incurred in the operation or enforcement of this Agreement or any other Transaction Documents. The Agent will provide a summary of such legal fees and disbursements. All costs of insuring the Collateral will be the responsibility of the Borrower. All such costs and expenses shall be payable upon demand. The Agent shall have the right, but not the obligation, to deduct all such costs and expenses and any fees owing to the Agent, from time to time, from the proceeds of any Loan Advance.

24. **GOVERNING LAW.** THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

25. **SUBMISSION TO JURISDICTION.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT OR ANY RELATED PARTY OF THE AGENT IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE PROVINCE OF ONTARIO SITTING IN THE CITY OF TORONTO, THE FEDERAL COURTS OF CANADA SITTING IN THE CITY OF TORONTO, AND ANY APPELLATE COURT FROM ANY THEREOF, (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ONTARIO PROVINCIAL COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

26. **WAIVER OF VENUE.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN SECTION 23. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

27. **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 26. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

28. **Notice.** Any notice to be given by any party hereto to any other party hereto shall be in writing and may be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by facsimile, electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below ("**other communication**") addressed as follows:

(a) to the Borrower:

The Green Organic Dutchman Ltd.
Building A, Suite 301 6205 Airport Road
Mississauga, Ontario L4V 1E3

Attention: Sean Bovingdon
Telephone: (905) 304-4201 (extension 269)
Email: SBovingdon@tgod.ca

(b) to the Agent or a Lender:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2

Attention: Bruce Sherk
Telephone: (416) 407-4440
Email: bsherk@cortlandcredit.ca

If given by registered mail shall be deemed to have been received by the party to whom it was addressed on the date falling four (4) Business Days following the date upon which it has been deposited in the post office with postage and cost of registration prepaid, and if personally delivered to an adult during normal business hours, when so delivered, and if given by other communication, the third (3rd) business hour after transmission and confirmation of receipt. Provided that any of the above-named parties may change the address designated from time to time, by notice in writing to the other party hereto.

29. **Binding Effect.** This Agreement shall be binding upon and shall enure to the benefit of (i) the Agent and the Lenders and their respective successors and assigns, and (ii) the Borrower and its successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation.

30. **Lenders.** The Borrower acknowledges and agrees that the Lenders shall be determined by the Agent from time to time, provided that (i) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (without the consent of the Borrower) that is managed, affiliated with or Controlled by the Agent, (ii) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (with the consent of the Borrower) that is not an entity managed, affiliated with or Controlled by the Agent, and (iii) following the occurrence of an Event of Default a Lender may be any entity designated by the Agent in its sole and unfettered discretion.

31. **General Indemnity.** The Borrower hereby indemnifies and holds harmless the Indemnified Parties from and against any and all claims, damages, losses, costs and expenses, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the Loan Advances, whether or not such investigation, litigation or proceeding is brought by an Obligor, any shareholder or creditor thereof, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such losses and expenses are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's intentional or gross negligence or wilful misconduct or for breach in bad faith of such Indemnified Party's obligations hereunder or under any other Transaction Document, or where such litigation or proceeding is solely between Indemnified Parties. **[NTD: amended to track more closely the CBA model provision language]**

32. **Claims under the Indemnity.** The Indemnified Party claiming indemnification under Section 30 shall give the Borrower prompt notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities.

[Remainder of this page is intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Chief Financial Officer

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Agent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

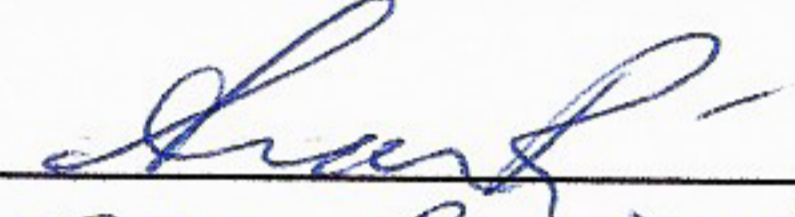
Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:

I/we have the authority to bind the Agent.

SCHEDULE "A"

FORM OF ADVANCE REQUEST CERTIFICATE

ADVANCE REQUEST CERTIFICATE

Pursuant to the provisions of the credit agreement dated March 31, 2020 (as it may be amended, restated, supplemented or otherwise modified from time to time, the "**Credit Agreement**") (terms defined therein being used herein as so defined), between, *inter alia*, The Green Organic Dutchman Ltd. (the "**Borrower**") and Cortland Credit Lending Corporation, as administrative agent (the "**Agent**"), the undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. **Representations and Warranties.** The representations and warranties of the Borrower and the other Obligors set forth in the Credit Agreement, or which are contained in any certificate, document or financial or other written statement furnished pursuant to or in connection with the Credit Agreement, including the other Transaction Documents are accurate and complete in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except to the extent specified in the Credit Agreement or Transaction Documents to be made as of a specific date.

2. **No Material Adverse Change.** Since the date of the latest financial statements of the Borrower provided to the Agent in connection with the Transaction Documents, no Material Adverse Change has occurred.

3. **No Default.** No Default or Event of Default has occurred and is continuing as of the date hereof.

4. **Conditions Precedent.** The conditions precedent to this Loan Advance in accordance with the Credit Agreement have been satisfied.

5. **Loan Advance.** The Borrower hereby requests, authorizes, and instructs the Agent to drawdown and advance under the Revolving Facility the amount of CDN \$ _____ to the Borrower on _____, 2020. This will be the Agent's authority:

a) [●]; and

b) [●].

[Signature Page Follows]

DATED _____, 20____.

THE GREEN ORGANIC DUTCHMAN LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE "B"

FORM OF BORROWING BASE CERTIFICATE

[to follow]

BORROWING BASE CERTIFICATE

Pursuant to the provisions of the credit agreement dated March 31, 2020 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) (terms defined therein being used herein as so defined), between, *inter alia*, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, as administrative agent (the “**Agent**”), the undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. This Borrowing Base Certificate is delivered to you pursuant to **[Section 4(a)] / [Section 5(a)]** of the Credit Agreement.
2. Attached hereto at Exhibit “1” are the calculations required to determine the Revolving Facility Margin Limit in accordance with the relevant definitions as set forth in the Credit Agreement and a detailed list of all Eligible Account Receivables that underlie the items being margined¹.
3. The Borrower hereby represents and warrants that this Borrowing Base Certificate is a correct statement regarding the status of the Revolving Facility Margin Limit, that all assets included in the Revolving Facility Margin Limit calculated above meet all eligibility criteria set out in the Credit Agreement, and that the amounts set forth herein are in compliance with the provisions of the Credit Agreement. The Borrower further represents and warrants that, in relation to calculation of the Revolving Facility Margin Limit there have been no changes to accounting policies, practices and calculation methods from the accounting policies, practices and methods used by the Borrower as at the date of the Credit Agreement.

DATED _____, 20____.

THE GREEN ORGANIC DUTCHMAN LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

¹ Assignments of federal crown debts and certain provincial crown debts (e.g. debts of provincial governmental agencies) require consent. If the receivable is in respect of the federal government of Canada or any of the provinces of Alberta, Manitoba and New Brunswick, consent from those governments must be given in order to have effective assignments (see clause (b) of the definition of “Eligible Account Receivable”).

SCHEDULE "1"

SCHEDULE "C"

DEFINED TERMS

As used in this Agreement and unless otherwise stated herein, the terms set out below shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"**\$**" and "**Dollar**" each mean Canadian dollars.

"**Account Debtor**" means the account debtor in respect of any account receivable of an Obligor arising from a bona fide, fully-completed transaction in the ordinary course of business consisting of either the sale of goods or the provision of services by the Obligor.

"**Advance Rate**" means eighty-five percent (85%).

"**Advance Request Certificate**" means a written notice, in the form attached as **Schedule "A"** attached hereto, pursuant to which the Borrower may request a Loan Advance in an amount not less than \$250,000.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Anti-Terrorism and Corruption Laws**" means any Applicable Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, rules and regulations, all as amended, supplemented or replaced from time to time.

"**Applicable Law**" means, with respect to any Person, all laws, rules, regulations and orders of Governmental Authorities applicable to such Person or any of its properties or assets.

"**Approved Jurisdiction**" means a country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state, provincial, territorial and municipal basis) to undertake any Cannabis-Related Activities provided that in each case (i) such country has been approved in writing by the Agent in its discretion and (ii) if required by the Agent, the ability to undertake Cannabis-Related Activities to the extent permitted by Applicable Law therein is confirmed by a legal opinion provided by the Borrower's counsel in such jurisdiction, in form and substance satisfactory to the Agent. The Agent may in its discretion from time to time (i) upon receipt of a written request by the Borrower, designate any jurisdiction an Approved Jurisdiction provided that the above criteria are satisfied; and (ii) revoke the designation of any jurisdiction as an Approved Jurisdiction by written notice to the Borrower if such criteria are not satisfied.

"**Associate**" has the meaning ascribed thereto in the *Canada Business Corporations Act*.

"**Bankruptcy Event**" means an Involuntary Bankruptcy Event or a Voluntary Bankruptcy Event.

"**Base Facility Amount**" means, (i) from the date hereof to July 1, 2020, \$10,000,000, (ii) from July 1, Credit Agreement
The Green Organic Dutchman Ltd.

2020 to March 31, 2021, an additional \$3,000,000 (provided that Maynbridge Capital Inc. shall have made an advance under the Maynbridge Loan Agreement to an Obligor of at least (a) \$5,000,000 on or before April 30, 2020, and (b) \$5,000,000 on or before July 1, 2020), and (iii) from April 1, 2021, if the Term has been extended, zero.

“Blocked Account Agreement” means an agreement, in form and substance satisfactory to the Agent, in respect of a Collections Account in which, among other things, the financial institution maintaining such account acknowledges and agrees with the Agent and relevant Obligors that the Agent will control all disbursements from such accounts.

“Borrowing Base Certificate” means a written report, in the form attached as **Schedule “B”** attached hereto, pursuant to which the Borrower has, among other things, calculated the Revolving Facility Margin Limit.

“Business Day” means any day other than: (a) a Saturday or Sunday; or (b) a day on which banking institutions in Toronto, Ontario, are authorized or obligated by law or executive order to be closed.

“Cannabis” means:

- (a) any plant or seed, whether live or dead, from any species or subspecies of genus *Cannabis*, including *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, Marijuana and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome;
- (b) any material obtained, extracted, isolated, or purified from the plant or seed or the parts contemplated by clause (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof;
- (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition, including any micro-organism engineered for such purpose;
- (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition;
- (e) any other meaning ascribed to the term “cannabis” under Applicable Law in any Approved Jurisdiction, including the Cannabis Act and the *Controlled Drugs and Substances Act* (Canada); and
- (f) any other meaning ascribed to the term “cannabis” under the *Controlled Substances Act* (United States).

“Cannabis Act” means *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, S.C. 2018, c. 16, as amended from time to time.

“Cannabis Regulations” means Cannabis Regulations under the Cannabis Act, as amended from time to time and all other regulations made from time to time under the Cannabis Act or any other statute in an Approved Jurisdiction with respect to Cannabis-Related Activities.

“Cannabis-Related Activities” means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products.

“Capital Lease” means, with respect to a Person, a lease or other arrangement in respect of personal property that is required to be classified and accounted for as an obligation on a balance sheet of the Person in accordance with IFRS.

“Change of Control” means (i) if both (x) Brian Athaide ceases to be the chief executive officer of the Borrower, and (y) Sean Bovingdon ceases to be the chief financial officer of the Borrower, and the Agent shall not have been satisfied, in its reasonable discretion, with the arrangements made with respect to the replacement of both such individuals, (ii) fifty percent (50%) or more of the ownership or Control of the voting interests of Holdings are acquired, directly or indirectly, by any Person, whether acting individually or in concert with any other Person or Persons, (iii) the sale of all or substantially all of the assets of any Obligor (other than to another Obligor); or (iv) if any wholly owned, direct or indirect, subsidiary of the Borrower ceases to be wholly owned, directly or indirectly, by the Borrower; or (v) Borrower ceases to be wholly-owned, directly or indirectly, by Holdings.

“Closing Date” means the date of this Agreement.

“Collateral” means all present and after acquired undertaking and personal property of the Obligors, including all proceeds thereof, subject to such customary exclusions as set out in the Security Documents.

“Collections Account” means the account established and maintained by a Schedule I Canadian Chartered Bank in the name of the Borrower into which all payments by Account Debtors are deposited and which account shall at all times be subject to the Blocked Account Agreement.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Default” means any event, act, omission or condition which with the giving of notice or passage of time, or both, would result in an Event of Default.

“Eligible Account Receivable” means, in respect of any Obligor, an account receivable of such Obligor (in this definition, individually called an "account") which satisfies all of the following eligibility criteria:

- (a) the account is subject to a first-ranking security interest held by the Agent pursuant to the Security Agreements and is not subject to any other Liens, except Permitted Encumbrances, and the Account Debtor thereof has been directed to pay the proceeds of such account to the Collections Account;
- (b) if the Account Debtor is a Governmental Authority, all requirements of Applicable Law have been satisfied in order that the assignment of such account in favour of the Agent shall be valid and enforceable;
- (c) the Account Debtor is located in an Approved Jurisdiction;

- (d) the Account Debtor is not any Obligor or any Related Person of any Obligor;
- (e) the account is not in dispute or subject to any defence, counterclaim or claim by the Account Debtor for credit, set-off, allowance or adjustment;
- (f) the Obligor does not have an obligation to hold any portion of the account in trust or as agent for any other Person (except pursuant to a statutory lien securing obligations which are not overdue);
- (g) an invoice relating to the account has been issued by the Obligor and received by the Account Debtor;
- (h) the account is not outstanding for more than ninety-one (91) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment), unless the Account Debtor is a Governmental Authority, in which case the account shall not be outstanding for more than one hundred twenty-one (121) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment);
- (i) the Account Debtor is not insolvent or subject to any Bankruptcy Event; and
- (j) the account is not subject to undue credit risk in the opinion of the Agent.

“Event of Default” means:

- (a) if any Obligor at any time shall fail to pay or perform with regard to the obligation to repay the principal or interest on each Loan Advance on the date required by this Agreement for such payment;
- (b) if any Obligor at any time shall fail to pay or perform with regard to the obligation to pay any fees or other amounts payable to the Agent (which, for greater certainty, does not include amounts payable under item (i), above) within three (3) Business Days of the date required by this Agreement or any other Transaction Document for such payment;
- (c) if any Obligor ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding-up or liquidation of an Obligor;
- (d) if a Bankruptcy Event of any Obligor occurs;
- (e) if a Change of Control (that has not been consented to in writing by the Agent) occurs;
- (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any part thereof;
- (g) if any Obligor permits any sum which is outstanding in an aggregate principal amount exceeding \$100,000 and which has been admitted as due by such Obligor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the security interests granted to the Agent to remain unpaid after proceedings have been taken to enforce such charge;

- (h) if any representation or warranty made by or on behalf of any Obligor or any of its officers, employees or agents to the Agent shall be false or inaccurate, in any material respect (determined in the discretion of the Agent, acting reasonably);
- (i) if any Obligor fails to perform or comply with any of its covenants or obligations contained in any Transaction Document; provided that (other than any covenants provided for in Sections 8(j), 8(k), 8(l), 8(m), 8(n), 8(o), 8(p), 8(q), 8(r), 8(t), 8(u), 8(v), 8(w), and 8(y) or any other Event of Default provided for in any other clause of this definition), if such non-compliance is capable of being remedied within ten (10) days, such Obligor diligently attempts to remedy such non-compliance and informs the Agent of its efforts in this regard, and remedies such default within such ten (10) days, then such non-compliance shall be deemed not to constitute an Event of Default;
- (j) if any Obligor defaults in the observance or performance of any provision relating to the indebtedness or liability of such Obligor to any Person other than the Agent, in an aggregate principal amount exceeding \$100,000, subject to any cure or grace periods provided for in the documentation providing for such indebtedness or liability;
- (k) if any Material Agreement or Material Permit shall terminate, be withdrawn, suspended, revoked, cancelled or amended in contravention of this Agreement;
- (l) if a Material Adverse Change shall have occurred;
- (m) if an Event of Default (as such term is defined under the Maynbridge Intercreditor Agreement) shall have occurred; or
- (m) if the Cannabis Act is repealed and not replaced with similar legislation.

“Governmental Authority” means the government of Canada, the United States of America or any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body (including any self-regulatory body), court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and for greater certainty includes Health Canada.

“Guarantee” means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of, or provide any financial assistance to any other Person or otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument.

“Hazardous Materials” means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, including any pollutant, contaminant, waste, hazardous waste or dangerous goods that is regulated by any Requirements of Environmental Law or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Requirements of Environmental Law.

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“Health Canada Licenses” means, in respect of any Obligor, all Material Permits of such Obligor which are both related to the Cannabis-Related Activities of such Obligor and issued by Health Canada, including Material Permits to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation License Nos. LIC-CJMMLU7IJN-2019, LIC-NIHQWUXTUS-2019, LIC-QBWAEEEME64-2018, LIC-QBWAEEEME64-2018-2, and LIC-NM7TA6CIJ3-2019.

“Holdings” means The Green Organic Dutchman Holdings Inc.

“Indemnified Parties” refers collectively to the Agent, the Lenders, each of their affiliates as well as each of its directors, officers, employees, representatives and agents and **“Indemnified Party”** refers to any one thereof.

“Interest Rate” means the greater of (i) 12% per annum and, (ii) the TD Prime Rate, plus 8.05% per annum.

“Involuntary Bankruptcy Event” means, without the consent or acquiescence of the applicable Person, the entering of an application for an order for relief or approving a petition or court order for relief or reorganization or any other petition or order seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, monitoring or other similar relief under any present or future bankruptcy, insolvency or similar process under Applicable Law, or the filing of any such petition or order against such Person or, without the consent or acquiescence of such Person, the entering of an order appointing a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or of all or any substantial part of the undertaking or property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within forty-five (45) days from entry thereof.

“Lien” means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

“Loan Advance” means any loan extended to the Borrower pursuant to the terms of this Agreement.

“Marijuana” has the meaning ascribed to such term (i) under the Applicable Law in any Approved Jurisdiction or (ii) under the *Controlled Substances Act* (United States).

“Material Adverse Change” means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Transaction Documents or any of the security interests provided for thereunder, (b) the right or ability of an Obligor to perform any of its obligations under any of the Transaction Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Transaction Documents, (c) the financial condition, assets, business or prospects of the Obligors, taken as a whole, (d) any Material Permit, (e) an Obligor’s ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Agent under any of the Transaction Documents, that any change in the financial condition of an Obligor as the date hereof caused by or related to the COVID-19 global pandemic occurring prior to the date of this Agreement shall not constitute a Material Adverse Change.

“Material Agreement” means any contract or agreement of an Obligor (i) which involves potential revenue or expenditure in excess of \$500,000 in any fiscal year, or (ii) the loss, termination or non-renewal of which would reasonably be expected to result in a Material Adverse Change, including without limitation any agreement between an Obligor and any other Person for the supply of Cannabis.

“Material Permit” means the Health Canada Licenses and any other authorization, approval, consent, exemption, license, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, development permit or building permit), the failure of which to be obtained or held would prohibit or reasonably be expected to materially and adversely affect the ability of any Obligor to conduct its business as presently conducted and planned to be conducted.

“Maynbridge Intercreditor Agreement” means the intercreditor agreement dated on or about the date hereof among the Agent, Maynbridge Capital Inc. and the Obligors providing for a first-ranking security interest over the receivables and inventory of the Obligors (and the proceeds of each) to the Agent and a second-ranking security interest over all other assets of the Obligors in favour of the Agent, as such intercreditor agreement may be amended, amended and restated or replaced in its entirety from time to time.

“Maynbridge Loan Agreement” means the loan agreement dated December 23, 2019, between the Obligors and Maynbridge Capital Inc., as such loan agreement may be amended, amended and restated or replaced in its entirety from time to time.

“Obligors” means, collectively the Borrower, Holdings and all of Holdings’ direct and indirect subsidiaries which are organized under the federal laws of Canada (or any province thereof) or any state of the United States of America, and “Obligor” means any of them; for greater certainty, as of the date of this Agreement, the Obligors include the Borrower, The Green Organic Dutchman Holdings Ltd., The Green Organic Hemp Ltd., Medican Organic Inc. and 9371-8633 Quebec Inc.

“Outstanding Payables” means the payables of the Obligors detailed on Schedule J.

“Permitted Encumbrances” means, collectively:

- (a) Liens granted in favour of the Agent pursuant to the Security Agreements;
- (b) Liens or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secured related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any builders’, mechanics’, materialman’s, carriers’, repairmen’s, warehousemen’s, landlords’ and other like Liens and privileges, in each case, which relate to obligations not yet due or delinquent or being contested in good faith;
- (d) any Liens for taxes, assessments, unpaid wages, unpaid superannuation or governmental charges or levies for the then current year and not at the time due and delinquent or are being contested in good faith;

- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by an Obligor, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Lien created or assumed by any Obligor in favour of a public utility when required by the utility in connection with the operations of such Obligor that do not in the aggregate detract from the value of any of the Collateral or impair their use in the operation of the business of such Obligor;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Obligor, or title defects, encroachments or irregularities, that do not detract from the value of the property or impair its use in the operation of the business of any Obligor;
- (i) any Lien that secures Permitted Indebtedness referred to under clause (c) of the definition of "Permitted Indebtedness";
- (j) any Lien that secures Permitted Indebtedness referred to under clause (g) of the definition of "Permitted Indebtedness" provided that: (a) such Lien is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness and (b) the amount of such Permitted Indebtedness secured by any such Lien at no time exceeds 100% of the original acquisition price of such mobile asset at the time it was acquired, plus interest and fees, if any;
- (k) any Lien in connection with attachments, judgments and other similar Liens arising in connection with court proceedings; provided however that: (a) the Liens are in existence for less than twenty (20) Business Days after their creation, or (b) the execution or other enforcement of the Lien is effectively stayed or the claims so secured is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (l) customary rights of set-off or combination of accounts with respect to deposits or accounts incurred in the ordinary course of business; and
- (m) Liens listed in Schedule K;
- (n) any Lien that secures indebtedness provided that such Lien is limited to monies paid or payable under the insurance policies together with the assigned right to cancel the insurance policies.

“Permitted Guarantees” means any Guarantee by an Obligor of any Permitted Indebtedness.

“Permitted Indebtedness” means any:

- (a) indebtedness under this Agreement;
- (b) indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Obligor by appropriate proceedings diligently conducted, and provided always that: (i) the failure to pay such indebtedness could not be expected to result in a Default or Event of Default and (ii) the aggregate amount of such indebtedness does not exceed \$15,000,000;
- (c) any indebtedness, debts and other obligations owing to Maynbridge Capital Inc. pursuant to the “Loan Documents”, as such term is defined in the Maynbridge Loan Agreement, subject to the Maynbridge Intercreditor Agreement;
- (d) any inter-company indebtedness between any Obligors;
- (e) the Outstanding Payables;
- (f) any other indebtedness which the Agent agrees in writing is Permitted Indebtedness for the purposes of this Agreement;
- (g) any indebtedness under Capital Leases and Purchase Money Obligations, which indebtedness does not exceed \$10,000,000 in the aggregate for the Obligors at any time; and
- (h) indebtedness owed to any Person providing or financing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, in each case incurred in the ordinary course of business.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Potential Priority Claims” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law or otherwise, which ranks or is capable of ranking in priority to the Agent’s security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement.

“PPSA” means the *Personal Property Security Act* (Ontario), as amended, and to the extent relevant, equivalent statutes of the other Provinces of Canada, including the *Civil Code of Quebec*.

“Priority Lien” means any Lien that is not a Subordinated Lien.

“Purchase Money Obligation” means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any tangible asset.

“Related Person” in relation to any Person means a Subsidiary, Affiliate, Associate or shareholder, director, officer or employee of such Person.

“Requirements of Environmental Law” means: (i) obligations under common law; (ii) requirements imposed by or pursuant to statutes, regulations and by-laws whether presently or hereafter in force; (iii) directives, policies and guidelines issued or relied upon by any Governmental Authority to the extent such directives, policies or guidelines have the force of law; (iv) permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials; and (v) requirements imposed under any clean-up, compliance or other order made pursuant to any of the foregoing, in each and every case relating to environmental, health or safety matters including all such obligations and requirements which relate to (A) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation of Hazardous Materials and (B) exposure to Hazardous Materials.

“Responsible Person” means: (i) an officer or director of any Obligor; or (ii) any other Person required to hold a security clearance pursuant to the Cannabis Act or the Cannabis Regulations.

“Revolving Facility” means a revolving credit facility in an amount not to exceed \$30,000,000.

“Revolving Facility Limit” means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed \$30,000,000.

“Revolving Facility Margin Limit” means, at any time, the Advance Rate multiplied by, (x) the face amount of all Eligible Accounts Receivables at such time, minus (y) any Eligible Accounts Receivables subject to any Potential Priority Claims and Priority Liens at such time.

“Security Agreements” means, collectively, (i) general security and pledge agreements (or hypothecs) delivered by each of the Obligors to the Agent; (ii) the debentures and mortgages given by the Obligors to the Agent, as applicable, in respect of the real property owned by them; (iii) security agreements in respect of intellectual property delivered by each of the Obligors to the Agent, as applicable; (iv) a subordination agreement or intercreditor from each creditor in respect of an Outstanding Payable, as applicable; (v) all guarantees given by any Obligor to the Agent, and (vi) a Blocked Account Agreement with respect to the Collections Accounts; and (vii) assignments of insurance delivered by the Obligors in favour of the Agent, as applicable, in each case, as such agreements may be amended, amended and restated or replaced in its entirety from time to time.

“Solvent” means, with respect to any Person as of the date of determination, (i) the aggregate property of such Person is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) the aggregate property of such Person is, at a fair valuation, sufficient to enable payment of all its obligations, due and accruing due; (iii) such Person is able to meet its obligations as they generally become due; and (iv) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due; and for purposes of this definition, the amount of any contingent obligation at such time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subordinated Lien” means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement or intercreditor agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favour of the Liens granted by any Obligor in favour of the Agent.

“Subsidiary” means a Person (other than a natural person) which is Controlled, directly or indirectly, by another Person (other than a natural person); and for greater certainty includes a Subsidiary of a Subsidiary.

“TD Prime Rate” means the floating annual rate of interest established from time to time by the Toronto-Dominion Bank as the reference rate it will use to determine rates of interest payable to the Toronto-Dominion Bank by commercial borrowers from it of Canadian dollar loans in Canada and designated by it as its “prime rate”.

“Total Exposure” has the meaning given to such term in Section 3(a) of this Agreement.

“Transaction Documents” means, collectively, this Agreement, the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations owing under this Agreement, the Security Agreements, the Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).

“Utilization Fee Rate” means two and four tenths of a percent (2.40%) per annum, divided by the then current calendar year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be.

“Vendor Subordination Agreements” means the subordination agreements referred to in part (iv) of the definition of “Security Agreements”.

“Voluntary Bankruptcy Event” means (a) an admission in writing by a Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any assignment, petition or consent thereto or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any present or future bankruptcy, insolvency or similar Applicable Law, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such Applicable Law, or the appointment of or taking possession by a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or for any substantial part of such Person’s property, or (c) corporate or other action taken by such Person to authorize any of the actions set forth above.

SCHEDULE "D"**LITIGATION**

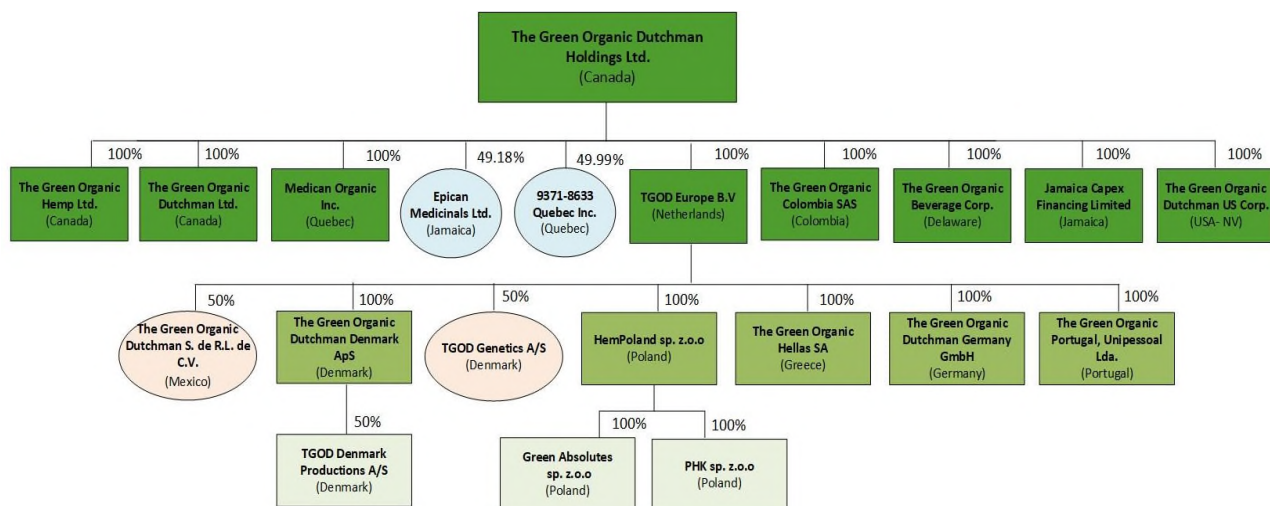
1. 1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd. ("TGOD Holdings"), Ontario Superior Court of Justice File No. CV-18-605781. Action commenced by the former Chief Financial Officer of TGOD Holdings claiming \$3 million in damages, stemming from the termination of her consulting agreement.
2. Iostesso Holdings Inc., 2 Chisholm Court Property Inc., Jonathan Wener and PT Enterprises Inc. v. The Green Organic Dutchman Holdings Ltd., Supreme Court of British Columbia, Registry No. S-195390. Action commenced by a group of investors claiming approximately \$1.25 million in damages for breach of contract arising from lock-up provisions applicable to certain warrants issued by TGOD Holdings.

SCHEDULE "E"
ENVIRONMENTAL DISCLOSURE

Nil.

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate RelationshipsThe Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, Ontario L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. – 200 common shares

The Green Organic Dutchman Holdings Ltd.

Name of Obligor:	The Green Organic Dutchman Holdings Ltd.
Prior Obligor Names:	N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Canada

Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Principal Place of Business/
Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Issued & Outstanding Shares: 313,608,518 common shares

List of Shareholders: N/A

The Green Organic Hemp Ltd.

Name of Obligor: The Green Organic Hemp Ltd.

Prior Obligor Names: N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Canada

Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Principal Place of Business/
Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Issued & Outstanding Shares: 103 common shares

List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 103 common shares

Medican Organic Inc.

Name of Obligor: Medican Organic Inc./Médican Biologique inc.

Prior Obligor Names: N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Québec

Registered Office: 311-455 Boul. Fénelon, Dorval, Québec H9S 5T8

Principal Place of Business/
Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1

Issued & Outstanding Shares: 100 common shares

List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 100 common shares

9371-8633 Quebec Inc.

Name of Obligor: 9371-8633 Québec Inc./9371-8633 Québec inc.

Prior Obligor Names: N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Québec

Registered Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1

Principal Place of Business/
Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1

Issued & Outstanding Shares: 3,001,703 Class A Shares and 1,000,569 Class B Shares

List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 2,001,134 Class A Shares
Certain individuals resident in Quebec - Gerald Daoust- – 1,000,569
Class A Shares and Suzanne Plamondon - 1,000,569 Class B Shares

SCHEDULE "G"**PENDING CORPORATE CHANGES**

1. Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated October 17, 2018 and trading on the TSX under the symbol "TGOD.WT".
2. Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 19, 2019 and trading on the TSX under the symbol "TGOD.WS".
3. Warrants issued by The Green Organic Dutchman Holdings Ltd. to Maynbridge Capital Inc. in connection with its senior secured loan.
4. Warrants issued by The Green Organic Dutchman Holdings Ltd. to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd.
5. RSUs, DSUs, and incentive stock options issued under The Green Organic Dutchman Holdings Ltd.'s incentive compensation plans.

SCHEDULE "H"**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D'Intention between The Green Organic Dutchman Holdings Ltd. and Societe Quebequoise du Cannabis dated March 26, 2020
7. CCDC 5B Construction Management Contract for Services and Construction between Medican Organic Inc. and Ed Brunet & Associes Canada Inc. dated August 24, 2018, as amended by an Agreement for Future Amendment dated August 2018 and Supplementary Conditions dated August 30, 2018
8. Supra-Contractual Liability Agreement between Medican Organic Inc., Ed Brunet et Associes Canada Inc., KVPBC Greenhouses Manufacturing BV, Kubo Greenhouse Projects BV, PB Techniek BV, Hawe Systems International BV, VK Greenhouse Projects BV, 9668837 Canada Inc., and Emile Seguin & Fils Ltee dated March 20, 2019
9. CCDC 5B Construction Management Contract for Services and Construction between The Green Organic Dutchman Ltd. and Ledcor Construction Limited dated February 3, 2017, as amended April 9, 2019 and as further amended on December 20, 2019
10. Indemnity Agreement – Construction between The Green Organic Dutchman Ltd. and Ledcor Construction Limited dated May 10, 2018
11. Indemnity Agreement – Construction between The Green Organic Dutchman Ltd. and Ledcor Construction Limited dated June 28, 2019
12. Escrow Agreement between The Green Organic Dutchman Ltd. and Ledcor Construction Ltd. dated March 8, 2019, as amended May 23, 2019

13. Master Purchase Agreement between The Green Organic Dutchman Ltd. and Eaton Industries (Canada) Company dated October 3, 2017
14. Services Agreement between The Green Organic Dutchman Holdings Ltd. and Velvet Management Inc. dated November 12, 2018
15. Processing Agreement between The Green Organic Dutchman Holdings Ltd. and Neptune Wellness Solutions Inc. dated June 7, 2019
16. Equipment Purchase Agreement between Medican Organic Inc. and Ziel Equipment, Sales & Services, LLC dated March 15, 2019
17. Equipment Purchase Agreement between The Green Organic Dutchman Holdings Ltd. and Enwave Corporation dated December 28, 2018
18. Equipment Purchase Agreement between Medican Organic Inc. and Enwave Corporation dated March 22, 2019, as amended July 17, 2019
19. Budget Equipment Proposal Reference CON-19-1218R7-NP between The Green Organic Dutchman Ltd. and Capmatic Ltd. dated April 5, 2019
20. Budget Equipment Proposal Reference CON-18-1216R9-NP between The Green Organic Dutchman Ltd. and Capmatic Ltd. dated April 5, 2019
21. Letter of Intent between Medican Organic Inc. and Capmatic Ltd. dated December 5, 2018
22. Engagement Agreement between The Green Organic Dutchman Holdings Ltd. and FTI Capital Advisors – Canada ULC dated October 9, 2019, as amended October 21, 2019
23. Engagement Agreement between The Green Organic Dutchman Holdings Ltd. and FTI Capital Advisors – Canada ULC dated February 24, 2020, as amended March 19, 2020
24. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. and Loblaw's Inc. dated March 3, 2020

Material Permits

25. License and Consulting Agreement between The Green Organic Dutchman Holdings Ltd. and CBx Enterprises LLC dated May 21, 2018
26. License Agreement between The Green Organic Dutchman Holdings Ltd. and 5071 Incorporated (o/a Stillwater Foods) dated May 28, 2018
27. Health Canada Licence No LIC-QBWAEEME64-2018-2 (cultivation) issued to Medican Organic Inc. expiring June 8, 2021
28. Health Canada Licence No LIC-NM7TA6CIJ3-2019 (hemp cultivation) issued to The Green Organic Hemp Ltd. expiring March 29, 2022

29. Health Canada Licence No LIC-CJMMLU7IJN-2019-1 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. expiring August 16, 2022
30. Health Canada Licence No LIC-NIHQWXTUS-2019 (medical sales) issued to Medican Organic Inc. expiring September 20, 2022
31. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025
32. Ministerial authorization pursuant to section 22 of the Environment Quality Act (Quebec) dated December 16, 2019 for the operation of industrial scale boilers and chillers.

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1175 Blvd., Gerald Cadieux, Salaberry-de-Valleyfield, QC owned by 9371-8633 Quebec Inc.
 - b. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.

2. Leased:
 - a. 6205 Airport Rd., Suites 200 & 301, Bldg A, Mississauga, ON L4V 1E3 leased by The Green Organic Dutchman Holdings Ltd.
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.

SCHEDULE "J"**OUTSTANDING PAYABLES**

- a. \$8,316,389 owing to Fluence Bioengineering Inc.
- b. \$920,103 owing to Codema Systems Group B.V.
- c. \$5,158,525 owing to Eaton Industries (Canada) Company
- d. \$3,050,500 owing to PB Techniek B.V.
- e. \$5,220,026 owing to Kubo Greenhouse Projects B.V.
- f. \$ 3,756,577 owing to Verkade Klimaat

SCHEDULE "K"**PERMITTED ENCUMBRANCES**

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$200,000.
3. Lien with registration number 20190205 1736 1626 0702 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a corporate Collabria Visa of \$92,000, secured by term deposit #1.
4. Lien with registration number 20191220 1506 1862 5294 in favour of Fluence Bioengineering, Inc. as against The Green Organic Dutchman Holdings Ltd. and The Green Organic Dutchman Ltd. with respect to a second ranking charge on all equipment.
5. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500.
6. Notice of contamination bearing registration number 24 551 152 dated April 18, 2019 with respect to soil contamination at the Valleyfield Project at a level acceptable for an industrial property and not requiring remediation.
7. Instrument No. WE1404833 registered on PIN 17409-0129(LT) on December 24, 2019, being a Notice of Security Interest in favour of Fluence Bioengineering, Inc.
8. Instrument No. WE1364193 registered on PIN 17409-0234 (LT) on June 28, 2019, being a Notice of Security Interest in favour of Fluence Bioengineering, Inc.
9. Instrument No. WE1394538 registered on PIN 17409-0234 (LT) on November 15, 2019, being a Postponement of the Notice of Security Interest in favour of Fluence Bioengineering, Inc. with Instrument No. WE1364193.
10. Instrument No. WE1394540 registered on PIN 17409-0234 (LT) on November 15, 2019, being a Postponement of the Notice of Security Interest in favour of Fluence Bioengineering, Inc. with Instrument No. WE1364193.
11. Instrument No. WE1404833 registered on PIN 17409-0234 (LT) on December 24, 2019, being a Notice of Security Interest in favour of Fluence Bioengineering, Inc.
12. Instrument No. WE1404873 registered on PIN 17409-0234 (LT) on December 24, 2019, being a Postponement of the Notice of Security Interest in favour of Fluence Bioengineering, Inc. with Instrument No. WE1364193.

13. Registration No. 19-1447876-0001 at the Quebec Register of Personal and Movable Real Rights ("RPMRR") on December 23, 2019, being a conventional hypothec without delivery in favour of Fluence Bioengineering, Inc.
14. Registration No. 19-0991910-0001 at the RPMRR on September 4, 2019, being a conventional hypothec without delivery in favour of Fluence Bioengineering, Inc.

SCHEDULE "L"

ACCREDITED INVESTOR CERTIFICATE

TO: THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD. (the "Corporation")

You (the undersigned accredited investor) represent and warrant to the Corporation that you are an "accredited investor" as defined in section 73.3 of the *Securities Act* (Ontario), on the basis that you fit within the category of accredited investor which you have indicated below.

You represent and warrant that you are: **{please initial the applicable item, complete the relevant information and sign this certificate}**

- _____ (a) a Schedule I, II or III bank, or a Canadian financial institution
- _____ (b) the Business Development Bank of Canada
- _____ (c) a subsidiary of any person referred to in paragraph (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d)
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador)
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada

- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000
- {Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you.}*
- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000
- {Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).}*
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000
- {Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.}*
- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements
- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (*Minimum amount investment*), or 2.19 (*Additional investment in investment funds*) of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (*Investment fund reinvestment*) of NI 45-106
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a

jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be

- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors

*{Note: If you have initialled this paragraph (t), name each owner of an interest, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this **Error! Reference source not found.**). If a person named below is a director required by law to own a voting security, and that person is not an accredited investor, indicate "director" under Category.}*

Name	Category
_____	_____
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse

*{Note: If you have initialled this paragraph (w), name the person who established the trust and each trustee, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this **Error! Reference source not***

found.}). If a person named below is not an accredited investor, indicate "N/A" under Category.}

	Name	Category
Person who established trust:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____

Signatures	
Name of accredited investor:	CORTLAND CREDIT LENDING CORPORATION
Signature of authorized signatory/agent on behalf of accredited investor:	
Name and official capacity or title of authorized signatory/agent:	
Date:	

As used in this certificate, the following terms have the following meanings.

"Canadian financial institution" means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; and
- (b) in Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be; and
- (c) outside of Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

"eligibility adviser" means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and

(b) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:

- (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons; and
- (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

“executive officer” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer.

“financial assets” means:

- (a) cash;
- (b) securities; or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada.

“founder” means, in respect of an issuer, a person who:

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer.

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“investment fund” has the same meaning as in National Instrument 81-106 — *Investment Fund Continuous Disclosure* and means a mutual fund or a non-redeemable investment fund.

“jurisdiction of Canada” means a province or territory of Canada.

“non-redeemable investment fund” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest:
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (c) that is not a mutual fund.

“person” includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“related liabilities” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

“spouse” means an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

FIRST AMENDMENT
dated as of May 27, 2020
to
CREDIT AGREEMENT
dated as of March 31, 2020

FIRST AMENDMENT (this “**Amendment**”) dated as of May 27, 2020 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to a credit agreement dated March 31, 2020 (the “**Credit Agreement**”);

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

2.1 The following new Sections 2(f) and 2(g) are hereby added following Section 2(e) of the Credit Agreement:

- “(f) In consideration of entering into Amendment No. 1, the Agent shall be entitled to receive the Amendment No. 1 Warrants (as defined in Section 2(g)) which shall be earned on May 27, 2020, and issued on or prior to the Amendment Effective Date.
- (g) Subject to the conditional listing approval of the Toronto Stock Exchange and the provisions of this Agreement, as of May 27, 2020, the Agent shall be entitled to receive, on behalf of the Lenders, warrants to purchase Five Hundred Thousand (500,000) freely tradeable common shares (the “**Amendment No. 1 Warrant Shares**”) of Holdings (such Amendment No. 1 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the

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“**Amendment No. 1 Warrants**”), at the Amendment No. 1 Exercise Price, for a period of forty-eight (48) months following the Amendment Effective Date.”

2.2 The following new Section 6(dd) is hereby added following Section 6(cc) of the Credit Agreement:

“(dd) Amendment No. 1 Warrants. In respect of the Amendment No. 1 Warrants

- (i) Amendment No. 1 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Amendment No. 1 Warrants and the Amendment No. 1 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Amendment No. 1 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
- (ii) Amendment No. 1 Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 1 Warrants, it will cause the Amendment No. 1 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 1 Warrants to be issued and delivered as directed and such Amendment No. 1 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
- (iii) Actions to Issue Amendment No. 1 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
- (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 1 Warrants) and to have the Amendment No. 1 Warrant Shares issued pursuant to the exercise of the Amendment No. 1 Warrants listed and posted for trading on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 1 Warrants) as expeditiously as possible.

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- (vi) Issuance of Amendment No. 1 Warrant Shares. That Holdings has agreed that upon exercise of the Amendment No. 1 Warrants, the Amendment No. 1 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.”

2.3 The following new Section 8(gg) is hereby added following Section 8(ff) of the Credit Agreement:

“(gg) in respect of the Amendment No. 1 Warrants, will:

- (i) obtain, and cause Holdings to obtain, conditional listing approval of the Toronto Stock Exchange to the issue of the Amendment No. 1 Warrants as soon as possible and in any event on or prior to the Amendment No. 1 Effective Date and use its commercially reasonable efforts to cause the Amendment No. 1 Warrants to be issued by the dates required hereunder;
- (ii) cause Holdings to, at all times, reserve and keep available out of Holdings’ authorized common shares a sufficient number of Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 1 Warrants and to issue and deliver the Amendment No. 1 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 1 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
- (iv) to cause a news release of Holdings announcing this Amendment, the issuance of the Amendment No. 1 Warrants and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing; and
- (v) to cause Holdings to provide a draft of any other news release related to this Amendment and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release.”

2.4 Section 10(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

- “(a) The initial term of the Revolving Facility will be twelve (12) months (the “**Initial Term**”), which Initial Term shall be extended by six (6) months as of the Amendment No. 1 Effective Date (the “**First Extension**”), which extended term,

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subject to the continued satisfactory performance of the Obligors' obligations under this Agreement and the other Transaction Documents, may, with, in each case, with the consent of the Borrower and the Agent, be renewed for up to one (1) additional period of six (6) months (the "Second Extension") (the Initial Term, First Extension and Second Extension are, collectively, the "Term")."

- 2.5 Schedule "C" to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

"Amendment No. 1" means the first amendment to this Agreement dated May 27, 2020.

"Amendment No. 1 Effective Date" means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 1 shall have been satisfied.

"Amendment No. 1 Exercise Price" means \$0.50."

- 2.6 The definition of "Base Facility Amount" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Base Facility Amount" means, (i) from the date hereof to July 1, 2020, \$10,000,000, (ii) from July 1, 2020 to March 31, 2021, an additional \$3,000,000 (provided that Holdings shall have successfully completed an issuance of equity securities for gross proceeds in an amount equal to or greater than \$15,000,000 on or before June 30, 2020), and (iii) from date of expiry of the First Extension, zero."

- 2.7 The definition of "Transaction Documents" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Transaction Documents" means, collectively, this Agreement (including, for greater certainty, Amendment No. 1), the Guarantees given by the Obligors (other than the Borrower) in respect of the Obligations, the Security Agreements, the Warrants, the Amendment No. 1 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate)."

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and

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- (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

Article 5 – Miscellaneous

- 5.1 **Effectiveness.** Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
- (b) the Agent shall have received:
- (i) conditional listing approval from the Toronto Stock Exchange with respect to issuance of the Amendment No. 1 Warrants, together with the executed certificate(s) representing the Amendment No. 1 Warrants and a legal opinion covering securities matters related to such Amendment No. 1 Warrants;
- (ii) a duly executed officer’s certificate from each Obligor, attaching a certified copy of the Borrower’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
- (iii) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
- (iv) a legal opinion from the Borrower’s Canadian legal counsel; and
- (v) such other documents and information which the Agent may reasonably request.
- 5.2 **References to Credit Agreement.** Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 **Effect on Credit Agreement.** The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 **No Waiver.** The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.

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- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: Brian Athaide
Name: Brian Athaide
Title: CEO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

THE GREEN ORGANIC HEMP LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Director

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

MEDICAN ORGANIC INC.

Per: Marc Cernovitch
Name: Marc Cernovitch
Title: President

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

9371-8633 QUEBEC INC.

Per: Marc Cernovitch
Name: Marc Cernovitch
Title: President

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: Sean Register
Name: Sean Register
Title: CEO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Agent.

SECOND AMENDMENT
dated as of October 1, 2020
to
CREDIT AGREEMENT
dated as of March 31, 2020

SECOND AMENDMENT (this "**Amendment**") dated as of October 1, 2020 is entered into between, among others, The Green Organic Dutchman Ltd. (the "**Borrower**") and Cortland Credit Lending Corporation, in its capacity as agent (the "**Agent**"), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to a credit agreement dated March 31, 2020, as amended by a first amendment dated May 27, 2020 (collectively, the "**Credit Agreement**");

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 The following new Sections 2(h) and 2(i) are hereby added following Section 2(e) of the Credit Agreement:

“(h) In consideration of entering into Amendment No. 2, the Agent, Cortland Credit Strategies LP (more particularly, BMO Nesbitt Burns Inc. ITF 402-21190-20 Cortland Credit Strategies LP, and hereinafter referred to as "**Cortland Strategies LP**") and Cortland Credit Institutional LP (more particularly, BMO Nesbitt Burns Inc. ITF 402-22084-27 Cortland Credit Institutional LP, and hereinafter referred to as "**Cortland Institutional LP**") shall be entitled to receive, respectively, the Amendment No. 2 Warrants (as defined in Section 2(i)) issued to each of them, which shall be earned on October 1, 2020, and issued on or prior to the Amendment No. 2 Effective Date.

- (i) Subject to the conditional listing approval of the Toronto Stock Exchange and the provisions of this Agreement, as of October 1, 2020, the Agent, Cortland Strategies, and Cortland Institutional LP shall be entitled to receive, on behalf of the Lenders, warrants to purchase, respectively, One Hundred Sixty Six Thousand Six Hundred Sixty Six (166,666), Two Hundred Seventy One Thousand Five Hundred Thirty Nine (271,539) and Sixty One Thousand Seven Hundred Five (61,795) freely tradeable common shares (for a total of Five Hundred Thousand (500,000) freely tradeable common shares, collectively, the “**Amendment No. 2 Warrant Shares**”) of Holdings (such Amendment No. 2 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the “**Amendment No. 2 Warrants**”), at the Amendment No. 2 Exercise Price, for a period of sixty (60) months following the Amendment No. 2 Effective Date.”

2.2 The following new Section 6(ee) is hereby added following Section 6(dd) of the Credit Agreement:

- “(dd) Amendment No. 2 Warrants. In respect of the Amendment No. 2 Warrants
- (i) Amendment No. 2 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Amendment No. 2 Warrants and the Amendment No. 2 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Amendment No. 2 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
- (ii) Amendment No. 2 Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Amendment No. 2 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 2 Warrants, it will cause the Amendment No. 2 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 2 Warrants to be issued and delivered as directed and such Amendment No. 2 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
- (iii) Actions to Issue Amendment No. 2 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Amendment No. 2 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
- (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan,

Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

- (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 2 Warrants) and to have the Amendment No. 2 Warrant Shares issued pursuant to the exercise of the Amendment No. 2 Warrants listed and posted for trading on the TSX (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 2 Warrants) as expeditiously as possible.
- (vi) Issuance of Amendment No. 2 Warrant Shares. That Holdings has agreed that upon exercise of the Amendment No. 2 Warrants, the Amendment No. 2 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings."

2.3 The following new Section 8(hh) is hereby added following Section 8(gg) of the Credit Agreement:

"(gg) in respect of the Amendment No. 2 Warrants, will:

- (i) obtain, and cause Holdings to obtain, conditional listing approval of the Toronto Stock Exchange to the issue of the Amendment No. 2 Warrants as soon as possible and in any event on or prior to the Amendment No. 2 Effective Date and use its commercially reasonable efforts to cause the Amendment No. 2 Warrants to be issued by the dates required hereunder;
- (ii) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Amendment No. 2 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 2 Warrants and to issue and deliver the Amendment No. 2 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 2 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Amendment No. 2 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
- (iv) to cause a news release of Holdings announcing this Amendment, the issuance of the Amendment No. 2 Warrants and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing; and

- (v) to cause Holdings to provide a draft of any other news release related to this Amendment and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release.”

2.4 Section 10(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(a) The initial term of the Revolving Facility is twelve (12) months (the **“Initial Term”**), which Initial Term was extended by six (6) months as of the Amendment No. 1 Effective Date (the **“First Extension”**), and which shall be extended to December 31, 2021 as of the Amendment No. 2 Effective Date (the **“Second Extension”**) which extended term, subject to the continued satisfactory performance of the Obligors’ obligations under this Agreement and the other Transaction Documents, may, with the consent of the Borrower and the Agent, be extended to March 31, 2022 (the **“Third Extension”**) (the Initial Term, First Extension, Second Extension and Third Extension are, collectively, the **“Term”**).”

2.5 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“Amendment No. 2” means the second amendment to this Agreement dated October 1, 2020.

“Amendment No. 2 Effective Date” means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 2 shall have been satisfied.

“Amendment No. 2 Exercise Price” means \$0.30.”

2.6 The definition of “Base Facility Amount” in Schedule “C” of the Credit Agreement (as amended) is hereby deleted in its entirety and replaced with the following:

“Base Facility Amount” means, (i) from the date hereof to July 1, 2020, \$10,000,000, (ii) from July 1, 2020 to March 31, 2021, \$13,000,000, (iii) from April 1, 2021 to December 31, 2021, \$10,000,000, and (iv) from the date of expiry of the Second Extension, zero.”

2.7 The definition of “Transaction Documents” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“Transaction Documents” means, collectively, this Agreement (including, for greater certainty, Amendment No. 1 and Amendment No. 2), the Guarantees given by the Obligors (other than the Borrower) in respect of the Obligations, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).”

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

Article 5 – Miscellaneous

- 5.1 Effectiveness. Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) the Agent shall have received:
 - (i) conditional listing approval from the Toronto Stock Exchange with respect to issuance of the Amendment No. 2 Warrants, together with the executed certificate(s) representing the Amendment No. 2 Warrants and a legal opinion covering securities matters related to such Amendment No. 2 Warrants;
 - (ii) a duly executed officer’s certificate from each Obligor, attaching a certified copy of the Borrower’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
 - (iii) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
 - (iv) a legal opinion from the Borrower’s Canadian legal counsel; and
 - (v) such other documents and information which the Agent may reasonably request.

- 5.2 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: Brian Athaide
Name: Brian Athaide
Title: CEO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

THE GREEN ORGANIC HEMP LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Secretary

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

9371-8633 QUEBEC INC.

Per: Marc Cernovitch
Name: Marc Cernovitch
Title: President

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Agent.

MEDICAN ORGANIC INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

9371-8633 QUEBEC INC.

Per: _____
Name:
Title:

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the Agent.

THIRD AMENDMENT
dated as of July 30, 2021
to
CREDIT AGREEMENT
dated as of March 31, 2020

THIS THIRD AMENDMENT (this "**Amendment**") dated as of July 30, 2021 is entered into between, among others, The Green Organic Dutchman Ltd. (the "**Borrower**") and Cortland Credit Lending Corporation, in its capacity as agent (the "**Agent**"), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to a credit agreement dated March 31, 2020, as amended by a first amendment dated May 27, 2020 and a second amendment dated October 1, 2020 (collectively, the "**Credit Agreement**");

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

2.1 The following new Section 1(d) is hereby added following Section 1(c) of the Credit Agreement:

“(d) Notwithstanding the limitation in Section 1(c) or any other provision of this Agreement to the contrary, the Borrower and the Agent acknowledge and agree that the proceeds of any Loan Advance from the Amendment No. 3 Amount may also be used to extend a secured loan to Citizen Stash Cannabis Corp. (“**CSC**”) in an amount not to exceed the Amendment No. 3 amount (the “**CSC Loan**”); provided that the Agent, in its sole discretion: (i) is satisfied with (and shall have received executed copies of) all documentation relating to or in connection with the CSC Loan; and (ii) has received a specific assignment of the CSC Loan.”

- 2.2 Schedule "C" to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

"Amendment No. 3" means the third amendment to this Agreement dated July 30, 2021.

"Amendment No. 3 Amount" an amount equal to \$3,000,000.

"Amendment No. 3 Effective Date" means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 3 shall have been satisfied.

- 2.3 The definition of "Base Facility Amount" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Base Facility Amount" means, (i) from the date hereof to July 1, 2020, \$10,000,000, (ii) from July 1, 2020 up to (but not including) the Amendment No. 3 Effective Date, an additional \$3,000,000 (provided that Holdings shall have successfully completed an issuance of equity securities for gross proceeds in an amount equal to or greater than \$15,000,000 on or before June 30, 2020), (iii) from the Amendment No. 3 Effective Date to the date of expiry of the Second Extension, an additional amount equal to the Amendment No. 3 Amount, and (iv) from date of expiry of the Second Extension, zero."

- 2.4 The definition of "Transaction Documents" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Transaction Documents" means, collectively, this Agreement (including, for greater certainty, Amendment No. 1, Amendment No. 2, and Amendment No. 3), the Guarantees given by the Obligors (other than the Borrower) in respect of the Obligations, the Security Agreements (including, for greater certainty, any Security Agreements delivered in connection with the CSC Loan), the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate)."

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and

- (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

Article 5 – Miscellaneous

- 5.1 Effectiveness. Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
- (b) the Agent shall have received:
- (i) an amendment fee equal to \$60,000;
- (ii) a duly executed officer’s certificate from each Obligor, attaching a certified copy of the Borrower’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
- (iii) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
- (iv) a legal opinion from the Borrower’s Canadian legal counsel; and
- (v) such other documents and information which the Agent may reasonably request.
- 5.2 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.

- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

THE GREEN ORGANIC HEMP LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Secretary

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name:
Title:
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: Sean R -
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the Agent.

This is Exhibit "D" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of September 29, 2021

Among:

Cortland Credit Lending Corporation,
in its capacity as administrative agent
for the Lenders (as defined herein)
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2 (the “**Agent**”)

And:

The Green Organic Dutchman Ltd.
Building A, Suite 301 6205 Airport Road
Mississauga, Ontario L4V 1E3 (the “**Borrower**”)

And:

Those lenders from time to time party hereto in accordance with Section 30 (collectively, the “**Lenders**”, and each a “**Lender**”).

WHEREAS the Agent and the Borrower entered into a credit agreement dated March 31, 2020, as amended by the first amendment dated May 27, 2020, by the second amendment dated October 1, 2020 and by the third amendment dated July 30, 2021 (as amended, the “**Original Credit Agreement**”).

AND WHEREAS the Borrower and the Lenders wish to amend and restate the Original Credit Agreement in its entirety by way of this amended and restated credit agreement (this “**Agreement**”).

AND WHEREAS terms used and not otherwise defined have the meanings given to such terms in **Schedule “C”** attached hereto.

IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Funding Commitment.**

- (a) Subject to the satisfaction of the terms and conditions set out in this Agreement, the Agent, on behalf of the Lenders, hereby agrees to provide the Borrower with the Revolving Facility, by way of Loan Advances, provided that the aggregate amount of Loan Advances outstanding at any time shall not exceed the Revolving Facility Limit.
- (b) [Intentionally Deleted.]

- (c) The Borrower acknowledges and agrees that the proceeds of the Revolving Facility will be used to finance the working capital requirements of the Obligors, including the payment of ordinary course payables of the Obligors, and including fees and expenses relating to the transactions contemplated by this Agreement.

2. **Agent Compensation.** In consideration of, among other things, amending the Revolving Facility as provided for under this Agreement, the Agent shall be entitled to the following fees or reimbursement of the following costs (which fees and costs shall be in addition to any other amounts payable to the Agent and/or Lenders hereunder, including interest):

- (a) A commitment fee from Holdings equal to Five Hundred Thousand Dollars (\$500,000) (the “**Extension Commitment Fee**”) as consideration for the extension of the Maturity Date pursuant to this Agreement, which fee shall be earned on the date hereof and which Holdings may elect to satisfy by issuing to the Agent, or as the Agent may further direct in writing, 2,631,579 common shares of Holdings (such common shares together with all documents, instruments and certificates given in connection therewith, the “**Extension Shares**”), each such share issued at the closing price per common share of Holdings on the Canadian Securities Exchange on the date immediately preceding the date hereof, being \$0.19.
- (b) A commitment fee from Holdings equal to Twenty Thousand Dollars (\$20,000) (the “**Increase Commitment Fee**” and together with the Extension Commitment Fee, the “**Commitment Fees**”) as consideration for the increase to the Base Facility Amount pursuant to this Agreement, which fee shall be earned on the date hereof and which Holdings may elect to satisfy by issuing to the Agent, or as the Agent may further direct in writing, 105,263 common shares of Holdings (such common shares together with all documents, instruments and certificates given in connection therewith, the “**Increase Shares**”), each such share issued at the closing price per common share of Holdings on the Canadian Securities Exchange on the date immediately preceding the date hereof, being \$0.19.
- (c) Any documented out-of-pocket expenses incurred in connection with (i) the Agent’s due diligence, and (ii) the monitoring of the Revolving Facility while the Revolving Facility is made available to the Borrower, shall be payable upon demand.
- (d) A utilization fee, calculated daily and payable on the last Business Day of each month, by subtracting the aggregate amount of the Loan Advances outstanding on each day, from the sum of \$25,000,000 and multiplying the difference by the Utilization Fee Rate.
- (e) Subject to the approval of the Toronto Stock Exchange and the provisions of this Agreement, as of the date of the Original Credit Agreement the Agent was entitled to receive, on behalf of the Lenders, warrants to purchase Three Million (3,000,000) freely tradeable common shares (the “**Warrant Shares**”) of Holdings (such Warrant Shares together with all documents, instruments and certificates given in connection therewith, the “**Warrants**”), at a twenty-five percent (25%) premium to the five (5) day volume weighted average trading price of the common shares of Holdings on the Toronto Stock Exchange ending on the trading day immediately prior to the date

of the Original Credit Agreement, for a period of thirty-six (36) months following the date of issuance.

- (f) In consideration of entering into Amendment No. 1, the Agent was entitled to receive the Amendment No. 1 Warrants (as defined in Section 2(g)) which were earned on May 27, 2020, and issued on or prior to the Amendment No. 1 Effective Date.
- (g) Subject to the conditional listing approval of the Toronto Stock Exchange and the provisions of this Agreement, as of May 27, 2020, the Agent was entitled to receive, on behalf of the Lenders, warrants to purchase Five Hundred Thousand (500,000) freely tradeable common shares (the "**Amendment No. 1 Warrant Shares**") of Holdings (such Amendment No. 1 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the "**Amendment No. 1 Warrants**"), at the Amendment No. 1 Exercise Price, for a period of forty-eight (48) months following the Amendment Effective Date.
- (h) In consideration of entering into Amendment No. 2, the Agent, Cortland Credit Strategies LP (more particularly, BMO Nesbitt Burns Inc. ITF 402-21190-20 Cortland Credit Strategies LP, and hereinafter referred to as "**Cortland Strategies LP**") and Cortland Credit Institutional LP (more particularly, BMO Nesbitt Burns Inc. ITF 402-22084-27 Cortland Credit Institutional LP, and hereinafter referred to as "**Cortland Institutional LP**") were entitled to receive, respectively, the Amendment No. 2 Warrants (as defined in Section 2(i)) issued to each of them, which were earned on October 1, 2020, and issued on or prior to the Amendment No. 2 Effective Date.
- (i) Subject to the conditional listing approval of the Toronto Stock Exchange and the provisions of this Agreement, as of October 1, 2020, the Agent, Cortland Strategies, and Cortland Institutional LP were entitled to receive, on behalf of the Lenders, warrants to purchase, respectively, One Hundred Sixty Six Thousand Six Hundred Sixty Six (166,666), Two Hundred Seventy One Thousand Five Hundred Thirty Nine (271,539) and Sixty One Thousand Seven Hundred Five (61,795) freely tradeable common shares (for a total of Five Hundred Thousand (500,000) freely tradeable common shares, collectively, the "**Amendment No. 2 Warrant Shares**") of Holdings (such Amendment No. 2 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the "**Amendment No. 2 Warrants**"), at the Amendment No. 2 Exercise Price, for a period of sixty (60) months following the Amendment No. 2 Effective Date.

3. Loan Advances.

- (a) Subject to satisfaction of the terms and conditions set out in this Agreement, the Agent shall, from time to time, upon request of the Borrower made in accordance with the terms and conditions of this Agreement, make one or more Loan Advances available to the Borrower provided that the aggregate principal amount of such Loan Advances does not exceed, at any given time, the Revolving Facility Limit at such time. If at any time the aggregate principal amount of all Loan Advances outstanding (collectively, the "**Total Exposure**") exceeds the Revolving Facility Limit at such time, then the Borrower will promptly repay such Loan Advances in cash by an amount required to reduce the Total Exposure to an amount less than or equal to the Revolving Facility Limit.
- (b) Each Loan Advance will bear interest at the Interest Rate, which interest will be due and payable

in cash on the last Business Day of each month.

- (c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit.
- (d) The Collection Account will be swept daily as provided for in Section 8 (w).
- (e) Interest owing on the Loan Advances shall be calculated daily and not in advance on the basis of the then current calendar year of three-hundred and sixty-five (365) or three-hundred and sixty-six (366) days for the actual number of days elapsed, and in the case of a leap year, the annual interest rate corresponding to the interest calculated on a three-hundred and sixty-five (365) day year is equal to the interest rate thus calculated multiplied by three-hundred and sixty-six (366) and divided by three-hundred and sixty-five (365). Any amount of principal, interest, commission, discount or of any other nature remaining unpaid at maturity shall bear interest at the Interest Rate. Interest on all overdue interest calculated as aforesaid and compounded monthly at the aforesaid rate from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement. The Borrower acknowledges and agrees that for the purposes of the *Interest Act* (Canada), the information provided to it hereunder with respect to the calculation of interest hereunder or under any other Transaction Document shall constitute an express statement of the yearly rate or percentage of interest to which such interest rate (including the Interest Rate) or percentage is equivalent. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Transaction Document, that the interest payable under this Agreement (including the Interest Rate) or any other Transaction Document and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law.
- (f) Where the rate of interest payable under any Loan Advance is found by a competent court of law, governmental agency or other tribunal to exceed the maximum rate of interest permitted by the laws of any applicable jurisdiction or the rules or regulations of any appropriate regulatory authority, then during the time that the rate of interest would exceed the permissible limit, that portion of each interest payment attributable to the portion of the interest rate that exceeds the permissible limit shall be deemed to be a voluntary prepayment of principal.
- (g) The Agent's books and records relating to the Loan Advances and any related interest shall be *prima facie* evidence of same, absent manifest error.

4. **Conditions Precedent to the Effectiveness of this Agreement.** The effectiveness of this Agreement will be subject to receipt by the Agent of an executed copy of this Agreement together with a confirmation of guarantees and security agreement from each of the Obligors.

5. **Conditions Precedent to Loan Advances.** The obligation of the Lenders to make any Loan

Advance (subsequent to the initial Loan Advance) will be subject to receipt by the Agent of the following, each in a form satisfactory to the Agent, and/or satisfaction of the following, in each case, without duplication, unless waived by the Agent on terms satisfactory to the Agent:

- (a) an executed Advance Request Certificate and a Borrowing Base Certificate shall have been received not less than 1 Business Day before the date of the proposed Loan Advance;
- (b) all representations and warranties provided for in the Transaction Documents being true, accurate and complete, in all material respects, as of the date of such Loan Advance, except to the extent specified to be made as of a specific date; and
- (c) no Default or Event of Default shall have occurred as of the date of such Loan Advance.

6. **Representations and Warranties.** The Borrower, on behalf of itself and each other Obligor, represents and warrants to the Agent as follows:

- (a) **Status.** It has been duly organized and is a valid and subsisting legal entity in good standing under the laws of its jurisdiction of formation and has full capacity and power to carry on its business as the same is presently conducted and, to own and lease property.
- (b) **Power and Authority.** It has the power and is duly authorized to enter into, execute, deliver and perform its obligations under this Agreement and each other Transaction Document to which it is a party, and it has the power and is duly authorized to borrow as herein contemplated and to provide the security interests herein contemplated.
- (c) **Ownership of Assets.** It owns, leases or has rights in all assets required in order to carry on its businesses as presently conducted. All such assets are owned by it free and clear of all Liens other than Permitted Encumbrances.
- (d) **Compliance with Laws** – It is in compliance in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws).
- (e) **Litigation, Judgments and Executions.** There are no actions, suits or proceedings pending, or to the knowledge of it threatened, against it in any court or before or by any federal, provincial, municipal or other Governmental Authority, except: (i) the litigation disclosed in **Schedule “D”** attached hereto; and (ii) other litigation in which all amounts claimed against the Obligors do not in the aggregate exceed Fifty Thousand Dollars (\$50,000). There are no judgments or executions against it.
- (f) **Environmental Laws.** Except to the extent disclosed in **Schedule “E”** attached hereto:
 - (i) each Obligor and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all Requirements of Environmental Law, specifically including all Requirements of Environmental Law concerning the storage and handling of Hazardous Materials;
 - (ii) each Obligor holds all material permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges

to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials and all other Requirements of Environmental Law;

- (iii) there has been no material emission, spill, release, or discharge into or upon the air, soils (or any improvements located thereon), surface water or groundwater or the sewer, septic system or waste treatment, storage or disposal system servicing any premises, of any Hazardous Materials at or from any of the properties owned or leased by any of the Obligor;
 - (iv) no material written complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person has been received by any Obligor with respect to any of the properties owned or leased by any of the Obligor in respect of air emissions, spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing any of the properties owned or leased by any of the Obligor, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation, or disposal of Hazardous Materials or other Requirements of Environmental Law affecting any of the properties owned or leased by any of the Obligor;
 - (v) there are no material legal or administrative proceedings, investigations or claims now pending, or to the Borrower's knowledge, threatened in writing, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into or upon any of the properties owned or leased by any of the Obligor, the atmosphere, or any watercourse or body of water, of any Hazardous Material; nor are there any material matters under discussion between any Obligor and any Governmental Authority relating thereto; and there is no factual basis for any such proceedings, investigations or claims; and
 - (vi) the Obligor has no material indebtedness, obligation or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials, including without limitation any such indebtedness, obligation, or liability under any Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal.
- (g) Bankruptcy Events. No Bankruptcy Event has been initiated by it or occurred in respect of it, and no Bankruptcy Event has been threatened against it.
- (h) Anti-Terrorism and Corruption Laws. It has conducted its business in compliance with Anti-Terrorism and Corruption Laws and has instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws.
- (i) Subsidiaries. As of the date hereof, the only Subsidiaries it has are listed in **Schedule "F"** attached hereto.
- (j) Corporate Information. **Schedule "F"** attached hereto contains a true and complete list as of the date hereof of the following information in respect of each Obligor: all prior names and

predecessor corporations, jurisdiction of incorporation, registered office and chief executive office, principal place of business, all locations at which it has places of business or owns assets, the number and classes of its issued and outstanding shares, except in the case of Holdings, a list of all shareholders including the number and class of shares held by each and a list of all of its subsidiaries.

- (k) Solvency. It is Solvent.
- (l) No Pending Corporate Changes. Except as disclosed on **Schedule "G"** attached hereto, or in the public filings of Holdings, as of the date hereof, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any properties or assets of any Obligor out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or equity securities of any Obligor.
- (m) Material Agreements and Material Permits. Its Material Agreements and Material Permits are listed in **Schedule "H"** attached hereto (as such Schedule may be updated from time to time to reflect any Material Agreements or Material Permits entered into or obtained in compliance with the terms hereof) and true, correct and complete copies of each have been delivered to the Agent. Each such Material Agreement and Material Permit is in good standing, in full force and effect and there are no defaults thereunder, except to the extent any such Material Agreement has terminated as scheduled in the ordinary course in accordance with its terms.
- (n) No Conflicts under Material Agreements or Material Permits. The execution and delivery by each Obligor of those Transaction Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit to which it is a party.
- (o) Owned Real Properties. Its real property interests as of the date hereof, both owned and leased, are listed in **Schedule "I"** attached hereto.
- (p) No Guarantees. It has not granted any Guarantees, other than Permitted Guarantees.
- (q) Statutory Liens. It has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax and employment insurance), goods and services tax and all other amounts, which if not paid when due could result in the creation of a statutory lien against any of its property.
- (r) No Default or Event of Default. No Default or Event of Default has occurred and is continuing.
- (s) Financial Statements and No Material Change. The financial statements of the each Obligor that have been made available to the Agent have been prepared in accordance with GAAP, and fairly present the financial position and results of operations of such Obligor for the dates or periods reported on thereby subject, in relation to any unaudited financial statements, any year-end adjustments. From the date of the last audited financial statements made available to the Agent, there has been no event which would reasonably be expected to result in a Material Adverse Change.

- (t) Related Party Transactions. Except as (A) disclosed in the financial statements or other public disclosure of the Obligors or (B) as permitted by this Agreement, no Obligor: (i) is a creditor under a loan or otherwise committed to make any payment or loan to, or borrowed any moneys from or otherwise been indebted to, any related party thereof (other than another Obligor); or (ii) been a party to any contract with any related party thereof, other than independent contractor or indemnification agreements entered into with officers or directors. Any transactions between an Obligor and a related party (other than another Obligor) has been completed on reasonable commercial terms that, considered as a whole, are not in any material respect less advantageous to such Obligor, than if the transaction was with a Person dealing at arm's length with such Obligor, as the case may be.
- (u) U.S. Cannabis. It has no direct, indirect or ancillary interest in any "marijuana-related activity" in the United States as defined in Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana Activities* of the Canadian Securities Administrators.
- (v) Internal Controls. It has established and maintains a system of internal controls over financial reporting that is designed to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with GAAP, and includes policies and procedures that: (i) pertain to the maintenance of records that accurately and fairly reflect the material transactions, acquisitions and dispositions of the property and assets of it; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that material receipts and expenditures of it are made only in accordance with authorizations of management its directors; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of its property or assets that could have a material adverse effect on its financial statements.
- (w) Full Disclosure. All information (including, without limitation, financial information and financial statements) furnished by or in respect of the Obligors to the Agent for the purposes of or in connection with this Agreement and each of the other Transaction Documents was true and correct in all material respects as at the date such information is stated to have been given, and is not incomplete by omitting to state any material fact necessary to make the statements contained in such information not misleading in any material respect in light of the circumstances under which the statements contained in such information were made.
- (x) Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Warrants and the Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
- (y) Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants, it will cause the Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued and delivered as directed and such Warrant Shares shall be issued as

fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.

(z) Amendment No. 1 Warrants. In respect of the Amendment No. 1 Warrants

- (i) Amendment No. 1 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Amendment No. 1 Warrants and the Amendment No. 1 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Amendment No. 1 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
- (ii) Amendment No. 1 Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 1 Warrants, it will cause the Amendment No. 1 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 1 Warrants to be issued and delivered as directed and such Amendment No. 1 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
- (iii) Actions to Issue Amendment No. 1 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
- (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 1 Warrants) and to have the Amendment No. 1 Warrant Shares issued pursuant to the exercise of the Amendment No. 1 Warrants listed and posted for trading on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 1 Warrants) as expeditiously as possible.
- (vi) Issuance of Amendment No. 1 Warrant Shares. That Holdings has agreed that upon exercise of the Amendment No. 1 Warrants, the Amendment No. 1 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.

(aa) Amendment No. 2 Warrants. In respect of the Amendment No. 2 Warrants

- (i) Amendment No. 2 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the Amendment No. 2 Warrants and the Amendment No. 2 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the Amendment No. 2 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
 - (ii) Amendment No. 2 Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of Amendment No. 2 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 2 Warrants, it will cause the Amendment No. 2 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 2 Warrants to be issued and delivered as directed and such Amendment No. 2 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
 - (iii) Actions to Issue Amendment No. 2 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Amendment No. 2 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
 - (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
 - (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 2 Warrants) and to have the Amendment No. 2 Warrant Shares issued pursuant to the exercise of the Amendment No. 2 Warrants listed and posted for trading on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Amendment No. 2 Warrants) as expeditiously as possible.
 - (vi) Issuance of Amendment No. 2 Warrant Shares. That Holdings has agreed that upon exercise of the Amendment No. 2 Warrants, the Amendment No. 2 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.
- (bb) Actions to Issue Extension Shares and Increase Shares. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Extension Shares and Increase Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.

- (cc) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (dd) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the Agent).

7. **Reporting Covenants**.

- (a) The Borrower will provide to the Agent the following financial information:
 - (i) quarterly consolidated financial statements, within sixty (60) days of each fiscal quarter of the Borrower;
 - (ii) copies of management updates, budgets and other related reports on the operational results of the Obligors which have been provided to the board of directors of the Borrower at such directors' regular board meetings and all such other financial information relating to the foregoing as the Agent reasonably requires to assess the liquidity of the Obligors and the Obligors' performance against such budgets;
 - (iii) a quarterly business review on such terms, and such basis, as is required by the Agent, such to determine the status of business as it relates to the Obligors, and in particular compliance with the terms of this Agreement;
 - (iv) annual audited consolidated financial statements within one hundred twenty (120) days of the end of each fiscal year of the Borrower;
 - (v) on a monthly basis, within thirty (30) days of the end of each calendar month:
 - 1. unconsolidated financial statements of each Obligor;
 - 2. unconsolidated general and ledger trial balance for each Obligor;
 - 3. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;
 - 4. an accounts payable summary for each creditor of the Obligors, aged by invoice date;
 - 5. bank reconciliations, including for greater certainty, bank statements and a complete listing of outstanding cheques;
 - 6. confirmation of payment of all taxes owing by any Obligor; and
 - (vi) on a weekly basis, on Friday of each week (as of Thursday of such week):
 - 1. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;

2. an accounts payable summary for each creditor of the Obligors, aged by invoice date; and
 - (vii) any additional financial and reporting information as the Agent may reasonably request from time to time, in its sole discretion.
8. **Covenants.** The Borrower, on behalf of itself and each other Obligor, covenants and agrees with the Agent that it:
- (a) will pay all interest, principal, fees and other amounts due under the terms of this Agreement and any other Transaction Document to which it is a party;
 - (b) will satisfy, in all material respects, all the terms and conditions of this Agreement and any other Transaction Document to which it is a party;
 - (c) will immediately advise the Agent of any Default or Event of Default;
 - (d) will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all taxes (including interest and penalties) and Potential Priority Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
 - (e) it will comply in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws) and use the proceeds of all Loan Advances hereunder for legal and proper purposes; and without limiting the generality of the foregoing the Borrower shall and shall cause each other Obligor to:
 - (i) engage in Cannabis-Related Activities only to the extent that such Cannabis-Related Activities are (A) in an Approved Jurisdiction, and (B) in compliance with all Applicable Laws in such Approved Jurisdiction (including, without limitation on a federal, state, provincial, territorial and municipal basis);
 - (ii) ensure that all activities of the Obligors relating to the cultivation, production and processing of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions; and
 - (iii) ensure that all activities of the Obligors relating to the sale of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions or between entities licensed by Governmental Authorities in Approved Jurisdictions.
 - (f) will: (i) immediately, with respect to Material Agreements and/or Material Permit; and (ii) promptly, and in any event within three (3) Business Days, notify the Agent of any material action requests or material violation notices received by it from any Person (including, without limitation, from any Governmental Authority) concerning it (including, without limitation, any notices or requests in connection with the protection or preservation of the environment) and hold the Agent and the Lenders harmless from and against any losses, costs or expenses which the Agent or any Lender may suffer in connection therewith;

- (g) will promptly advise the Agent of any Material Adverse Change;
- (h) will keep its assets (including, without limitation, the Collateral) fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default that is continuing, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, (i) to visit and inspect any Obligor's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and (ii) to discuss the Obligors' affairs with the auditors of the Obligors (in the presence of the Obligors' representatives as it may designate); the Obligors hereby authorize and direct any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent;
- (j) except for Permitted Encumbrances, will not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its:
 - (i) accounts receivables; or
 - (ii) other than accounts receivables, properties or assets (excluding obsolete or otherwise superfluous assets) other than (i) in the ordinary course of business and on commercially reasonable terms, or (ii) to another Obligor, (iii) to the extent the proceeds of such sale are promptly reinvested in assets useful to the business of the Obligors, or (iv) if such disposition would not materially impact the operation, business or financial condition of any Obligor.
- (l) will not, without the prior written consent of the Agent, provide any Guarantees (other than Permitted Guarantees);
- (m) will not, without first obtaining the prior written consent of the Agent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person and it will cause any such resulting Person to become an Obligor hereunder and to grant such security and enter into such Transaction Documents and other agreements as the Agent may require, provided that (i) upon ten (10) days' prior written notice to the Agent any Obligor may merge, amalgamate or wind-up with or into another Obligor, and (ii) concurrently with such merger, amalgamation or winding-up the Borrower shall provide, or cause to be provided to the Agent all additional or replacement Security Agreements as the Agent may reasonably require in connection therewith;
- (n) will not pay any dividends, other corporate distributions, or any interest or principal on subordinated debt other than (i) to another Obligor, (ii) in respect to Permitted Indebtedness, or

- (iii) with the prior written consent of the Agent;
- (o) will not acquire or move any material Collateral or change its chief executive office or principal place of business to any jurisdiction outside of the jurisdiction of each such respective Obligor listed in **Schedule "C"** attached hereto without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;
- (p) will not incur additional indebtedness other than Permitted Indebtedness;
- (q) will not enter into any swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other derivative transactions for investment or speculative purposes (for greater certainty, the entering into of any such swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other transactions for protection against fluctuation in currency or interest rates or commodity prices is permitted);
- (r) will not, without the prior written consent of the Agent, make, cause or permit any amendment to any Material Agreement if the effect of such amendment would be reasonably likely to result in a Default or Event of Default;
- (s) will provide written notice to the Agent of each of the following promptly after the occurrence thereof:
 - (i) all proposed amendments to Material Agreements and Material Permits;
 - (ii) all correspondence and notices received from any Governmental Authority or stock exchange with respect to any Material Agreement, Material Permit or any regulatory or other investigations into the Obligors' business practices which could have a material and negative effect on any of the Obligors or their business, or any of the Obligors' ability to repay the obligations owing under this Agreement or would be likely to result in a Default;
 - (iii) any changes in the identity of Responsible Persons, which materially effect the Obligors together with satisfactory evidence of security clearances for such Responsible Persons under the Cannabis Act or the Cannabis Regulations; and any rejection notice for new or renewal security clearance applications for each Responsible Person;
- (t) will conduct its business in compliance with Anti-Terrorism and Corruption Laws and institute and maintain policies and procedures designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws;
- (u) will (i) where an Account Debtor makes a payment in the form of a cheque, deposit such cheque into the Collections Account, (ii) where an Account Debtor makes a payment by electronic funds transfer, direct such Account Debtor to make such transfer to the Collections Account;
- (v) will not (i) amend, vary or terminate the Collections Account or the Blocked Account Agreement, and (ii) amend, modify or otherwise change any banking instructions provided to the financial institution maintaining the Collections Account, which would result in the application of any funds

- from any Account Debtor to an account other than the Collections Account;
- (w) the Borrower shall sweep the Collections Account at the end of each day and use such funds to repay all or any portion of the Loan Advances under the Revolving Facility outstanding at such time;
 - (x) will grant the Agent and the Lenders the first right of refusal to provide any debtor in possession financing during any applicable Bankruptcy Event;
 - (y) not amend, supplement (in a way that is detrimental to the Lender), terminate, abandon, allow to expire or fail to renew any Material Permits, or permit any other Person to use, become party to or otherwise have an interest in, any Material Permits, or take any action in furtherance of, or fail to take any action, which failure could be reasonably expected to result in, any of the foregoing;
 - (z) not enter into any transaction with any Affiliate, other than the another Obligor, except on terms no less favourable than could be obtained in an arm's-length transaction;
 - (aa) change in any material respect the nature of its business or operations, nor engage directly or indirectly in any material business activity, or purchase or otherwise acquire any material property, in either case, not related to or in furtherance of the conduct of the business as presently conducted by it;
 - (bb) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants and to issue and deliver the Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued as fully paid and non-assessable common shares of Holdings;
 - (cc) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
 - (dd) to cause a news release of Holdings announcing this Agreement, the issuance of the Extension Shares and the issuance of the Increase Shares and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing;
 - (ee) to cause Holdings to provide a draft of any other news release related to this Agreement and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release;
 - (ff) in respect of the Amendment No. 1 Warrants, will:
 - (i) [Intentionally Deleted.]

- (ii) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 1 Warrants and to issue and deliver the Amendment No. 1 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 1 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
- (iv) [Intentionally Deleted.]
- (v) [Intentionally Deleted.]
- (gg) in respect of the Amendment No. 2 Warrants, will:
 - (i) [Intentionally Deleted.]
 - (ii) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Amendment No. 2 Warrant Shares to satisfy the right of purchase pursuant to the Amendment No. 2 Warrants and to issue and deliver the Amendment No. 2 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Amendment No. 2 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
 - (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Amendment No. 2 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
 - (iv) [Intentionally Deleted.]
 - (v) [Intentionally Deleted.]
- (hh) will, within 30 days of March 31, 2022, provide the Agent with evidence reasonably satisfactory to it that has EBITDA for the month of March 31, 2022 greater than Zero Dollars (\$0); and
- (ii) will, within 5 Business Days of the sale of HemPoland Sp. z o.o. (the "**Hempoland Transaction**"), apply not less than Six Million Dollars (\$6,000,000) from the net proceeds of the Hempoland Transaction as a repayment towards the outstanding Loan Advances.

9. **Use of Insurance Proceeds**. The parties agree that the proceeds of any insurance policies received by the Agent in connection with insurable events relating to the Collateral shall be applied to repay the outstanding fees, interest and principal in respect of the Loan Advances.

10. **Term and Termination.**

- (a) The term of the Revolving Facility expires on June 30, 2023 (the “**Maturity Date**”).
- (b) The Agent shall have the right to terminate the Revolving Facility:
 - (i) upon immediate notice, if an Event of Default has occurred and is continuing;
 - (ii) upon one hundred and eighty (180) days notice, if a material adverse change in market conditions is negatively affecting the liquidity of any Lender; and
 - (iii) upon immediate notice, if the Revolving Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law.
- (c) The Revolving Facility may be terminated upon the mutual agreement of the Agent and the Borrower, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash by the Borrower to the Agent on such date.
- (d) If there is a Bankruptcy Event of the Borrower, then this Agreement shall be forthwith ended and terminated.
- (e) If the Revolving Facility is terminated for any reason, with respect to any outstanding Loan Advances, the Agent shall retain all of its rights and remedies, under the Transaction Documents.
- (f) If the Revolving Facility is terminated for any reason, then at the election of the Agent by way of immediate notice to the Borrower, all accrued and/or unpaid interest, all outstanding Loan Advances, and all unpaid fees will be due and payable under this Agreement, and the Borrower will pay such amounts to the Agent forthwith.

11. **Post-Closing Undertaking.** The Borrower, on behalf of each Obligor, hereby agrees that it shall take (or cause to be taken, as applicable) the following actions within the applicable time periods set out below, and further agrees that any failure of the Borrower to take such actions within such time period shall constitute, at the option of the Agent, an Event of Default:

- (a) on or before October 8, 2021, deliver to the Agent a certificate of a senior officer of the Borrower to which are appended: (i) copies of the articles of incorporation, certificate of formation and by-laws or constitution (if applicable), operating agreement or shareholder agreement governing the affairs of the Borrower (if applicable), (ii) an incumbency certificate setting out the names and offices of all directors and officers of the Borrower, together with specimen signatures of same, and (iii) certified copies of the resolutions of the shareholders or directors of the Borrower authorizing the execution, delivery and performance of the Transaction Documents to which each is a party and the transactions contemplated thereby, and the granting of security;
- (b) on or before October 8, 2021, certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
- (c) on or before October 8, 2021, deliver to the Agent opinions regarding corporate status of the Borrower, the due authorization, execution and delivery of the Transaction Documents to which

the Borrower is a party, all registrations in respect of such security, the results of all applicable searches, and the enforceability of such Transaction Documents; all such opinions to be in form and substance satisfactory to the Agent;

- (d) on or before five (5) days following the date hereof, deliver to the Agent the Extension Shares and the Increase Shares; and
- (e) if requested by the Agent, cause to be delivered to the Agent, within forty-five (45) days of such request, a landlord agreement in form and substance satisfactory to the Agent with respect to any real property leased by an Obligor, other than office space that is either not material or reasonably fungible.

12. **Remedies Upon Default.** Upon the occurrence of any Event of Default, the Lender may at its sole option:

- (a) declare, by notice in writing to the Borrower, any or all of the Loan Advances and fees and other obligations owing to the Agent and or the Lenders to be immediately due and payable;
- (b) realize upon all or any part of the Collateral, pursuant to the Security Documents; and
- (c) take such actions and commence such proceedings as may be permitted at law or in equity (whether or not provided for herein or in the Transaction Documents) at such times and in such manner as the Agent in its sole discretion may consider expedient

13. **Accredited Investor Representation.** The Agent represents and warrants to the Borrower and Holdings that it is a an “accredited investor” within the meaning of section 73.3 of the *Securities Act* (Ontario) by virtue of being a person described in the Accredited Investor Certificate (attached as **Schedule “K”**), and the Agent is delivering with this Agreement a completed and signed Accredited Investor Certificate.

14. **Extended Meanings.** Terms defined in the singular have the same meaning when used in the plural, and vice-versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation”, and the term “includes” shall mean “includes, without limitation”. Any reference herein to the exercise of discretion by the Agent or any Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

15. **Headings.** The section headings are not to be considered part of this Agreement, are inserted for convenience of reference only, are not intended to be full or accurate descriptions of the content thereof and shall not affect the construction or interpretation of this Agreement.

16. **Currency.** All dollar amounts referred to in this Agreement and all payments to be made hereunder are in Canadian dollars unless agreed to otherwise in writing by the Agent.

17. **Entire Agreement.** This Agreement, including the Schedules hereto, and the Exhibits to such Schedules, and any other agreement required hereunder to be delivered in connection herewith, constitute the entire agreement between the parties as to the subject matter of this Agreement and may

not be amended or modified in any respect except by written instrument signed by the parties hereto.

18. **Severability.** In the event that any one or more provisions contained in this Agreement, or any other agreement required hereunder to be delivered in connection herewith, shall be invalid, illegal or unenforceable in any way, the remaining provisions hereof or thereof shall not be affected or impaired thereby unless as a consequence thereof of the rights and benefits granted to the Agent are, in the discretion of the Agent, materially and adversely affected.

19. **Execution.** This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

20. **Electronic Execution of Certain Documents.** The words “delivery”, “execution,” “signed,” “signature,” and words of like import in any Transaction Document or any other document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law; provided, that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept electronic signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

21. **Business Day.** If under the provisions of this Agreement any amount is to be paid or any act or thing is to be done or step is to be taken on a day other than a Business Day, then such amount shall be paid or such act or thing or step shall be done or taken on the next succeeding Business Day.

22. **Further Assurance.** The Borrower shall, from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Agent may deem necessary or desirable for the purposes of carrying into effect any or all of the provisions of this Agreement or any documents delivered hereunder or of securing the fulfillment of all the obligations of the Borrower to the Agent hereunder.

23. **Costs, Expenses and Fees.** The Borrower agrees to pay all fees owing to the Agent hereunder and all of the Agent’s costs incurred from time to time (including reasonable legal fees and disbursements and reasonable accountant fees and disbursements) in the preparation, negotiation and execution of this Agreement and the other Transaction Documents and all third party costs associated with bringing or attempting to bring this transaction to a close and any costs incurred in the operation or enforcement of this Agreement or any other Transaction Documents. The Agent will provide a summary of such legal fees and disbursements. All costs of insuring the Collateral will be the responsibility of the Borrower. All such costs and expenses shall be payable upon demand. The Agent shall have the right, but not the obligation, to deduct all such costs and expenses and any fees owing to the Agent, from time to time, from the proceeds of any Loan Advance.

24. **GOVERNING LAW.** THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

25. **SUBMISSION TO JURISDICTION.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT OR ANY RELATED PARTY OF THE AGENT IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE PROVINCE OF ONTARIO SITTING IN THE CITY OF TORONTO, THE FEDERAL COURTS OF CANADA SITTING IN THE CITY OF TORONTO, AND ANY APPELLATE COURT FROM ANY THEREOF, (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ONTARIO PROVINCIAL COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

26. **WAIVER OF VENUE.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN SECTION 25. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

27. **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 28. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

28. **Notice.** Any notice to be given by any party hereto to any other party hereto shall be in writing and may be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by facsimile, electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below ("**other communication**") addressed as follows:

(a) to the Borrower:

The Green Organic Dutchman Ltd.
 Building A, Suite 301 6205 Airport Road
 Mississauga, Ontario L4V 1E3

Attention: Sean Bovingdon
 Telephone: (905) 304-4201 (extension 269)
 Email: SBovingdon@tgod.ca

(b) to the Agent or a Lender:

Cortland Credit Lending Corporation
 c/o Cortland Credit Group Inc.
 200 Bay St., Suite 3230
 Royal Bank Plaza South Tower
 Toronto, ON, M5J 2J2

Attention: Bruce Sherk
 Telephone: (416) 407-4440
 Email: bsherk@cortlandcredit.ca

If given by registered mail shall be deemed to have been received by the party to whom it was addressed on the date falling four (4) Business Days following the date upon which it has been deposited in the post office with postage and cost of registration prepaid, and if personally delivered to an adult during normal business hours, when so delivered, and if given by other communication, the third (3rd) business hour after transmission and confirmation of receipt. Provided that any of the above-named parties may change the address designated from time to time, by notice in writing to the other party hereto.

29. **Binding Effect.** This Agreement shall be binding upon and shall enure to the benefit of (i) the Agent and the Lenders and their respective successors and assigns, and (ii) the Borrower and its successors and permitted assigns; “successors” includes any corporation resulting from the amalgamation of any party with any other corporation.

30. **Lenders.** The Borrower acknowledges and agrees that the Lenders shall be determined by the Agent from time to time, provided that (i) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (without the consent of the Borrower) that is managed, affiliated with or Controlled by the Agent, (ii) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (with the consent of the Borrower) that is not an entity managed, affiliated with or Controlled by the Agent, and (iii) following the occurrence of an Event of Default a Lender may be any entity designated by the Agent in its sole and unfettered discretion.

31. **General Indemnity.** The Borrower hereby indemnifies and holds harmless the Indemnified Parties from and against any and all claims, damages, losses, costs and expenses, that may be incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement, the other Transaction Documents or the

transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the Loan Advances, whether or not such investigation, litigation or proceeding is brought by an Obligor, any shareholder or creditor thereof, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such losses and expenses are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's intentional or gross negligence or wilful misconduct or for breach in bad faith of such Indemnified Party's obligations hereunder or under any other Transaction Document, or where such litigation or proceeding is solely between Indemnified Parties.

32. **Claims under the Indemnity.** The Indemnified Party claiming indemnification under Section 31 shall give the Borrower prompt notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities.

33. **Amendment and Restatement.** This Agreement is an amendment and restatement of the Original Credit Agreement, and is in full force and effect, as of and from the date hereof. This Agreement will not discharge or constitute a novation of any debt, obligation, covenant or agreement contained in the Original Credit Agreement or in any other Transaction Document, agreements, certificates and other documents executed and delivered by or on behalf of any Obligor in respect thereof or in connection therewith, but the same shall remain in full force and effect as amended and restated by this Agreement and is hereby ratified and confirmed in the form of this Agreement. For greater certainty, the parties hereto agree that any obligations outstanding under or in connection with the Original Credit Agreement or the Transaction Documents as of the date hereof, constitute obligations outstanding under this Agreement or the Transaction Documents (as applicable). Each reference to the "Credit Agreement" or other similar reference in any of the Transaction Documents and all other agreements, certificates and other documents executed and delivered by any of the Obligors or Cortland in respect thereof or in connection therewith shall mean and be a reference to this Agreement.

[Remainder of this page is intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Chief Executive Officer

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: _____
Name: _____
Title: _____

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the Agent.

SCHEDULE "A"

FORM OF ADVANCE REQUEST CERTIFICATE

ADVANCE REQUEST CERTIFICATE

Pursuant to the provisions of the amended and restated credit agreement dated September 30, 2021 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) (terms defined therein being used herein as so defined), between, *inter alia*, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, as administrative agent (the “**Agent**”), the undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. **Representations and Warranties.** The representations and warranties of the Borrower and the other Obligors set forth in the Credit Agreement, or which are contained in any certificate, document or financial or other written statement furnished pursuant to or in connection with the Credit Agreement, including the other Transaction Documents are accurate and complete in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except to the extent specified in the Credit Agreement or Transaction Documents to be made as of a specific date.

2. **No Material Adverse Change.** Since the date of the latest financial statements of the Borrower provided to the Agent in connection with the Transaction Documents, no Material Adverse Change has occurred.

3. **No Default.** No Default or Event of Default has occurred and is continuing as of the date hereof.

4. **Conditions Precedent.** The conditions precedent to this Loan Advance in accordance with the Credit Agreement have been satisfied.

5. **Loan Advance.** The Borrower hereby requests, authorizes, and instructs the Agent to drawdown and advance under the Revolving Facility the amount of CDN \$ _____ to the Borrower on _____, 20____. This will be the Agent’s authority:
 - a) [●]; and

 - b) [●].

[Signature Page Follows]

DATED _____, 20____.

THE GREEN ORGANIC DUTCHMAN LTD.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

SCHEDULE "B"

FORM OF BORROWING BASE CERTIFICATE

[to follow]

SCHEDULE "C"

DEFINED TERMS

As used in this Agreement and unless otherwise stated herein, the terms set out below shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

"\$" and "**Dollar**" each mean Canadian dollars.

"**Account Debtor**" means the account debtor in respect of any account receivable of an Obligor arising from a bona fide, fully-completed transaction in the ordinary course of business consisting of either the sale of goods or the provision of services by the Obligor.

"**Advance Rate**" means eighty-five percent (85%).

"**Advance Request Certificate**" means a written notice, in the form attached as **Schedule "A"** attached hereto, pursuant to which the Borrower may request a Loan Advance in an amount not less than \$250,000.

"**Affiliate**" means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"**Amendment No. 1**" means the first amendment to this Agreement dated May 27, 2020.

"**Amendment No. 1 Effective Date**" means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 1 shall have been satisfied.

"**Amendment No. 1 Exercise Price**" means \$0.50.

"**Amendment No. 2**" means the second amendment to this Agreement dated October 1, 2020.

"**Amendment No. 2 Effective Date**" means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 2 shall have been satisfied.

"**Amendment No. 2 Exercise Price**" means \$0.30.

"**Amendment No. 3**" means the third amendment to this Agreement dated July 30, 2021.

"**Amendment No. 3 Amount**" an amount equal to \$3,000,000.

"**Amendment No. 3 Effective Date**" means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 3 shall have been satisfied.

"**Anti-Terrorism and Corruption Laws**" means any Applicable Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, rules and regulations, all as amended, supplemented or replaced from time to time.

“Applicable Law” means, with respect to any Person, all laws, rules, regulations and orders of Governmental Authorities applicable to such Person or any of its properties or assets.

“Approved Jurisdiction” means a country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state, provincial, territorial and municipal basis) to undertake any Cannabis-Related Activities provided that in each case (i) such country has been approved in writing by the Agent in its discretion and (ii) if required by the Agent, the ability to undertake Cannabis-Related Activities to the extent permitted by Applicable Law therein is confirmed by a legal opinion provided by the Borrower's counsel in such jurisdiction, in form and substance satisfactory to the Agent. The Agent may in its discretion from time to time (i) upon receipt of a written request by the Borrower, designate any jurisdiction an Approved Jurisdiction provided that the above criteria are satisfied; and (ii) revoke the designation of any jurisdiction as an Approved Jurisdiction by written notice to the Borrower if such criteria are not satisfied.

“Associate” has the meaning ascribed thereto in the *Canada Business Corporations Act*.

“Bankruptcy Event” means an Involuntary Bankruptcy Event or a Voluntary Bankruptcy Event.

“Base Facility Amount” means: (a) prior to completion of the Hempoland Transaction, Seventeen Million Dollars (\$17,000,000); and (b) five Business Days following the completion of the Hempoland Transaction, Eleven Million Dollars (\$11,000,000).

“Blocked Account Agreement” means an agreement, in form and substance satisfactory to the Agent, in respect of a Collections Account in which, among other things, the financial institution maintaining such account acknowledges and agrees with the Agent and relevant Obligors that the Agent will control all disbursements from such accounts.

“Borrowing Base Certificate” means a written report, in the form attached as **Schedule “B”** attached hereto, pursuant to which the Borrower has, among other things, calculated the Revolving Facility Margin Limit.

“Business Day” means any day other than: (a) a Saturday or Sunday; or (b) a day on which banking institutions in Toronto, Ontario, are authorized or obligated by law or executive order to be closed.

“Cannabis” means:

- (a) any plant or seed, whether live or dead, from any species or subspecies of genus *Cannabis*, including *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, Marijuana and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome;
- (b) any material obtained, extracted, isolated, or purified from the plant or seed or the parts contemplated by clause (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof;
- (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition, including any micro-organism engineered for such purpose;

- (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition;
- (e) any other meaning ascribed to the term “cannabis” under Applicable Law in any Approved Jurisdiction, including the Cannabis Act and the *Controlled Drugs and Substances Act* (Canada); and
- (f) any other meaning ascribed to the term “cannabis” under the *Controlled Substances Act* (United States).

“Cannabis Act” means *An Act respecting cannabis and to amend the Controlled Drugs and Substances Act, the Criminal Code and other Acts*, S.C. 2018, c. 16, as amended from time to time.

“Cannabis Regulations” means Cannabis Regulations under the Cannabis Act, as amended from time to time and all other regulations made from time to time under the Cannabis Act or any other statute in an Approved Jurisdiction with respect to Cannabis-Related Activities.

“Cannabis-Related Activities” means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products.

“Capital Lease” means, with respect to a Person, a lease or other arrangement in respect of personal property that is required to be classified and accounted for as an obligation on a balance sheet of the Person in accordance with IFRS.

“Change of Control” means (i) if both (x) Brian Athaide ceases to be the chief executive officer of the Borrower, and (y) Sean Bovingdon ceases to be the chief financial officer of the Borrower, and the Agent shall not have been satisfied, in its reasonable discretion, with the arrangements made with respect to the replacement of both such individuals, (ii) fifty percent (50%) or more of the ownership or Control of the voting interests of Holdings are acquired, directly or indirectly, by any Person, whether acting individually or in concert with any other Person or Persons, (iii) the sale of all or substantially all of the assets of any Obligor (other than to another Obligor); or (iv) if any wholly owned, direct or indirect, subsidiary of the Borrower ceases to be wholly owned, directly or indirectly, by the Borrower; or (v) Borrower ceases to be wholly-owned, directly or indirectly, by Holdings.

“Collateral” means all present and after acquired undertaking and personal property of the Obligors, including all proceeds thereof, subject to such customary exclusions as set out in the Security Documents.

“Collections Account” means the account established and maintained by a Schedule “1” Canadian Chartered Bank in the name of the Borrower into which all payments by Account Debtors are deposited and which account shall at all times be subject to the Blocked Account Agreement.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Default” means any event, act, omission or condition which with the giving of notice or passage of time, or both, would result in an Event of Default.

“EBITDA”, for a period, means net income of the Borrower for such period, on a consolidated basis, plus, without duplication for such period, each on a consolidated basis, interest expense, taxes, depreciation, amortization, extraordinary or non-recurring losses and impairments, unrealized losses in the fair value of biological assets and non-cash stock based compensation, less unrealized gains in the fair value of biological assets and extraordinary or non-recurring gains.

“Eligible Account Receivable” means, in respect of any Obligor, an account receivable of such Obligor (in this definition, individually called an "account") which satisfies all of the following eligibility criteria:

- (a) the account is subject to a first-ranking security interest held by the Agent pursuant to the Security Agreements and is not subject to any other Liens, except Permitted Encumbrances, and the Account Debtor thereof has been directed to pay the proceeds of such account to the Collections Account;
- (b) if the Account Debtor is a Governmental Authority, all requirements of Applicable Law have been satisfied in order that the assignment of such account in favour of the Agent shall be valid and enforceable;
- (c) the Account Debtor is located in an Approved Jurisdiction;
- (d) the Account Debtor is not any Obligor or any Related Person of any Obligor;
- (e) the account is not in dispute or subject to any defence, counterclaim or claim by the Account Debtor for credit, set-off, allowance or adjustment;
- (f) the Obligor does not have an obligation to hold any portion of the account in trust or as agent for any other Person (except pursuant to a statutory lien securing obligations which are not overdue);
- (g) an invoice relating to the account has been issued by the Obligor and received by the Account Debtor;
- (h) the account is not outstanding for more than ninety-one (91) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment), unless the Account Debtor is a Governmental Authority, in which case the account shall not be outstanding for more than one hundred twenty-one (121) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment);
- (i) the Account Debtor is not insolvent or subject to any Bankruptcy Event; and
- (j) the account is not subject to undue credit risk in the opinion of the Agent.

“Event of Default” means:

- (a) if any Obligor at any time shall fail to pay or perform with regard to the obligation to repay the principal or interest on each Loan Advance on the date required by this Agreement for such payment;
- (b) if any Obligor at any time shall fail to pay or perform with regard to the obligation to pay any fees or other amounts payable to the Agent (which, for greater certainty, does not include amounts

- payable under item (i), above) within three (3) Business Days of the date required by this Agreement or any other Transaction Document for such payment;
- (c) if any Obligor ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding-up or liquidation of an Obligor;
 - (d) if a Bankruptcy Event of any Obligor occurs;
 - (e) if a Change of Control (that has not been consented to in writing by the Agent) occurs;
 - (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any part thereof;
 - (g) if any Obligor permits any sum which is outstanding in an aggregate principal amount exceeding \$100,000 and which has been admitted as due by such Obligor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the security interests granted to the Agent to remain unpaid after proceedings have been taken to enforce such charge;
 - (h) if any representation or warranty made by or on behalf of any Obligor or any of its officers, employees or agents to the Agent shall be false or inaccurate, in any material respect (determined in the discretion of the Agent, acting reasonably);
 - (i) if any Obligor fails to perform or comply with any of its covenants or obligations contained in any Transaction Document; provided that (other than any covenants provided for in Sections 8(j), 8(k), 8(l), 8(m), 8(n), 8(o), 8(p), 8(q), 8(r), 8(t), 8(u), 8(v), 8(w), and 8(y) or any other Event of Default provided for in any other clause of this definition), if such non-compliance is capable of being remedied within ten (10) days, such Obligor diligently attempts to remedy such non-compliance and informs the Agent of its efforts in this regard, and remedies such default within such ten (10) days, then such non-compliance shall be deemed not to constitute an Event of Default;
 - (j) if any Obligor defaults in the observance or performance of any provision relating to the indebtedness or liability of such Obligor to any Person other than the Agent, in an aggregate principal amount exceeding \$100,000, subject to any cure or grace periods provided for in the documentation providing for such indebtedness or liability;
 - (k) if any Material Agreement or Material Permit shall terminate, be withdrawn, suspended, revoked, cancelled or amended in contravention of this Agreement;
 - (l) if a Material Adverse Change shall have occurred;
 - (m) if there is a suspension of trading of the common shares of Holdings on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the Agent and such suspension is in excess of five (5) trading days on such exchange; or
 - (n) if the Cannabis Act is repealed and not replaced with similar legislation.

“Governmental Authority” means the government of Canada, the United States of America or any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body (including any self-regulatory body), court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and for greater certainty includes Health Canada.

“Guarantee” means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of, or provide any financial assistance to any other Person or otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument.

“Hazardous Materials” means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, including any pollutant, contaminant, waste, hazardous waste or dangerous goods that is regulated by any Requirements of Environmental Law or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Requirements of Environmental Law.

“Health Canada Licenses” means, in respect of any Obligor, all Material Permits of such Obligor which are both related to the Cannabis-Related Activities of such Obligor and issued by Health Canada, including Material Permits to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation License Nos. LIC-CJMMLU7IJN-2019, LIC-NIHQWUXTUS-2019, LIC-QBWAEEEME64-2018, LIC-QBWAEEEME64-2018-2, and LIC-NM7TA6CIJ3-2019.

“Hempoland Transaction” has the meaning given to such term in Section 8(ii).

“Holdings” means The Green Organic Dutchman Holdings Inc.

“Indemnified Parties” refers collectively to the Agent, the Lenders, each of their affiliates as well as each of its directors, officers, employees, representatives and agents and **“Indemnified Party”** refers to any one thereof.

“Interest Rate” means the greater of (i) 12% per annum and, (ii) the TD Prime Rate, plus 8.05% per annum.

“Involuntary Bankruptcy Event” means, without the consent or acquiescence of the applicable Person, the entering of an application for an order for relief or approving a petition or court order for relief or reorganization or any other petition or order seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, monitoring or other similar relief under any present or future bankruptcy, insolvency or similar process under Applicable Law, or the filing of any such petition or order against such Person or, without the consent or acquiescence of such Person, the entering of an order appointing a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or of all or any substantial part of the undertaking or property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within forty-five (45) days from entry thereof.

“Lien” means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

“Loan Advance” means any loan extended to the Borrower pursuant to the terms of this Agreement.

“Marijuana” has the meaning ascribed to such term (i) under the Applicable Law in any Approved Jurisdiction or (ii) under the *Controlled Substances Act* (United States).

“Material Adverse Change” means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Transaction Documents or any of the security interests provided for thereunder, (b) the right or ability of an Obligor to perform any of its obligations under any of the Transaction Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Transaction Documents, (c) the financial condition, assets, business or prospects of the Obligors, taken as a whole, (d) any Material Permit, (e) an Obligor’s ability to retain, utilize, exploit or comply with its obligations under any Material Permit, or (f) the rights or remedies of the Agent under any of the Transaction Documents, that any change in the financial condition of an Obligor as the date hereof caused by or related to the COVID-19 global pandemic occurring prior to the date of this Agreement shall not constitute a Material Adverse Change.

“Material Agreement” means any contract or agreement of an Obligor (i) which involves potential revenue or expenditure in excess of \$500,000 in any fiscal year, or (ii) the loss, termination or non-renewal of which would reasonably be expected to result in a Material Adverse Change, including without limitation any agreement between an Obligor and any other Person for the supply of Cannabis.

“Material Permit” means the Health Canada Licenses and any other authorization, approval, consent, exemption, license, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, development permit or building permit), the failure of which to be obtained or held would prohibit or reasonably be expected to materially and adversely affect the ability of any Obligor to conduct its business as presently conducted and planned to be conducted.

“Obligors” means, collectively the Borrower, Holdings and all of Holdings’ direct and indirect subsidiaries which are organized under the federal laws of Canada (or any province thereof) or any state of the United States of America, and “Obligor” means any of them; for greater certainty, as of the date of this Agreement, the Obligors include the Borrower, The Green Organic Dutchman Holdings Ltd., The Green Organic Hemp Ltd., Medican Organic Inc.

“Permitted Encumbrances” means, collectively:

- (a) Liens granted in favour of the Agent pursuant to the Security Agreements;
- (b) Liens or deposit under workers' compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secured related public or statutory obligations, surety and appeal bonds where required by law;

- (c) any builders', mechanics', materialman's, carriers', repairmen's, warehousemen's, landlords' and other like Liens and privileges, in each case, which relate to obligations not yet due or delinquent or being contested in good faith;
- (d) any Liens for taxes, assessments, unpaid wages, unpaid superannuation or governmental charges or levies for the then current year and not at the time due and delinquent or are being contested in good faith;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by an Obligor, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Lien created or assumed by any Obligor in favour of a public utility when required by the utility in connection with the operations of such Obligor that do not in the aggregate detract from the value of any of the Collateral or impair their use in the operation of the business of such Obligor;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Obligor, or title defects, encroachments or irregularities, that do not detract from the value of the property or impair its use in the operation of the business of any Obligor;
- (i) any Lien that secures Permitted Indebtedness referred to under clause (c) of the definition of "Permitted Indebtedness";
- (j) any Lien that secures Permitted Indebtedness referred to under clause (g) of the definition of "Permitted Indebtedness" provided that: (a) such Lien is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness and (b) the amount of such Permitted Indebtedness secured by any such Lien at no time exceeds 100% of the original acquisition price of such mobile asset at the time it was acquired, plus interest and fees, if any;
- (k) any Lien in connection with attachments, judgments and other similar Liens arising in connection with court proceedings; provided however that: (a) the Liens are in existence for less than twenty (20) Business Days after their creation, or (b) the execution or other enforcement of the Lien is effectively stayed or the claims so secured is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (l) customary rights of set-off or combination of accounts with respect to deposits or accounts incurred in the ordinary course of business; and

- (m) Liens listed in Schedule “J”;
- (n) any Lien that secures indebtedness provided that such Lien is limited to monies paid or payable under the insurance policies together with the assigned right to cancel the insurance policies.

“**Permitted Guarantees**” means any Guarantee by an Obligor of any Permitted Indebtedness.

“**Permitted Indebtedness**” means any:

- (a) indebtedness under this Agreement;
- (b) indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Obligor by appropriate proceedings diligently conducted, and provided always that: (i) the failure to pay such indebtedness could not be expected to result in a Default or Event of Default and (ii) the aggregate amount of such indebtedness does not exceed \$15,000,000;
- (c) any inter-company indebtedness between any Obligors;
- (d) any other indebtedness which the Agent agrees in writing is Permitted Indebtedness for the purposes of this Agreement;
- (e) any indebtedness under Capital Leases and Purchase Money Obligations, which indebtedness does not exceed \$10,000,000 in the aggregate for the Obligors at any time; and
- (f) indebtedness owed to any Person providing or financing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, in each case incurred in the ordinary course of business.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Potential Priority Claims**” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law or otherwise, which ranks or is capable of ranking in priority to the Agent’s security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement.

“**PPSA**” means the *Personal Property Security Act* (Ontario), as amended, and to the extent relevant, equivalent statutes of the other Provinces of Canada, including the *Civil Code of Quebec*.

“**Priority Lien**” means any Lien that is not a Subordinated Lien.

“**Purchase Money Obligation**” means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any tangible asset.

“Related Person” in relation to any Person means a Subsidiary, Affiliate, Associate or shareholder, director, officer or employee of such Person.

“Requirements of Environmental Law” means: (i) obligations under common law; (ii) requirements imposed by or pursuant to statutes, regulations and by-laws whether presently or hereafter in force; (iii) directives, policies and guidelines issued or relied upon by any Governmental Authority to the extent such directives, policies or guidelines have the force of law; (iv) permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials; and (v) requirements imposed under any clean-up, compliance or other order made pursuant to any of the foregoing, in each and every case relating to environmental, health or safety matters including all such obligations and requirements which relate to (A) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation of Hazardous Materials and (B) exposure to Hazardous Materials.

“Responsible Person” means: (i) an officer or director of any Obligor; or (ii) any other Person required to hold a security clearance pursuant to the Cannabis Act or the Cannabis Regulations.

“Revolving Facility” means a revolving credit facility in an amount not to exceed the Revolving Facility Limit.

“Revolving Facility Limit” means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed \$25,000,000.

“Revolving Facility Margin Limit” means, at any time, the Advance Rate multiplied by, (x) the face amount of all Eligible Accounts Receivables at such time, minus (y) any Eligible Accounts Receivables subject to any Potential Priority Claims and Priority Liens at such time.

“Security Agreements” means, collectively, (i) general security and pledge agreements (or hypothecs) delivered by each of the Obligors to the Agent; (ii) the debentures and mortgages given by the Obligors to the Agent, as applicable, in respect of the real property owned by them; (iii) security agreements in respect of intellectual property delivered by each of the Obligors to the Agent, as applicable; (iv) a subordination agreement or intercreditor from each creditor in respect of an Outstanding Payable, as applicable; (v) all guarantees given by any Obligor to the Agent, and (vi) a Blocked Account Agreement with respect to the Collections Accounts; and (vii) assignments of insurance delivered by the Obligors in favour of the Agent, as applicable, in each case, as such agreements may be amended, amended and restated or replaced in its entirety from time to time.

“Solvent” means, with respect to any Person as of the date of determination, (i) the aggregate property of such Person is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) the aggregate property of such Person is, at a fair valuation, sufficient to enable payment of all its obligations, due and accruing due; (iii) such Person is able to meet its obligations as they generally become due; and (iv) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due; and for purposes of this definition, the amount of any contingent obligation at such time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Subordinated Lien” means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement or intercreditor agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favour of the Liens granted by any Obligor in favour of the Agent.

“Subsidiary” means a Person (other than a natural person) which is Controlled, directly or indirectly, by another Person (other than a natural person); and for greater certainty includes a Subsidiary of a Subsidiary.

“TD Prime Rate” means the floating annual rate of interest established from time to time by the Toronto-Dominion Bank as the reference rate it will use to determine rates of interest payable to the Toronto-Dominion Bank by commercial borrowers from it of Canadian dollar loans in Canada and designated by it as its “prime rate”.

“Total Exposure” has the meaning given to such term in Section 3(a) of this Agreement.

“Transaction Documents” means, collectively, this Agreement, the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).

“Utilization Fee Rate” means two and four tenths of a percent (2.40%) per annum, divided by the then current calendar year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be.

“Vendor Subordination Agreements” means the subordination agreements referred to in part (iv) of the definition of “Security Agreements”.

“Voluntary Bankruptcy Event” means (a) an admission in writing by a Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any assignment, petition or consent thereto or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any present or future bankruptcy, insolvency or similar Applicable Law, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such Applicable Law, or the appointment of or taking possession by a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or for any substantial part of such Person’s property, or (c) corporate or other action taken by such Person to authorize any of the actions set forth above.

SCHEDULE "D"**LITIGATION**

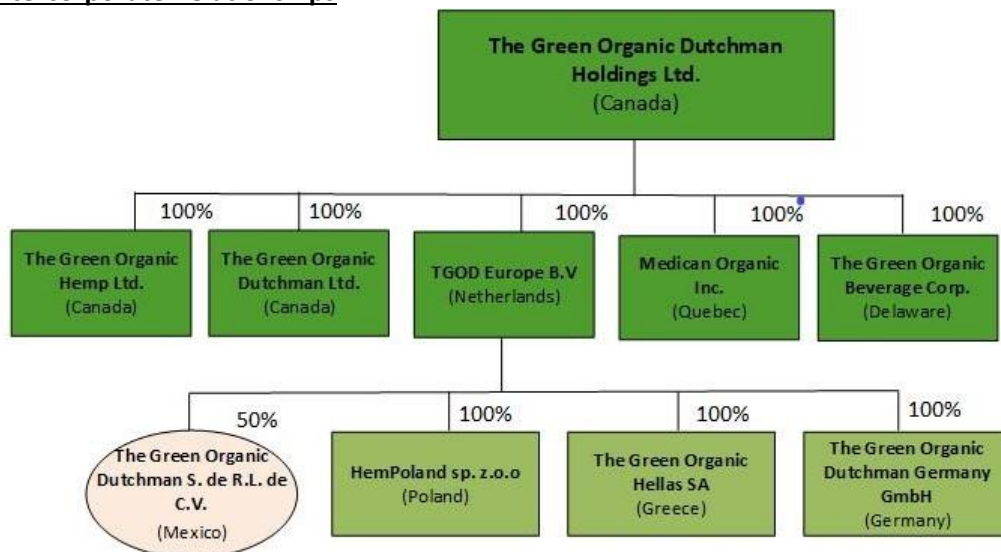
1. 1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd. ("TGOD Holdings"), Ontario Superior Court of Justice File No. CV-18-605781. Action commenced by the former Chief Financial Officer of TGOD Holdings claiming \$3 million in damages, stemming from the termination of her consulting agreement.
2. Iostesso Holdings Inc., 2 Chisholm Court Property Inc., Jonathan Wener and PT Enterprises Inc. v. The Green Organic Dutchman Holdings Ltd., Supreme Court of British Columbia, Registry No. S-195390. Action commenced by a group of investors claiming approximately \$1.25 million in damages for breach of contract arising from lock-up provisions applicable to certain warrants issued by TGOD Holdings.
3. On August 3, 2020, the Company was named as a defendant in a civil litigation matter commenced in the United States District Court for the Middle District of Georgia relating to its minority interest in a US-based beverage incubation business, seeking, among other things, unquantified compensatory damages and injunctive relief

SCHEDULE "E"
ENVIRONMENTAL DISCLOSURE

Nil.

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate RelationshipsThe Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, Ontario L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. – 200 common shares

The Green Organic Dutchman Holdings Ltd.

Name of Obligor:	The Green Organic Dutchman Holdings Ltd.
Prior Obligor Names:	N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Canada

Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Principal Place of Business/
Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Issued & Outstanding Shares: 313,608,518 common shares

List of Shareholders: N/A

The Green Organic Hemp Ltd.

Name of Obligor: The Green Organic Hemp Ltd.

Prior Obligor Names: N/A

Predecessor Corporations: N/A

Jurisdiction of Incorporation: Canada

Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Principal Place of Business/
Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3

Issued & Outstanding Shares: 103 common shares

List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 103 common shares

Medican Organic Inc.

Name of Obligor: Medican Organic Inc./Médican Biologique inc.

Prior Obligor Names: N/A

Predecessor Corporations: 9371-8633 Québec Inc./9371-8633 Québec Inc.

Jurisdiction of Incorporation: Québec

Registered Office: 311-455 Boul. Fénelon, Dorval, Québec H9S 5T8

Principal Place of Business/
Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1

Issued & Outstanding Shares: 100 common shares

List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 100 common shares

SCHEDULE "G"**PENDING CORPORATE CHANGES**

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated October 23, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WA".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 10, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WB".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated June 12, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WR".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 19, 2019 and trading on the Canadian Securities Exchange under the symbol "TGOD.WS".

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Maynbridge Capital Inc. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. To Cortland Credit Corporation. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd.

Escrowed share units, contingent share units, RSUs, and incentive stock options and ESPP issued under The Green Organic Dutchman Holdings Ltd.'s incentive compensation plans

SCHEDULE "H"**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D'Intention between The Green Organic Dutchman Holdings Ltd. and Societe Quebequoise du Cannabis dated March 26, 2020
7. CCDC 5B Construction Management Contract for Services and Construction between Medican Organic Inc. and Ed Brunet & Associes Canada Inc. dated August 24, 2018, as amended by an Agreement for Future Amendment dated August 2018 and Supplementary Conditions dated August 30, 2018
8. Supra-Contractual Liability Agreement between Medican Organic Inc., Ed Brunet et Associes Canada Inc., KVPBC Greenhouses Manufacturing BV, Kubo Greenhouse Projects BV, PB Techniek BV, Hawe Systems International BV, VK Greenhouse Projects BV, 9668837 Canada Inc., and Emile Seguin & Fils Ltee dated March 20, 2019
9. CCDC 5B Construction Management Contract for Services and Construction between The Green Organic Dutchman Ltd. and Ledcor Construction Limited dated February 3, 2017, as amended April 9, 2019 and as further amended on December 20, 2019
10. Services Agreement between The Green Organic Dutchman Holdings Ltd. and Velvet Management Inc. dated November 12, 2018
11. Equipment Purchase Agreement between Medican Organic Inc. and Ziel Equipment, Sales & Services, LLC dated March 15, 2019
12. Equipment Purchase Agreement between The Green Organic Dutchman Holdings Ltd. and Enwave Corporation dated December 28, 2018

13. Equipment Purchase Agreement between Medican Organic Inc. and Enwave Corporation dated March 22, 2019, as amended July 17, 2019
14. Budget Equipment Proposal Reference CON-19-1218R7-NP between The Green Organic Dutchman Ltd. and Capmatic Ltd. dated April 5, 2019
15. Budget Equipment Proposal Reference CON-18-1216R9-NP between The Green Organic Dutchman Ltd. and Capmatic Ltd. dated April 5, 2019
16. Letter of Intent between Medican Organic Inc. and Capmatic Ltd. dated December 5, 2018
17. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. and Loblaw's Inc. dated March 3, 2020
18. Agreement of Purchase and Sale of Valleyfield Facility with Cannara Biotech (Ops) Inc., dated June 8, 2021
19. Service agreement with Cannara (Valleyfield) with respect to providing services at Valleyfield, QC dated September 25, 2021.

Material Permits

20. License and Consulting Agreement between The Green Organic Dutchman Holdings Ltd. and CBx Enterprises LLC dated May 21, 2018
21. License Agreement between The Green Organic Dutchman Holdings Ltd. and 5071 Incorporated (o/a Stillwater Foods) dated May 28, 2018
22. Health Canada Licence No LIC-NM7TA6CIJ3-2019 (hemp cultivation) issued to The Green Organic Hemp Ltd. expiring March 29, 2022
23. Health Canada Licence No LIC-CJMMLU7IJN-2019-1 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. expiring August 16, 2022
24. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
2. Leased:
 - a. 6205 Airport Rd., Suites 200 & 301, Bldg A, Mississauga, ON L4V 1E3 leased by The Green Organic Dutchman Holdings Ltd.
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.

SCHEDULE "J"**PERMITTED ENCUMBRANCES**

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$100,000.
3. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500, plus interest accrued on such term deposits.

SCHEDULE "K"

ACCREDITED INVESTOR CERTIFICATE

TO: THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD. (the "Corporation")

You (the undersigned accredited investor) represent and warrant to the Corporation that you are an "accredited investor" as defined in section 73.3 of the *Securities Act* (Ontario), on the basis that you fit within the category of accredited investor which you have indicated below.

You represent and warrant that you are: ***{please initial the applicable item, complete the relevant information and sign this certificate}***

- _____ (a) a Schedule I, II or III bank, or a Canadian financial institution
- _____ (b) the Business Development Bank of Canada
- _____ (c) a subsidiary of any person referred to in paragraph (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d)
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador)
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada

- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000
- {Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate. You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you.}*
- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000
- {Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).}*
- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year
- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000
- {Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.}*
- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements
- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (*Minimum amount investment*), or 2.19 (*Additional investment in investment funds*) of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (*Investment fund reinvestment*) of NI 45-106
- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt
- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a

jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be

- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors

*{Note: If you have initialled this paragraph (t), name each owner of an interest, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this **Error! Reference source not found.**). If a person named below is a director required by law to own a voting security, and that person is not an accredited investor, indicate "director" under Category.}*

Name	Category
_____	_____
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse

{Note: If you have initialled this paragraph (w), name the person who established the trust and each trustee, and indicate the category of accredited investor into which that person

*fits (by reference to the paragraph numbers in this **Error! Reference source not found.**). If a person named below is not an accredited investor, indicate "N/A" under Category.}*

	Name	Category
Person who established trust:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____

Signatures	
Name of accredited investor:	CORTLAND CREDIT LENDING CORPORATION
Signature of authorized signatory/agent on behalf of accredited investor:	
Name and official capacity or title of authorized signatory/agent:	
Date:	

As used in this certificate, the following terms have the following meanings.

"Canadian financial institution" means:

- (a) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; and
- (b) in Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be; and
- (c) outside of Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

"eligibility adviser" means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and

- (b) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
- (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons; and
 - (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

“executive officer” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer.

“financial assets” means:

- (a) cash;
- (b) securities; or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada.

“founder” means, in respect of an issuer, a person who:

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer.

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“investment fund” has the same meaning as in National Instrument 81-106 — *Investment Fund Continuous Disclosure* and means a mutual fund or a non-redeemable investment fund.

“jurisdiction of Canada” means a province or territory of Canada.

“non-redeemable investment fund” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest:
 - (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (c) that is not a mutual fund.

“person” includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“related liabilities” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

“spouse” means an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

FIRST AMENDMENT
dated as of November 30, 2021
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS FIRST AMENDMENT (this “**Amendment**”) dated as of November 29, 2021 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated September 29, 2021 (the “**Credit Agreement**”);

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

2.1 The following new Sections 2(j) and 2(k) are hereby added following Section 2(i) of the Credit Agreement:

- “(j) In consideration of entering into ARCA Amendment No. 1, the Agent, Cortland Credit Strategies LP and Cortland Credit Institutional LP shall be entitled to receive, respectively, the ARCA Amendment No. 1 Warrants (as defined in Section 2(k)) issued to each of them, which shall be earned on November 29, 2021, and issued on or prior to the ARCA Amendment No. 1 Effective Date.

- (k) Subject to the conditional listing approval of the Canadian Securities Exchange, if required, and the provisions of this Agreement, as of November 29, 2021, the Agent, Cortland Strategies, and Cortland Institutional LP shall be entitled to receive, on behalf of the Lenders, warrants to purchase, respectively, One Million (1,000,000), One Million Eight Hundred Twenty Thousand (1,820,000) and One Hundred Eighty Thousand (180,000) freely tradeable common shares (for a total of Three Million

(3,000,000) freely tradeable common shares, collectively, the “**ARCA Amendment No. 1 Warrant Shares**”) of Holdings (such ARCA Amendment No. 1 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the “**ARCA Amendment No. 1 Warrants**”), at the ARCA Amendment No. 1 Exercise Price, for a period of sixty (60) months following the ARCA Amendment No. 1 Effective Date.”

2.2 The following new Section 6(ee) is hereby added following Section 6(dd) of the Credit Agreement:

“(ee) ARCA Amendment No. 1 Warrants. In respect of the ARCA Amendment No. 1 Warrants

- (i) ARCA Amendment No. 1 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the ARCA Amendment No. 1 Warrants and the ARCA Amendment No. 1 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the ARCA Amendment No. 1 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.
- (ii) ARCA Amendment No. 1 Warrant Shares. That Holdings has agreed to at all times reserve and keep available out of its authorized common shares a sufficient number of ARCA Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the ARCA Amendment No. 1 Warrants, it will cause the ARCA Amendment No. 1 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the ARCA Amendment No. 1 Warrants to be issued and delivered as directed and such ARCA Amendment No. 1 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
- (iii) Actions to Issue ARCA Amendment No. 1 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all ARCA Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
- (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (v) Listing of Holdings’ Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the CSE (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the ARCA Amendment No. 1 Warrants) and to have the ARCA Amendment No. 1 Warrant Shares issued pursuant to the exercise of the ARCA Amendment No. 1 Warrants listed and posted for trading on the CSE (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the ARCA Amendment No. 1 Warrants) as expeditiously as possible.

- (vi) Issuance of ARCA Amendment No. 1 Warrant Shares. That Holdings has agreed that upon exercise of the ARCA Amendment No. 1 Warrants, the ARCA Amendment No. 1 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.”

2.3 Sections 8(hh) and 8(ii) of the Credit Agreement are hereby deleted in their entirety and replaced with the following:

“(hh) in respect of the ARCA Amendment No. 1 Warrants, will:

- (i) obtain, and cause Holdings to obtain, conditional listing approval of the Canadian Securities Exchange, if required, to the issue of the ARCA Amendment No. 1 Warrants as soon as possible and in any event on or prior to the ARCA Amendment No. 1 Effective Date and use its commercially reasonable efforts to cause the ARCA Amendment No. 1 Warrants to be issued by the dates required hereunder;
 - (ii) cause Holdings to, at all times, reserve and keep available out of Holdings’ authorized common shares a sufficient number of ARCA Amendment No. 1 Warrant Shares to satisfy the right of purchase pursuant to the ARCA Amendment No. 1 Warrants and to issue and deliver the ARCA Amendment No. 1 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the ARCA Amendment No. 1 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
 - (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all ARCA Amendment No. 1 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
 - (iv) to cause a news release of Holdings announcing this Amendment, the issuance of the ARCA Amendment No. 1 Warrants and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing; and
 - (v) to cause Holdings to provide a draft of any other news release related to ARCA Amendment No. 1 and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release;
- (ii) will, within 30 days of April 30, 2022, provide evidence reasonably satisfactory to the Agent that: (i) it has EBITDA greater than Zero Dollars (\$0) for the month ending April 30, 2022; and (ii) it has forecasted positive EBITDA from and after April 30, 2022;
- (jj) will, within 5 Business Days of the sale of HemPoland Sp. z o.o. (the “**Hempoland Transaction**”), apply not less than Four Million Dollars (\$4,000,000) from the net proceeds of the Hempoland Transaction as a repayment towards the outstanding Loan Advances; and

- (kk) will, on or before June 30, 2022, complete a public issuance of equity securities of Holdings in an amount not less than Six Million Dollars (\$6,000,000) and as soon as practicable thereafter, apply not less than Six Million Dollars (\$6,000,000) of the proceeds of such equity issuance as a repayment towards the outstanding Loan Advances; and
- (ll) will, within ninety (90) days of ARCA Amendment No. 1 Effective Date, provide to the Agent third party appraisals of the Obligor's real property and equipment, from a third party appraiser reasonably acceptable to the Agent, in form and substance satisfactory to the Agent."

2.4 The following new Section 10(g) is hereby added following section 10(f) of the Credit Agreement:

- "(g) the Borrower shall have the right to terminate this Agreement without the Agent's consent upon not less than ninety (90) days written notice, subject to the payment in full all accrued and/or unpaid interest, all outstanding Loan Advances, and all unpaid fees, such amounts shall be payable in cash by the Borrower to the Agent forthwith upon such termination."

2.5 Section 30 of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"(a) The Borrower acknowledges and agrees that the Lenders shall be determined by the Agent from time to time, provided that (i) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (without the consent of the Borrower) that is managed, affiliated with or Controlled by the Agent, (ii) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (with the consent of the Borrower) that is not an entity managed, affiliated with or Controlled by the Agent, and (iii) following the occurrence of an Event of Default a Lender may be any entity designated by the Agent in its sole and unfettered discretion.

(b) The Borrower acknowledges and agrees that the Agent is acting as administrative and collateral agent for the Lenders. The Borrower acknowledges and agrees that the Agent shall be entitled to disclose, on a confidential basis, all information received by it regarding the Borrower, any Obligor, the Collateral, this Agreement and any other Transaction Document to: (i) each Lender, each prospective Lender, any Person purchasing notes, units or otherwise providing funding, directly or indirectly, to any Lender (or any prospective Lender), each prospective assignee or participant, and the officers, directors, employees, accountants, lawyers and other professional advisors of the Agent, any Lender, any prospective Lender and any prospective assignee or participant (each a "Receiving Party") provided that each Receiving Party agrees to maintain the confidentiality of any such information in respect of which the Agent has any duty of confidentiality to the Borrower or any Obligor; (ii) to any rating agencies rating the indebtedness of a Lender, provided such rating agencies are bound by customary confidentiality agreements; (iii) to any agent of the Agent or any Lender to the extent necessary to enforce any rights which the Agent or such Lender may have to collect any amounts in respect of the Transaction Documents or the Collateral, provided such agent has agreed in writing to be bound by the provision of this Agreement in respect of such information; (iv) to the extent required for any registration or filing required to perfect any of the Agent's Liens contemplated any Security Agreement or other Transaction Document; and (v) as may be required by Applicable Law. The Agent and the Lenders confirm that, regardless of the number

and identity of the Lenders, the Obligors will only be required to act in accordance with the instructions of the Agent, and no Lender will have an independent cause of action or remedy against the Obligors directly, it being understood that each Lender has appointed, or will appoint, the Agent as its sole and exclusive administrative and collateral agent in connection with the transactions contemplated by this Agreement.”

- 2.6 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“**ARCA Amendment No. 1**” means the first amendment to this Agreement dated November 29, 2021.

“**ARCA Amendment No. 1 Effective Date**” means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 1 shall have been satisfied.

“**ARCA Amendment No. 1 Exercise Price**” means \$0.14.

- 2.7 The definition of “Base Facility Amount” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Base Facility Amount**” means: (a) prior to completion of the Hempoland Transaction, Twenty Million Dollars (\$20,000,000); and (b) five Business Days following the completion of the Hempoland Transaction, Sixteen Million Dollars (\$16,000,000).”

- 2.8 The definition of “Transaction Documents” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Transaction Documents**” means, collectively, this Agreement (including for greater certainty ARCA Amendment No. 1), the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants, ARCA Amendment No. 1 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).

- 2.9 Schedules “F” through “J” of the Credit Agreement are hereby deleted in its entirety and replaced with the Schedules “F” through “J” attached hereto as Exhibit “A”.

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and

- (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

Article 5 – Miscellaneous

- 5.1 **Effectiveness.** Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) the Agent shall have received:
 - (i) a commitment fee equal to \$150,000 which, for greater certainty, is earned on the date hereof and payable in cash;
 - (ii) conditional listing approval, if required, from the Canadian Securities Exchange with respect to issuance of the ARCA Amendment No. 1 Warrants, together with the executed certificate(s) representing the ARCA Amendment No. 1 Warrants and a legal opinion covering securities matters related to such ARCA Amendment No. 1 Warrants;
 - (iii) a duly executed officer’s certificate from each of the Borrower and Holdings, attaching certified copies of such entity’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
 - (iv) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
 - (v) a legal opinion from the Borrower’s Canadian legal counsel; and
 - (vi) such other documents and information which the Agent may reasonably request.
- 5.2 **References to Credit Agreement.** Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 **Effect on Credit Agreement.** The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 **No Waiver.** The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 **Governing Law.** This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without

giving effect to the conflict of laws principles thereof).

- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

THE GREEN ORGANIC HEMP LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Secretary

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

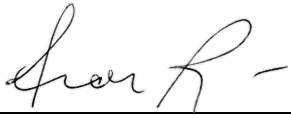
GALAXIE BRANDS CORPORATION

Per: Sean Bovingdon
Name: **Sean Bovingdon**
Title: **Director**

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

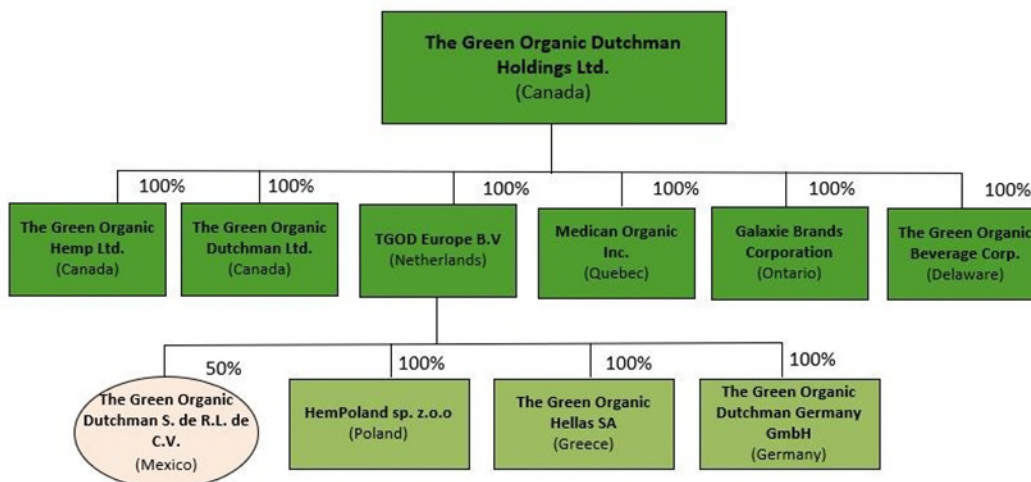
I/we have the authority to bind the Agent.

Exhibit A
Updated Schedules F to J to the Credit Agreement

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate Relationships



The Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, Ontario L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. – 200 common shares

The Green Organic Dutchman Holdings Ltd.

Name of Obligor:	The Green Organic Dutchman Holdings Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
Principal Place of Business/ Chief Executive Office:	Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
Issued & Outstanding Shares:	313,608,518 common shares

List of Shareholders: N/A

The Green Organic Hemp Ltd.

Name of Obligor: The Green Organic Hemp Ltd.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Canada
 Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
 Principal Place of Business/
 Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
 Issued & Outstanding Shares: 103 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 103 common shares

Medican Organic Inc.

Name of Obligor: Medican Organic Inc./Médican Biologique inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: 9371-8633 Québec Inc./9371-8633 Québec Inc.
 Jurisdiction of Incorporation: Québec
 Registered Office: 311-455 Boul. Fénelon, Dorval, Québec H9S 5T8
 Principal Place of Business/
 Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 100 common shares

Galaxie Brands Corporation

Name of Obligor: Galaxie Brands Corporation
 Prior Obligor Names: Green Relief Inc.
 Predecessor Corporations: Green Relief Inc., 2458208 Ontario Inc.
 Jurisdiction of Incorporation: Ontario
 Registered Office: 780 Concession 8 West, Puslinch, Ontario N0B 2J0
 Principal Place of Business/
 Chief Executive Office: 780 Concession 8 West, Puslinch, Ontario N0B 2J0
 Issued & Outstanding Shares: 150,000,000 class B shares, 118,194,050 common shares
 List of Shareholders: The Green Organic Dutchman Ltd. – 150,000,000 class B shares, 118,194,050 common shares

SCHEDULE "G"**PENDING CORPORATE CHANGES**

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated October 23, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WA".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 10, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WB".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated June 12, 2020 and trading on the Canadian Securities Exchange under the symbol "TGOD.WR".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 19, 2019 and trading on the Canadian Securities Exchange under the symbol "TGOD.WS".

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Maynbridge Capital Inc. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. To Cortland Credit Lending Corporation. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd.

Escrowed share units, contingent share units, RSUs, and incentive stock options and ESPP issued under The Green Organic Dutchman Holdings Ltd.'s incentive compensation plans

Common shares of The Green Organic Dutchman Holdings Ltd. held in escrow to be released subject to the achievement of certain milestones in 2022, to certain vendors of Galaxie Brands Corporation pursuant to the share purchase agreement dated October 29, 2021, between The Green Organic Dutchman Holdings Ltd., 2783935 Ontario Inc. and Aoco Ventures Inc.

SCHEDULE "H"**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D'Intention between The Green Organic Dutchman Holdings Ltd. and Societe Quebecoise du Cannabis dated March 26, 2020
7. CCDC 5B Construction Management Contract for Services and Construction between Medican Organic Inc. and Ed Brunet & Associates Canada Inc. dated August 24, 2018, as amended by an Agreement for Future Amendment dated August 2018 and Supplementary Conditions dated August 30, 2018
8. Supra-Contractual Liability Agreement between Medican Organic Inc., Ed Brunet et Associates Canada Inc., KVPBC Greenhouses Manufacturing BV, Kubo Greenhouse Projects BV, PB Techniek BV, Hawe Systems International BV, VK Greenhouse Projects BV, 9668837 Canada Inc., and Emile Seguin & Fils Ltee dated March 20, 2019
9. Equipment Purchase Agreement between The Green Organic Dutchman Holdings Ltd. and Enwave Corporation dated December 28, 2018
10. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. and Loblaws Inc. dated March 3, 2020
11. Agreement of Purchase and Sale of Valleyfield Facility with Cannara Biotech (Ops) Inc., dated June 8, 2021
12. Service agreement with Cannara (Valleyfield) with respect to providing services at Valleyfield, QC dated September 25, 2021.
13. Master Cannabis Supply Agreement dated April 5, 2021 between Ontario Cannabis Retail Corporation and Galaxie Brands Corporation

14. Licensed Producer Supply Agreement for Non-Medical Cannabis dated March 31, 2021 between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act, SBC 2018, c 28 and Galaxie Brands Corporation
15. Standing Offer Contract executed May 7, 2021 between Alberta Gaming, Liquor and Cannabis Commission and Galaxie Brands Corporation
16. Manufacturer's Representative Agreement dated May 1, 2021 between Galaxie Brands Corporation and Great North Distributors Inc.
17. Supply Agreement dated September 28th, 2021 between Galaxie Brands Corporation and Cannmart Inc.
18. Unanimous Shareholder Agreement (between Galaxie Brands Corporation, Northwest Confections Canada Inc. and Wyld Glx Corp.
19. Intellectual Property Licence Agreement dated April 15, 2021 between Galaxie Brands Corporation and Wyld Glx Corp.
20. Intellectual Property Licence Agreement dated April 15, 2021 between Northwest Confections Canada Inc. and Wyld Glx Corp.
21. Amended and Restated Manufacturing and Distribution Agreement dated August 24, 2021 between Galaxie Brands Corporation and Wyld Glx Corp.
22. Amending Agreement dated October 18, 2021 between Northwest Confections Canada Inc. and Galaxie Brands Corporation
23. Joint Venture between Northwest Confections Canada Inc. (subsidiary of Northwest Commonwealth LLC) and Galaxie Brands Corporation
24. Amended and Restated Joint Venture Agreement dated August 24, 2021 between Northwest Confections Canada Inc. and Galaxie Brands Corporation
25. Vape Filling Services Agreement dated April 27th, 2021 between Galaxie Brands Corporation and WPCP LTD.
26. Purchase order, Master Production and Packing Services Agreement dated August 21st, 2021 between Galaxie Brands Corporation and Noya Cannabis Inc.

Material Permits

27. License and Consulting Agreement between The Green Organic Dutchman Holdings Ltd. and CBx Enterprises LLC dated May 21, 2018
28. License Agreement between The Green Organic Dutchman Holdings Ltd. and 5071 Incorporated (o/a Stillwater Foods) dated May 28, 2018

29. Health Canada Licence No LIC-NM7TA6CIJ3-2019 (hemp cultivation) issued to The Green Organic Hemp Ltd. expiring March 29, 2022
30. Health Canada Licence No LIC-CJMMLU7IJN-2019-1 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. expiring August 16, 2022
31. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025
32. Licensing and Manufacturing agreement dated December 23, 2020 between Galaxie Brands Corporation and Trec Brands Inc.
33. Galaxie Brands Corporation Cannabis Licence No. 82993 7846 RD0001 under the *Excise Act, 2001* (Canada)
34. Galaxie Brands Corporation Licence No. LIC-DOAXL5IINX-2020-10 under the *Cannabis Act* (Canada)
35. Galaxie Brands Corporation Licence No. 9JHRW8LW under the *Safe Food For Canadians Act* (Canada)

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
2. Leased:
 - a. 6205 Airport Rd., Suites 200 & 301, Bldg A, Mississauga, ON L4V 1E3 leased by The Green Organic Dutchman Holdings Ltd.
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.
 - c. 780 Concession 8 West, Puslinch, Ontario N0B 2J0 leased by Galaxie Brands Corporation
 - d. 1175 Gérard-Cadieux Boulevard, Salaberry-de-Valleyfield, Quebec, J6T 6L3 leased by Medican Organic Inc

PERMITTED ENCUMBRANCES

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$100,000.
3. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500, plus interest accrued on such term deposits.
4. Lien with registration number 20170123 1550 1624 2739 in favour of Newport Leasing Limited as against Galaxie Brands Corporation with respect to a 2016 Mercedes-Benz Sprinter 2500 144WB with VIN WD3BE7DD2GP269063.
5. Lien with registration number 20210531 1708 1462 9723 in favour of Vault Credit Corporation as against, among others, Galaxie Brands Corporation with respect to Collateral Classifications: "Equipment" and "Other" and the scope of which is limited by the estoppel letter dated November 12, 2021 from vault to, among others, Galaxie Brands Corporation and Cortland Credit Lending Corporation, as Agent.
6. Lien with registration number 20211029 1104 1590 1889 in favour of 2783935 Ontario Inc. and AOCO Ventures Inc. as against Galaxie Brands Corporation with respect to a promissory note dated October 28, 2021 in the principal amount of \$800,000 as secured by a general security agreement made the same date, the priority of which lien is determined by the Postponement and Subordination Agreement made November 15, 2021 between 2783935 Ontario Inc. and AOCO Ventures Inc., as subordinators, and Cortland Credit Lending Corporation, as Agent.

SECOND AMENDMENT
dated as of March 9, 2022
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS SECOND AMENDMENT (this “**Amendment**”) dated as of March 9, 2022 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021 (collectively, the “**Credit Agreement**”);

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 Sections 8(kk) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(kk) will, on or before December 31, 2022, complete a public issuance of equity securities of Holdings in an amount not less than Six Million Dollars (\$6,000,000) and as soon as practicable thereafter, apply not less than Six Million Dollars (\$6,000,000) of the proceeds of such equity issuance as a repayment towards the outstanding Loan Advances; and”

- 2.2 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“**Accounts Receivable**” means all debts, accounts (including all “accounts” as defined in the

PPSA), claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by a Person, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action.

“Accounts Receivable Eligibility Criteria” means, in respect of any Obligor, an Account Receivable of such Obligor (in this definition, individually called an "account") which satisfies all of the following eligibility criteria:

- (a) the account is subject to a first-ranking security interest held by the Agent pursuant to the Security Agreements and is not subject to any other Liens, except Permitted Encumbrances, and the Account Debtor thereof has been directed to pay the proceeds of such account to the Collections Account;
- (b) if the Account Debtor is a Governmental Authority, all requirements of Applicable Law have been satisfied in order that the assignment of such account in favour of the Agent shall be valid and enforceable;
- (c) the Account Debtor is located in an Approved Jurisdiction;
- (d) the Account Debtor is not any Obligor or any Related Person of any Obligor;
- (e) the account is not in dispute or subject to any defence, counterclaim or claim by the Account Debtor for credit, set-off, allowance or adjustment;
- (f) the Obligor does not have an obligation to hold any portion of the account in trust or as agent for any other Person (except pursuant to a statutory lien securing obligations which are not overdue);
- (g) an invoice relating to the account has been issued by the Obligor and received by the Account Debtor;
- (h) the account is not outstanding for more than ninety-one (91) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment), unless the Account Debtor is a Governmental Authority, in which case the account shall not be outstanding for more than one hundred twenty-one (121) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment);
- (i) the Account Debtor is not insolvent or subject to any Bankruptcy Event; and
- (j) the account is not subject to undue credit risk in the opinion of the Agent.

“ARCA Amendment No. 2” means the second amendment to this Agreement dated March 9, 2022.

“Eligible Inventory” means in respect of any Obligor, Inventory owned by such Obligor which complies with the Inventory Eligibility Criteria.

“Inventory” means finished goods (including all “goods” as defined in the PPSA) acquired or held for sale, re-sale or lease or furnished or to be furnished under contracts of rental or service, raw materials, work in progress, finished goods, returned goods, parts or equipment acquired from third parties for re-sale, and includes all Inventory in transit.

“Inventory Eligibility Criteria” means the criteria set by the Agent from time to time which identifies and sets any requirements or restrictions for the purpose of determining whether

any Inventory owned by an Obligor is Eligible Inventory and includes the following eligibility criteria, which may be amended by the Agent from time to time: (i) such Inventory is not obsolete; (ii) such Inventory was not acquired by any Obligor more than 8 months from any testing date; (iii) such Inventory does not have any customer or supplier deposits applied against it; (iv) the supplier of such Inventory does not retain any title in such Inventory; (v) such Inventory is not subject to any recall or safety restrictions in any relevant jurisdiction of sale or operations of any Obligor; (vi) such Inventory is not subject to any Potential Priority Claim or Priority Lien; (vii) such Inventory has been paid for in cash by such Obligor; (viii) such Inventory is relevant to the Obligors' business at all relevant times; and (iv) such Inventory is either: (A) located at premises owned by an Obligor; or (B) located on premises owned by any other Persons which are the subject of a duly executed landlord agreement in favour of the Agent."

- 2.3 The definition of "Advance Rate" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Advance Rate" means: (i) with respect to Eligible Inventory, twenty-five percent (25%); and (ii) with respect to Eligible Accounts Receivable, eighty-five percent (85%)."

- 2.4 The definition of "Eligible Accounts Receivable" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Eligible Accounts Receivable" means in respect of any Obligor, Accounts Receivable owned by such Obligor which complies with the Accounts Receivable Eligibility Criteria.

- 2.5 The definition of "Potential Priority Claims" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Potential Priority Claims" means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law or otherwise, which ranks or is capable of ranking in priority to the Agent's security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement; provided that, for the purposes of calculating the Revolving Facility Margin Limit, the portion of Potential Priority Claims relating to excise tax shall exclude any deposits made in connection with any such excise tax owing."

- 2.6 The definition of "Revolving Facility Limit" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Revolving Facility Limit" means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed \$30,000,000."

- 2.7 The definition of "Revolving Facility Margin Limit" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

"Revolving Facility Margin Limit" means, at any time: (i) the book value of Eligible Inventory at such time (which, for greater certainty, excludes any Inventory subject to any Potential Priority Claims or Priority Liens) multiplied by the Advance Rate applicable to Eligible Inventory; plus (ii) the face amount of Eligible Accounts Receivable at such time multiplied by the Advance Rate applicable to Eligible Accounts Receivable; minus (iii) the face amount of Potential Priority Claims relating to Eligible Accounts Receivable forming (or capable of forming) Priority Liens."

- 2.8 The definition of “Transaction Documents” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Transaction Documents**” means, collectively, this Agreement (including for greater certainty ARCA Amendment No. 2), the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants, ARCA Amendment No. 1 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).”

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

Article 5 – Miscellaneous

- 5.1 Effectiveness. Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) the Agent shall have received:
 - (i) an amendment fee equal to \$50,000 which, for greater certainty, is earned on the date hereof and payable in cash or such number of common shares of Holdings (the “**Consideration Shares**”) issued to the Agent, valued at \$50,000, each such share issued at the closing price per common share of Holdings on the Canadian Securities Exchange on the date immediately preceding the date hereof, being \$0.10;
 - (ii) a duly executed officer’s certificate from each of the Borrower and Holdings, attaching certified copies of such entity’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;

- (iii) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
- (iv) a legal opinion from the Borrower's Canadian legal counsel; and
- (v) such other documents and information which the Agent may reasonably request.

The Agent acknowledges, and shall cause each of Cortland Credit Strategies L.P. and Cortland Credit Institutional LP to acknowledge, that: (a) the Consideration Shares shall be subject to restrictions on transfer for a period of four months plus one day from the date of issuance and the certificates representing the Consideration Shares shall have appended a legend to that effect; and (b) the Consideration Shares will be subject to certain resale restrictions under applicable Canadian securities laws; and agrees that it will, and shall cause each of Cortland Credit Strategies L.P. and Cortland Credit Institutional LP to, duly complete and execute a Canadian accredited investor certificate in the form required by the Borrower.

- 5.2 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO & CFO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the corporation.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the corporation.

THE GREEN ORGANIC HEMP LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: Secretary

Per: _____
Name: _____
Title: _____
I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon

Name: Sean Bovingdon

Title: CFO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

GALAXIE BRANDS CORPORATION

Per: Nichola Thompson

Name: Nichola Thompson

Title: CFO

Per: _____


Name:

Title:

I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 
370FEFF2EFC440C...

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the Agent.

THIRD AMENDMENT
dated as of April 29, 2022
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS THIRD AMENDMENT (this “**Amendment**”) dated as of April 29, 2022 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021 and a second amendment dated March 9, 2022 (collectively, the “**Credit Agreement**”);

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 Section 2(d) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
 - “(d) A utilization fee, calculated daily and payable on the last Business Day of each month, by subtracting the aggregate amount of the Loan Advances outstanding on each day, from the sum of Thirty Four Million Dollars (\$34,000,000) and multiplying the difference by the Utilization Fee Rate.”
- 2.2 Section 3(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

- “(c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that: (i) the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit; and (ii) any repayment made in respect of the Base Facility Amount prior to the Maturity Date (each such repayment, a “**Base Facility Prepayment**”) shall: (A) permanently reduce each of the Base Facility Amount and the Maximum Revolving Facility Limit by an amount equal to such Base Facility Prepayment; and (B) require the Borrower to concurrently pay to the Agent, a prepayment fee equal to two percent (2%) of such Base Facility Prepayment (each such prepayment fee, a “**Base Facility Prepayment Fee**”).”
- 2.3 Section 8(ii) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
- “(ii) will: (i) within 30 days of June 30, 2022, provide evidence reasonably satisfactory to the Agent that it has EBITDA greater than Zero Dollars (\$0) for the month ending June 30, 2022; and (ii) maintain positive EBITDA on a rolling 3-month average after July, 2022;”
- 2.4 Sections 8(jj) and 8(kk) of the Credit Agreement are hereby deleted in their entirety and replaced with the following:
- “(jj) [Reserved.]
- (kk) [Reserved.]; and”
- 2.5 Section 10(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
- “(c) The Revolving Facility may be terminated upon the mutual agreement of the Agent and the Borrower, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash by the Borrower to the Agent on such date; provided that if any such termination is at the request of the Borrower, the term “unpaid fees” in the preceding sentence shall include, without limitation, the Termination Fee.”
- 2.6 The definition of “Base Facility Amount” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:
- “**Base Facility Amount**” means Twenty Four Million Dollars (\$24,000,000), as such amount may be reduced in accordance with this Agreement;”
- 2.7 The definition of “Maximum Revolving Facility Limit” is hereby added to Schedule “C” of the Credit Agreement in alphabetical order:
- “**Maximum Revolving Facility Limit**” means Thirty Four Million Dollars (\$34,000,000), as

such amount may be reduced in accordance with this Agreement

- 2.8 The definition of “Revolving Facility Limit” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Revolving Facility Limit**” means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed the Maximum Revolving Facility Limit.”

- 2.9 The definition of “Termination Fee” is hereby added to Schedule “C” of the Credit Agreement in alphabetical order:

“**Termination Fee**” means, at any time, an amount equal to: (a) two percent (2%) of the Maximum Revolving Facility Limit; minus (b) the aggregate amount of Base Facility Prepayment Fees made on or before such time.”

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) it has full power, authority and capacity to enter into and to perform all its obligations contemplated by this Amendment;
 - (b) the execution, delivery and performance by it of this Amendment: (i) has been duly authorized by all necessary action; and (ii) will not conflict with, result in a breach of, or constitute a default under, its charter documents;
 - (c) this Amendment constitutes a legal, binding and valid obligation enforceable against it in accordance with the terms subject to (i) the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and (ii) the extent that equitable principles may limit the availability of certain remedies including remedies of specific performance and injunctive relief, which equitable remedies may only be granted in the discretion of a court;
 - (d) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (e) no Default or Event of Default has occurred or is continuing.

Article 5 – Miscellaneous

- 5.1 Effectiveness. Article 2 of this Amendment shall become effective as of the date hereof, provided that the following conditions have been satisfied on or before the date hereof (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) the Agent has received a commitment fee in the amount of \$80,000; and
 - (c) such other documents and information which the Agent may reasonably request.
- 5.2 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: DocuSigned by:
Sean Bovingdon
592AE31FCC9B4D1...

Name: Sean Bovingdon

Title: CEO

Per: _____

Name: _____

Title: _____

I/we have the authority to bind the corporation.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: DocuSigned by:
Sean Bovingdon
592AE31FCC9B4D1...

Name: Sean Bovingdon

Title: CEO

Per: _____

Name: _____

Title: _____

I/we have the authority to bind the corporation.

THE GREEN ORGANIC HEMP LTD.

Per: DocuSigned by:
Sean Bovingdon
592AE31FCC9B4D1...

Name: Sean Bovingdon

Title: Secretary

Per: _____

Name: _____

Title: _____

I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

DocuSigned by:
Sean Bovingdon
Per: _____
592AE31FCC9B4D1...
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

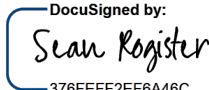
GALAXIE BRANDS CORPORATION

DocuSigned by:
Olivier Dufourmantelle
Per: _____
5D3C4083363B471...
Name:
Title:

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 
376EEEE2EE6A48C

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the Agent.

FOURTH AMENDMENT
dated as of November 3, 2022
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS FOURTH AMENDMENT (this “**Amendment**”) dated as of November 3, 2022 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022 and a third amendment dated as of April 29, 2022 (collectively, the “**Credit Agreement**”);

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

2.1 Section 2(d) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(d) A utilization fee, calculated daily and payable on the last Business Day of each month, by subtracting the aggregate amount of the Loan Advances outstanding on each day, from the Maximum Revolving Facility Limit) and multiplying the difference by the Utilization Fee Rate.”

2.2 The following new Sections 2(l) and 2(m) are hereby added following Section 2(k) of the Credit Agreement:

“(l) In consideration of entering into ARCA Amendment No. 4, the Agent, Cortland Credit Strategies LP and Cortland Credit Institutional LP shall be issued, respectively, the ARCA Amendment No. 4 Warrants (as defined in Section 2(m)) issued to each of them, which shall be earned on the ARCA Amendment No. 4 Effective Date, and issued within 10 Business Days of the ARCA Amendment No. 4 Effective Date.

(m) Subject to the provisions of this Agreement, as of the ARCA Amendment No. 4 Effective Date, the Agent, Cortland Credit Strategies LP, and Cortland Credit Institutional LP shall receive, on behalf of the Lenders, warrants to purchase, respectively, Two Million Three Hundred Thirty Three Thousand Three Hundred Thirty Three (2,333,333), Four Million Five Hundred Sixty Four Thousand (4,564,000) and One Hundred Two Thousand Six Hundred Sixty Seven (102,667) freely tradeable common shares (for a total of Seven Million (7,000,000) freely tradeable common shares, collectively, the “**ARCA Amendment No. 4 Warrant Shares**”) of Holdings (such ARCA Amendment No. 4 Warrant Shares together with all documents, instruments and certificates given in connection therewith, the “**ARCA Amendment No. 4 Warrants**”), at the ARCA Amendment No. 4 Exercise Price, for a period of sixty (60) months following the issuance thereof.”

2.3 Section 3(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that: (i) the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit; and (ii) any repayment made in respect of the Base Facility Amount prior to the Maturity Date (each such repayment, a “**Base Facility Prepayment**”) shall permanently reduce the Base Facility Amount (but, for greater certainty, not the Maximum Revolving Facility Limit) by an amount equal to such Base Facility Prepayment.”

2.4 The following new Sections 6(ff) and Section 6(gg) are hereby added following Section 6(ee) of the Credit Agreement:

“(ff) ARCA Amendment No. 4 Warrants. In respect of the ARCA Amendment No. 4 Warrants

(i) ARCA Amendment No. 4 Warrants. That Holdings is duly authorized and has the corporate and lawful power and authority to create and issue the ARCA Amendment No. 4 Warrants and the ARCA Amendment No. 4 Warrant Shares issuable upon the exercise thereunder and to perform its obligations thereunder and that the certificate(s) representing the ARCA Amendment No. 4 Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms.

- (ii) ARCA Amendment No. 4 Warrant Shares. That Holdings has agreed to, at all times, reserve and keep available out of its authorized common shares a sufficient number of ARCA Amendment No. 4 Warrant Shares to satisfy the right of purchase pursuant to the ARCA Amendment No. 4 Warrants, it will cause the ARCA Amendment No. 4 Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the ARCA Amendment No. 4 Warrants to be issued and delivered as directed and such ARCA Amendment No. 4 Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
 - (iii) Actions to Issue ARCA Amendment No. 4 Warrants. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all ARCA Amendment No. 4 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.
 - (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the provinces and territories of Canada.
 - (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares for trading on the Canadian Securities Exchange (the "CSE") (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the ARCA Amendment No. 4 Warrants) and to have the ARCA Amendment No. 4 Warrant Shares issued pursuant to the exercise of the ARCA Amendment No. 4 Warrants listed and posted for trading on the CSE (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the ARCA Amendment No. 4 Warrants) as expeditiously as possible and in any event prior to the issuance of such common shares.
 - (vi) Issuance of ARCA Amendment No. 4 Warrant Shares. That Holdings has agreed that upon exercise of the ARCA Amendment No. 4 Warrants, the ARCA Amendment No. 4 Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.
- (gg) 14274261 Canada Inc. 14274261 Canada Inc. does not hold any assets."

2.5 Section 8(ii) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

- "(ii) will: (i) within 30 days of April 30, 2023, provide evidence reasonably satisfactory to the Agent that it has EBITDA greater than Zero Dollars (\$0) for the month ending April 30, 2023; and (ii) maintain positive EBITDA on a rolling 3-month average after May 1, 2023;"

2.6 The following new Sections 8(mm), 8(nn) and Section 8(oo) are hereby added following Section 8(ll) of the Credit Agreement:

“(mm) with respect to the BZAM Edmonton Property:

- (i) it shall not or shall not permit, as applicable, the charge on the Existing BZAM Edmonton Property Charge to be increased from such amount existing as of the date of this Agreement;
- (ii) it shall not or shall not permit, as applicable, any charges to be placed on the BZAM Edmonton Property (other than Permitted Liens); and
- (iii) to the extent the Existing BZAM Edmonton Property Charge is discharged at any time, it shall provide or cause to be provided (as applicable) a first charge on the BZAM Edmonton Property in favour of the Agent.

(nn) in respect of the ARCA Amendment No. 4 Warrants, will:

- (i) and will cause Holdings to, execute and files with the Securities Commissions and the CSE all forms, notices and certificates required to be filed by Holdings pursuant to applicable securities laws within the applicable time frame pursuant to such securities laws and use its commercially reasonable efforts to cause the ARCA Amendment No. 4 Warrants to be issued by the dates required hereunder;
- (ii) cause Holdings to, at all times, reserve and keep available out of Holdings’ authorized common shares a sufficient number of ARCA Amendment No. 4 Warrant Shares to satisfy the right of purchase pursuant to the ARCA Amendment No. 4 Warrants and to issue and deliver the ARCA Amendment No. 4 Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the ARCA Amendment No. 4 Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (iii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all ARCA Amendment No. 4 Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
- (iv) to cause a news release of Holdings announcing this Amendment, the issuance of the ARCA Amendment No. 4 Warrants and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing; and
- (v) to cause Holdings to provide a draft of any other news release related to ARCA Amendment No. 4 and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing

of any such other news release;

(oo) will provide, or cause to be provided, in respect of 14274261 Canada Inc. to the extent it holds any assets, all Guarantees and Security required to be provided under this Agreement”

2.7 Section 10(a) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(a) The term of the Revolving Facility expires on March 24, 2024 (the “**Maturity Date**”).”

2.8 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“**Applicable Margin**” means at any time: (i) at any time there is a Positive EBDA Variance, 6.55% per annum; or (ii) at any time there is a Negative EBDA Variance, 8.05% per annum.

“**ARCA Amendment No. 4**” means the fourth amendment to this Agreement dated November 3, 2021.

“**ARCA Amendment No. 4 Effective Date**” means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 4 shall have been satisfied.

“**ARCA Amendment No. 4 Exercise Price**” means the closing price per common share of Holdings on the CSE on the immediately preceding Business Day to the announcement of the issuance of the ARCA Amendment No. 4 Warrants.

“**BZAM Edmonton Property**” means the real property legally described as Plan 8720213, Block 5, Lot 4, Excepting thereout all mines and minerals and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8.

“**BZAM Loan**” means the loan made by Stone Pine Capital Ltd. To the Borrower on September 26, 2022, in the principal amount of \$2,200,000.

“**EBDA**” means, at any time, EBITDA less (without duplication) interest, financing costs and taxes.

“**Existing BZAM Edmonton Property Charge**” means the charge on the BZAM Edmonton Property in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636.

“**Negative EBDA Variance**” means at any time, when there exists no Positive EBDA Variance.

“**Positive EBDA Variance**” means at any time, EBDA greater than Zero Dollars (\$0) in each month of the immediately preceding consecutive three (3) month period.

“**Securities Commissions**” means, collectively, the applicable securities commission or other securities regulatory authority in each of the provinces and territories of Canada.”

- 2.9 The definition of “Change of Control” is hereby added to Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Change of Control**” means (i) if (x) Matt Milich ceases to be the chief executive officer of the Borrower, (y) Sean Bovingdon ceases to be the chief financial officer of the Borrower, or (z) Jordan Winnett ceases to be the chief commercial officer of the Borrower, and the Agent shall not have been satisfied, in its reasonable discretion, with the arrangements made with respect to the replacement of both such individuals, (ii) fifty percent (50%) or more of the ownership or Control of the voting interests of Holdings are acquired, directly or indirectly, by any Person, whether acting individually or in concert with any other Person or Persons, (iii) the sale of all or substantially all of the assets of any Obligor (other than to another Obligor); or (iv) if any wholly owned, direct or indirect, subsidiary of the Borrower ceases to be wholly owned, directly or indirectly, by the Borrower; or (v) Borrower ceases to be wholly-owned, directly or indirectly, by Holdings. Notwithstanding the foregoing, BZAM International Ltd. (and its Affiliates) may own more than fifty percent (50%) of Holdings pursuant to: (i) an equity conversion relating to the BZAM Loan; or (ii) with the written consent of the Agent, in its sole discretion; provided that, in each case, Holdings shall provide, or cause to be provided to the Agent any and all documentation required in order for the Agent to comply with Applicable Law.”

- 2.10 The definition of “Interest Rate” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Interest Rate**” means the greater of (i) 12% per annum and, (ii) the TD Prime Rate, plus the Applicable Margin.”

- 2.11 The definition of “Permitted Indebtedness” in Schedule “C” of the Credit Agreement is hereby amended by adding the following at the end of such definition:

“(g) the BZAM Loan; and

(h) indebtedness owing to Manjinder Singh Gill in a principal amount not to exceed \$5,000,000, secured by the Existing BZAM Edmonton Property Charge.”

- 2.12 The definition of “Maximum Revolving Facility Limit” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Maximum Revolving Facility Limit**” means Thirty Four Million Dollars (\$34,000,000).”

- 2.13 The definition of “Revolving Facility Margin Limit” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Revolving Facility Margin Limit**” means, at any time: (i) the book value of Eligible Inventory at such time (which, for greater certainty, excludes any Inventory subject to any Potential Priority Claims or Priority Liens) multiplied by the Advance Rate applicable to Eligible Inventory; plus (ii) the face amount of Eligible Accounts Receivable at such time multiplied by the Advance Rate applicable to Eligible Accounts Receivable; minus (iii) the face amount of Potential Priority Claims relating to Eligible Accounts Receivable forming (or capable of forming) Priority Liens; provided that the amount calculated in (i), above, shall not exceed

Three Million Dollars (\$3,000,000).”

- 2.14 The definition of “Termination Fee” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Termination Fee**” means, at any time, an amount equal to two percent (2%) of the Maximum Revolving Facility Limit.”

- 2.15 The definition of “Transaction Documents” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“**Transaction Documents**” means, collectively, this Agreement (including for greater certainty any amendments thereto), the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants, the ARCA Amendment No. 1 Warrants, the ARCA Amendment No. 4 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).”

- 2.16 Schedules “D” through “J” of the Credit Agreement are hereby deleted in their entirety and replaced with the Schedules “D” through “J” attached hereto as Exhibit “A”.

Article 3 – Confirmation of Guarantee and Security

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 4 – Representations and Warranties

- 4.1 The Borrower hereby represents and warrants that:
- (a) it has full power, authority and capacity to enter into and to perform all its obligations contemplated by this Amendment;
 - (b) the execution, delivery and performance by it of this Amendment: (i) has been duly authorized by all necessary action; and (ii) will not conflict with, result in a breach of, or constitute a default under, its charter documents;
 - (c) this Amendment constitutes a legal, binding and valid obligation enforceable against it in accordance with the terms subject to (i) the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and (ii) the extent that equitable principles may limit the availability of certain remedies including remedies of specific performance and injunctive relief, which equitable remedies may only be granted in the discretion of a court;
 - (d) the representations and warranties made by it in the Credit Agreement, other than

those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and

- (e) no Default or Event of Default has occurred or is continuing, that has not been waived, in writing, by the Agent.

Article 5 – Miscellaneous

- 5.1 **Effectiveness.** Article 2 of this Amendment shall become effective as of the date hereof, provided that the following conditions have been satisfied on or before the date hereof (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) all Guarantees, Security Agreements in connection with this Amendment from or relating to (unless such agreement is the subject of the post-closing covenant more particularly described in Section 5.2, below)
 - (c) a duly executed officer’s certificate from each of the Obligors, attaching certified copies of such entity’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
 - (d) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
 - (e) a legal opinion from legal counsel to each of the Obligors; and
 - (f) such other documents and information which the Agent may reasonably request.
- 5.2 **Post-Closing Covenant.** The Borrower covenants and agrees that it shall satisfy or cause to be satisfied each of the items set forth below, in form and substance satisfactory to the Agent, in accordance with the timelines more particularly described below, unless otherwise agreed to in writing by the Agent, in its sole discretion:
- (a) The Borrower shall deliver, or cause to be delivered to the Agent, Security Agreements, registrations and such other documentation as may be reasonably required by the Agent in respect of the owned real property listed as (c) and (d) in Schedule “I” to the Credit Agreement, within thirty (30) days of the Amendment Effective Date;
 - (b) The Borrower shall deliver, or cause to be delivered to the Agent, landlord agreements in respect of the leased real property listed as (d), (e), (f) and (g) in Schedule “I” to the Credit Agreement, within thirty (30) days of the Amendment Effective Date;
 - (c) The Borrower shall deliver or cause to be delivered all Blocked Account Agreement required by the Agent, within ten (10) days of the Amendment Effective Date; and

- (d) The Borrower shall deliver, or cause to be delivered to the Agent, the ARCA Amendment No. 4 Warrants within ten (10) days of the Amendment Effective Date.

The Borrower acknowledges and agrees that the failure by Borrower to satisfy its obligations in this Section 5.2 shall cause an immediate Event of Default with no cure period.

- 5.3 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.4 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.5 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.6 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.7 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.8 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.9 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per: _____
Name: Matt Milich
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: _____

Name: Sean Bovingdon

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

OTHER OBLIGORS:

THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.

Per:  _____
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Name: Matt Milich

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

Per: _____

Name: Sean Bovingdon

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

GALAXIE BRANDS CORPORATION

Per: Olivier Dufourmantelle

Name: Olivier Dufourmantelle

Title: President

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

BZAM HOLDINGS INC.

Per: _____

Name:

Title:

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

GALAXIE BRANDS CORPORATION

Per: _____

Name:

Title:


Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

BZAM HOLDINGS INC.

DocuSigned by:


Per: _____
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Name: Matt Milich

Title: President

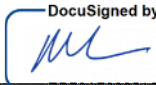
Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

FOLIUM LIFE SCIENCE INC.

DocuSigned by:

Per: _____
ED78A780251C4ED...
Name: Matt Milich
Title: President

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

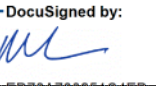
BZAM MANAGEMENT INC.

DocuSigned by:

Per: _____
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Name: Matt Milich
Title: President

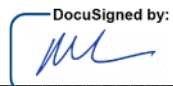
Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

BZAM CANNABIS CORP.

DocuSigned by:

Per: _____
ED78A780251C4ED...
Name: Matt Milich
Title: President

Per: _____
Name:
Title:
I/we have the authority to bind the corporation.

10050999 MANITOBA LTD.

DocuSigned by:


Per: _____

Name: Matt Milich

Title: President

Per: _____

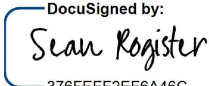
Name:

Title:

I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: 
378FEFF2EF6A46C...

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the Agent.

Exhibit A
Updated Schedules D to J to the Credit Agreement

SCHEDULE “D”

LITIGATION

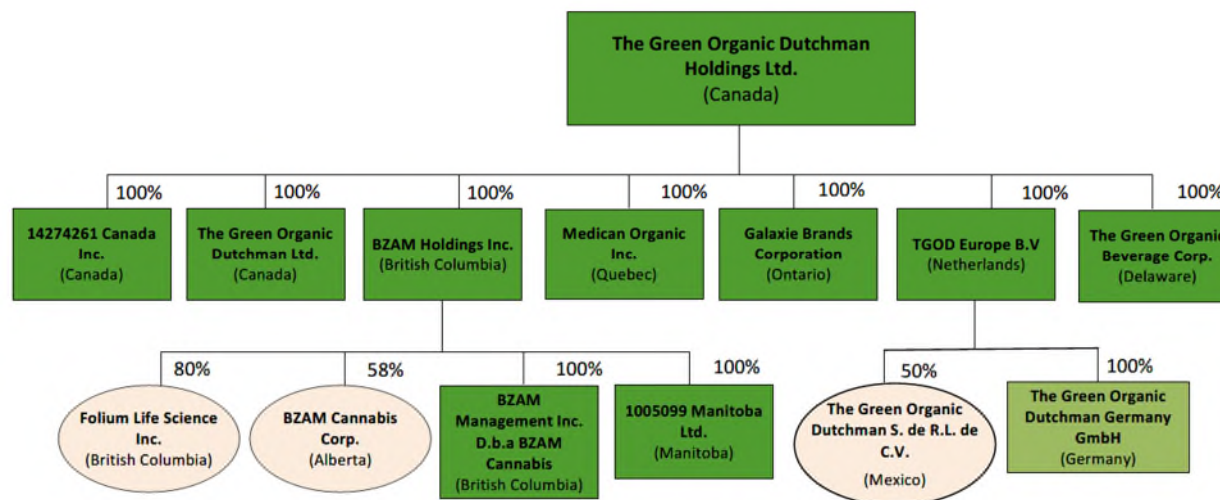
1. *1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd.* (“TGOD Holdings”), Ontario Superior Court of Justice File No. CV-18-605781. Action commenced by the former Chief Financial Officer of TGOD Holdings claiming \$3 million in damages, stemming from the termination of her consulting agreement.
2. *Panni Management and Technology Corporation v. Galaxie Brands Corporation (formerly Green Relief Inc.), the Green Organic Dutchman Holdings Ltd., AOCO Ventures Inc. and Olivier Dufourmantelle*, Alberta Court of King’s Bench File No. 2201 02989. Action for \$84,987.87 due to breach of contract and nonpayment of invoices. Defendants claim plaintiff breached the contract and claim set-off in the amount of \$20,000 for cost of retaining third party to complete the work.
3. BZAM Cannabis Corp. commenced a claim, by arbitration, against GO Drywall Ltd. for breach of a construction contract for failure to provide services. BZAM Cannabis Corp.’s claim is for \$248,936.25. Go Drywall Ltd. commenced a cross claim for wrongful termination of the contract seeking \$746,805.89. A final arbitration hearing occurred on October 25, 2022. Post-hearing briefs are pending and to be filed.
4. BZAM Management Inc. has filed an appeal from the assessments by the BC Ministry of Finance’s tax appeals division to recover approximately \$1.05 Million in BC property transfer taxes paid by it in connection with its acquisition of three properties in British Columbia. BZAM Management Inc. takes the position that the taxes were not payable as it is not in fact a “foreign corporation”, which is the basis upon which such taxes are exigible. Waiting on response from BC Ministry of Finance Tax Appeals Division.
5. British Columbia Workers’ Compensation Appeal Tribunal (“**WCAT**”). Employee BZAM Management Inc. has claimed workers’ compensation benefits for a workplace injury. Claim denied on review. Worker appealed to WCAT. Both parties have filed submissions. WCAT has just directed that this matter will go to an oral hearing for the appeal on January 16, 2023.
6. On February 1, 2021, a former BZAM Cannabis Corp. employee filed a human rights complaint with the Alberta Human Rights Commission with respect to their termination for refusal to be vaccinated for Covid-19 pursuant to BZAM’s Vaccination Policy. Waiting for hearing date.
7. *Jason Glenn c.o.b.a Frostmec Services v BZAM Management Inc.* – British Columbia Small Claims Court. Former employee filed a Notice of Claim alleging non-payment of invoices and seeking \$28,082.00. BZAM denies all allegations of fact in the Notice of Claim. The parties were unable to settle at the Settlement Conference. A trial date has yet to be set by the Court.

SCHEDULE "E"
ENVIRONMENTAL DISCLOSURE

Nil.

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate RelationshipsThe Green Organic Dutchman Ltd.

Name of Obligor: The Green Organic Dutchman Ltd.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Canada
 Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
 Principal Place of Business/
 Chief Executive Office: 1915 Jerseyville Road West, Jerseyville, Ontario L0R 1R0
 Issued & Outstanding Shares: 200 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 200 common shares

The Green Organic Dutchman Holdings Ltd.

Name of Obligor: The Green Organic Dutchman Holdings Ltd.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Canada
 Registered Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
 Principal Place of Business/
 Chief Executive Office: Building A, Suite 200, 6205 Airport Road, Mississauga, Ontario L4V 1E3
 Issued & Outstanding Shares: 754,179,027 common shares
 List of Shareholders: N/A

Medican Organic Inc.

Name of Obligor: Medican Organic Inc./Médican Biologique inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: 9371-8633 Québec Inc./9371-8633 Québec Inc.
 Jurisdiction of Incorporation: Québec
 Registered Office: 311-455 Boul. Fénelon, Dorval, Québec H9S 5T8
 Principal Place of Business/
 Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 100 common shares

Galaxie Brands Corporation

Name of Obligor: Galaxie Brands Corporation
 Prior Obligor Names: Green Relief Inc.
 Predecessor Corporations: Green Relief Inc., 2458208 Ontario Inc.
 Jurisdiction of Incorporation: Ontario
 Registered Office: 780 Concession 8 West, Puslinch, Ontario N0B 2J0
 Principal Place of Business/
 Chief Executive Office: 780 Concession 8 West, Puslinch, Ontario N0B 2J0
 Issued & Outstanding Shares: 150,000,000 class B shares, 118,194,050 common shares
 List of Shareholders: The Green Organic Dutchman Ltd. – 150,000,000 class B shares, 118,194,050 common shares

BZAM Holdings Inc.

Name of Obligor: BZAM Holdings Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. – 100 common shares

BZAM Management Inc.

Name of Obligor: BZAM Management Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 200 Burrard Street, Suite 1570, Vancouver, BC V6C 3L6
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: BZAM Holdings Inc. – 100 common shares

1005099 Manitoba Ltd.

Name of Obligor: 1005099 Manitoba Ltd.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Manitoba
 Registered Office: 2500 – 360 Main Street, Winnipeg, MB, R3C 4H6
 Principal Place of Business/
 Chief Executive Office: 3 – 875 Corydon Avenue, Winnipeg, MB R3M 0W7
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: BZAM Holdings Inc. – 100 common shares

BZAM Cannabis Corp.

Name of Obligor: BZAM Cannabis Corp.
 Prior Obligor Names: N/A
 Predecessor Corporations: BZAM Cannabis Corp. and Sweetgrass Inc.
 Jurisdiction of Incorporation: Alberta
 Registered Office: 3400, 350 – 7TH Avenue SW, Calgary, Alberta T2P 3N9
 Principal Place of Business/
 Chief Executive Office: 8770 24 Street NW, Edmonton, Alberta T6P 1X8
 Issued & Outstanding Shares: 884,350 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	510,000 Class “A” Shares
Archon Industries	48,330 Class “A” Shares
1175345 Alberta Ltd.	25,000 Class “A” Shares
Jodi MacDonald	10,000 Class “A” Shares
Center Line Millwright Contracting Ltd.	11,670 Class “A” Shares
Derwin Herrera	10,000 Class “A” Shares
1979073 Alberta Ltd.	10,000 Class “A” Shares
Chaucer Investments Ltd.	25,000 Class “A” Shares
2086781 Alberta Ltd.	10,000 Class “A” Shares
2094804 Alberta Ltd.	20,000 Class “A” Shares
1237132 Alberta Ltd.	1,000 Class “A” Shares
William Rutledge	10,000 Class “A” Shares
Suezette Reichert	5,000 Class “A” Shares
Gail M. Burke	2,500 Class “A” Shares
Gamages Limited	75,000 Class “A” Shares
Homefolio Inc.	45,000 Class “A” Shares
Ryan Murray	20,000 Class “A” Shares
Simon Catherall	10,000 Class “A” Shares
Jairad Burke	10,000 Class “A” Shares
Barb O’Neill	10,000 Class “A” Shares
All Star Ventures Ltd.	3,200 Class “A” Shares
Grant Schneider	2,150 Class “A” Shares
Patrick Leonard	500 Class “A” Shares
Alex Lee	10,000 Class “A” Shares

Folium Life Sciences Inc.

Name of Obligor: Folium Life Sciences Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: Folium Life Sciences Inc. and 1137773 B.C. Ltd.
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 107/109 – 1761 Sean Heights, Saanichton, BC V8M 0A5
 Issued & Outstanding Shares: 3,600 Class "A" Shares
 List of Shareholders:

BZAM Holdings Inc.	2,880 Class "A" Shares
Fonda Betts	91.2 Class "A" Shares
Sheldon Kales	54 Class "A" Shares
1244780 B.C. Ltd.	574.8 Class "A" Shares

SCHEDULE "G"

PENDING CORPORATE CHANGES

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated October 23, 2020 and trading on the CSE under the symbol "TGOD.WA".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 10, 2020 and trading on the CSE under the symbol "TGOD.WB".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated June 12, 2020 and trading on the CSE under the symbol "TGOD.WR".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 19, 2019 and trading on the CSE under the symbol "TGOD.WS".

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Maynbridge Capital Inc. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. To Cortland Credit Lending Corporation. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd.

Escrowed share units, contingent share units, RSUs, and incentive stock options and ESPP issued under The Green Organic Dutchman Holdings Ltd.'s incentive compensation plans

Common shares of The Green Organic Dutchman Holdings Ltd. held in escrow to be released subject to the achievement of certain milestones in 2022, to certain vendors of Galaxie Brands Corporation pursuant to the share purchase agreement dated October 29, 2021, between The Green Organic Dutchman Holdings Ltd., 2783935 Ontario Inc. and Aoco Ventures Inc.

SCHEDULE "H"**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D'Intention between The Green Organic Dutchman Holdings Ltd. and Societe Quebecoise du Cannabis dated March 26, 2020
7. Equipment Purchase Agreement between The Green Organic Dutchman Holdings Ltd. and Enwave Corporation dated December 28, 2018
8. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. and Loblaw's Inc. dated March 3, 2020
9. Agreement of Purchase and Sale of Valleyfield Facility with Cannara Biotech (Ops) Inc., dated June 8, 2021
10. Service agreement with Cannara (Valleyfield) with respect to providing services at Valleyfield, QC dated September 25, 2021
11. Master Cannabis Supply Agreement dated April 5, 2021 between Ontario Cannabis Retail Corporation and Galaxie Brands Corporation
12. Licensed Producer Supply Agreement for Non-Medical Cannabis dated March 31, 2021 between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act, SBC 2018, c 28 and Galaxie Brands Corporation
13. Standing Offer Contract executed May 7, 2021 between Alberta Gaming, Liquor and Cannabis Commission and Galaxie Brands Corporation
14. Supply Agreement dated September 28th, 2021 between Galaxie Brands Corporation and Cannmart Inc.

15. Unanimous Shareholder Agreement (between Galaxie Brands Corporation, Northwest Confections Canada Inc. and Wyld Glx Corp.
16. Intellectual Property Licence Agreement dated April 15, 2021 between Galaxie Brands Corporation and Wyld Glx Corp.
17. Intellectual Property Licence Agreement dated April 15, 2021 between Northwest Confections Canada Inc. and Wyld Glx Corp.
18. Amended and Restated Manufacturing and Distribution Agreement dated August 24, 2021 between Galaxie Brands Corporation and Wyld Glx Corp.
19. Amending Agreement dated October 18, 2021 between Northwest Confections Canada Inc. and Galaxie Brands Corporation
20. Joint Venture between Northwest Confections Canada Inc. (subsidiary of Northwest Commonwealth LLC) and Galaxie Brands Corporation
21. Amended and Restated Joint Venture Agreement dated August 24, 2021 between Northwest Confections Canada Inc. and Galaxie Brands Corporation
22. Purchase order, Master Production and Packing Services Agreement dated August 21st, 2021 between Galaxie Brands Corporation and Noya Cannabis Inc.
23. Contract Grow Agreement dated April 27, 2021 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Pure Sunfarms Corp., as seller
24. Purchase Agreement dated May 25, 2022 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Medisun Inc., as seller

Material Permits

25. License Agreement between The Green Organic Dutchman Holdings Ltd. and 5071 Incorporated (o/a Stillwater Foods) dated May 28, 2018, terminates effective December 31, 2022
26. Health Canada Licence No LIC-CJMMLU7IIN-2022 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. Expiring July 20, 2027
27. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025
28. Licensing and Manufacturing agreement dated December 23, 2020 between Galaxie Brands Corporation and Trec Brands Inc.
29. Galaxie Brands Corporation Cannabis Licence No. 82993 7846 RD0001 under the *Excise Act, 2001* (Canada)
30. Galaxie Brands Corporation Licence No. LIC-DOAXL5IINX-2020-10 under the *Cannabis Act* (Canada)

31. Galaxie Brands Corporation Licence No. 9JHRW8LW under the *Safe Food For Canadians Act* (Canada)

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
 - b. 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 owned by BZAM Cannabis Corp.
 - c. 13325 Cedar Way, Maple Ridge, BC V4R 2T4 owned by BZAM Management Inc.
 - d. 2775 Myers Creek Road E., Midway, BC V0H 1M0 owned by BZAM Management Inc.

2. Leased:
 - a. 6205 Airport Rd., Suites 200 & 301, Bldg A, Mississauga, ON L4V 1E3 leased by The Green Organic Dutchman Holdings Ltd.
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.
 - c. 780 Concession 8 West, Puslinch, Ontario N0B 2J0 leased by Galaxie Brands Corporation
 - d. 19100 Airport Way, Units 518/519, Pitt Meadows, BC V3Y 0E2 leased by BZAM Management Inc.
 - e. 40 Great Plains Road, Edenwold, SK S4L 1B6 leased by 10050999 Manitoba Ltd.
 - f. Unit 3 – 875 Corydon Avenue, Winnipeg, MB, R3M 0W7 leased by 10050999 Manitoba Ltd.
 - g. Unit 107/109, 1759 Sean Heights, Saanichton BC, V8M 1X6 leased by BZAM Cannabis Corp.

SCHEDULE "J"**PERMITTED ENCUMBRANCES**

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$100,000.
3. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500, plus interest accrued on such term deposits.
4. Lien with registration number 20170123 1550 1624 2739 in favour of Newport Leasing Limited as against Galaxie Brands Corporation with respect to a 2016 Mercedes-Benz Sprinter 2500 144WB with VIN WD3BE7DD2GP269063.
5. Lien with registration number 20210531 1708 1462 9723 in favour of Vault Credit Corporation as against, among others, Galaxie Brands Corporation with respect to Collateral Classifications: "Equipment" and "Other" and the scope of which is limited by the estoppel letter dated November 12, 2021 from vault to, among others, Galaxie Brands Corporation and Cortland Credit Lending Corporation, as Agent.
6. Lien with registration number 20211029 1104 1590 1889 in favour of AOCO Ventures Inc. as against Galaxie Brands Corporation with respect to a promissory note dated October 28, 2021 in the principal amount of \$400,000 as secured by a general security agreement made the same date, the priority of which lien is determined by the Postponement and Subordination Agreement made November 15, 2021 between AOCO Ventures Inc., as subordinators, and Cortland Credit Lending Corporation, as Agent.
7. Charge on the real property legally described as Plan 8720213, Block 5, Lot 4, and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 in favour of Marjinder Sing Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636

FIFTH AMENDMENT
dated as of June 30, 2023
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS FIFTH AMENDMENT (this “**Amendment**”) dated as of June 30, 2023 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”), and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated as of September 29, 2021, as amended by a first amendment dated as of November 30, 2021, a second amendment dated as of March 9, 2022, a third amendment dated as of April 29, 2022, and a fourth amendment dated as of November 3, 2022 (collectively, the “**Credit Agreement**”);

AND WHEREAS the Agent, the Borrower and the other Obligors are parties to a consent agreement dated as of March 3, 2023 (the “**Stone Pine Consent**”);

AND WHEREAS the Borrower and the Agent have agreed to: (i) amend the Credit Agreement, from and after the ARCA Amendment Effective Date (as hereinafter defined); and (ii) amend the Stone Pine Consent, from and after the Consent Amendment Effective Date (as hereinafter defined), in each case, on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments to Credit Agreement

As of the ARCA Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“**ARCA Amendment No. 5**” means the fifth amendment to this Agreement dated June 30, 2023.”

“ARCA Amendment No. 5 Effective Date” means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 5 shall have been satisfied.

“Cedar Way Property” means the real property located at 13325 Cedar Way, Maple Ridge, British Columbia, V4R 2T4, legally described as LOT 7, PLAN NWP18761, SECTION 30, TOWNSHIP 12, GROUP 1, NEW WESTMINSTER LAND DISTRICT and owned by BZAM Management Inc.

“Midway Property” means the real property located at 2775 Myers Creek Road E. Midway, British Columbia, V0H 1M0.”

- 2.2 The definition of “Hempoland Transaction” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety.
- 2.3 The definition of “Holdings” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“Holdings” means BZAM Ltd. (formerly The Green Organic Dutchman Holdings Inc.).

For greater certainty, as of the ARCA Amendment No. 5 Effective Date, each reference in (i) the Credit Agreement; (ii) any other Transaction Document; or (iii) any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement, to the words “Holdings”, “The Green Organic Dutchman Holdings Inc.”, or words of like import, shall mean and be a reference to BZAM Ltd.”

- 2.4 The definition of “Obligors” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“Obligors” means, collectively the Borrower, Holdings and all of Holdings’ direct and indirect subsidiaries which are organized under the federal laws of Canada (or any province thereof) or any state of the United States of America, and **“Obligor”** means any of them; for greater certainty, as of the date of ARCA Amendment No. 5, the Obligors include the Borrower, Holdings, Medican Organic Inc., BZAM Holdings Inc., BZAM Management Inc., 1005099 Manitoba Ltd., BZAM Cannabis Corp. and Folium Life Science Inc.”

- 2.5 Section 3(c) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that: (i) the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit.; (ii) any repayment made in respect of the Base Facility Amount prior to the Maturity Date (each such repayment, a **“Base Facility Prepayment”**) shall permanently reduce the Base Facility Amount (but, for greater certainty, not the Maximum Revolving Facility Limit) by an amount equal to such Base Facility Prepayment; and (iii) on and after September 30, 2023, the Borrower shall make Base Facility Prepayments, on a monthly basis, in amounts to be determined by the Agent acting

reasonably.

- 2.6 Section 8(ii) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(ii) will: (i) within 30 days of July 31, 2023, provide evidence reasonably satisfactory to the Agent that it has EBITDA greater than Zero Dollars (\$0) for the month ending July 31, 2023; and (ii) maintain positive EBITDA on a rolling 3-month average after August 1, 2023;”

- 2.7 The following new Section 8(pp) is hereby added following Section 8(oo):

“(pp) will remit to the Agent no less than fifty percent (50%) of the proceeds of the sale of the Midway Property and no less than fifty percent (50%) of the proceeds of the sale of the Cedar Way Property, for an aggregate amount that is greater than or equal to \$3,000,000. In each case, the amounts remitted to the Agent shall be applied as Base Facility Prepayments (which for greater certainty shall reduce the Base Facility Amount by an amount equal to such Base Facility Prepayments).”

- 2.8 Schedules “D” through “J” of the Credit Agreement are hereby deleted in their entirety and replaced with the Schedules “D” through “J” attached hereto as Exhibit “A”.

Article 3 – Amendments to Stone Pine Consent

As of the Consent Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 3.1 Recital B of the Stone Pine Consent is hereby deleted in its entirety and replaced with the following:

“C. BZAM Management Inc. (“**BZAM Management**”) owns the real property located at 13325 Cedar Way, Maple Ridge, British Columbia, V4R 2T4, legally described as LOT 7, PLAN NWP18761, SECTION 30, TOWNSHIP 12, GROUP 1, NEW WESTMINSTER LAND DISTRICT (the “**Cedar Way Property**”).”

- 3.2 Section 3(b) of the Stone Pine Consent is hereby deleted in its entirety and replaced with the following:

“(b) BZAM shall not be permitted to repay the Stone Pine Indebtedness without the prior written consent of the Agent.”

- 3.3 Section 3(c) of the Stone Pine Consent is hereby deleted in its entirety.

Article 4 – Confirmation of Guarantee and Security

- 4.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 5 – Representations and Warranties

- 5.1 Each of the Obligors hereby represents and warrants that:
- (a) the total amount of the indemnification to be provided by Holdings to the Galaxie Purchaser pursuant to Section 8.1 of the Galaxie SPA is approximately \$250,000;
 - (b) as of the date hereof, the Estimated Closing Indebtedness and Liabilities (as such term is defined in the Galaxie SPA) is \$180,186;
 - (c) it has full power, authority and capacity to enter into and to perform all its obligations contemplated by this Amendment;
 - (d) the execution, delivery and performance by it of this Amendment: (i) has been duly authorized by all necessary action; and (ii) will not conflict with, result in a breach of, or constitute a default under, its charter documents;
 - (e) this Amendment constitutes a legal, binding and valid obligation enforceable against it in accordance with the terms subject to (i) the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and (ii) the extent that equitable principles may limit the availability of certain remedies including remedies of specific performance and injunctive relief, which equitable remedies may only be granted in the discretion of a court;
 - (f) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (g) no Default or Event of Default has occurred or is continuing.

Article 6 – Miscellaneous

- 6.1 Effectiveness of Article 2. Article 2 of this Amendment shall become effective as of the date that the following conditions have been satisfied (the “**ARCA Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) the transaction contemplated by the share purchase agreement (the “**Galaxie SPA**”) between BZAM Ltd. (“**Holdings**”) and 1000370759 Ontario Inc. (the “**Galaxie Purchaser**”), pursuant to which Holdings will sell all of the issued and outstanding shares of Galaxie Brands Corporation (“**Galaxie**”) to the Galaxie Purchaser (the “**Galaxie Transaction**”) shall have been completed, in form and substance satisfactory to the Agent; and
 - (c) such other documents and information which the Agent may reasonably request.

- 6.2 Effectiveness of Article 3. Article 3 of this Amendment shall become effective as of the date hereof, provided that the following conditions have been satisfied on or before the date hereof (the “**Consent Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
 - (b) evidence satisfactory to Cortland that the Borrower has provided notice to Stone Pine Capital Inc. of the amendments to the Stone Pine Consent contained in Article 3 of this Amendment; and
 - (c) such other documents and information which the Agent may reasonably request.
- 6.3 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 6.4 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 6.5 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 6.6 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 6.7 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 6.8 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 6.9 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

OTHER OBLIGORS:

BZAM LTD.

Per: Milich
Name: Matt Milich
Title: CEO

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.


MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CEO

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

BZAM HOLDINGS INC.

Per:  _____
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

FOLIUM LIFE SCIENCE INC.

Per:  _____
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

BZAM MANAGEMENT INC.

Per:  _____
Name: Matt Milich
Title: CEO

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

BZAM CANNABIS CORP.

Per: 

Name: Matt Milich

Title: President


Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

10050999 MANITOBA LTD.

Per: 

Name: Sean Bovingdon

Title: CFO

Per: _____

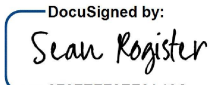
Name:

Title:

I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per:  _____
376EEEE2EE6A46C

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the Agent.

Exhibit A
Updated Schedules D to J to the Credit Agreement

SCHEDULE “D”

LITIGATION

1. *1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd.* (“TGOD Holdings”), Ontario Superior Court of Justice File No. CV-18-605781. Action commenced by the former Chief Financial Officer of TGOD Holdings claiming \$3 million in damages, stemming from the termination of her consulting agreement.
2. *Panni Management and Technology Corporation v. Galaxie Brands Corporation (formerly Green Relief Inc.), the Green Organic Dutchman Holdings Ltd., AOCO Ventures Inc. and Olivier Dufourmantelle*, Alberta Court of King’s Bench File No. 2201 02989. Action for \$84,987.87 due to breach of contract and nonpayment of invoices. Defendants claim plaintiff breached the contract and claim set-off in the amount of \$20,000 for cost of retaining third party to complete the work.
3. BZAM Cannabis Corp. commenced a claim, by arbitration, against GO Drywall Ltd. for breach of a construction contract for failure to provide services. BZAM Cannabis Corp.’s claim is for \$248,936.25. Go Drywall Ltd. commenced a cross claim for wrongful termination of the contract seeking \$746,805.89. A final arbitration was awarded in favor of BZAM Cannabis Corp.’s for the full amount of the claim, plus legal costs. BZAM Cannabis Corp.’s is in the process of attempting to enforce judgment.
4. BZAM Management Inc. has filed an appeal from the assessments by the BC Ministry of Finance’s tax appeals division to recover approximately \$1.05 Million in BC property transfer taxes paid by it in connection with its acquisition of three properties in British Columbia. BZAM Management Inc. takes the position that the taxes were not payable as it is not in fact a “foreign corporation”, which is the basis upon which such taxes are exigible. Waiting on response from BC Ministry of Finance Tax Appeals Division.
5. British Columbia Workers’ Compensation Appeal Tribunal (“WCAT”). Employee BZAM Management Inc. has claimed workers’ compensation benefits for a workplace injury. Claim denied on review. Worker appealed to WCAT. After the appeal hearing on January 16, 2023, all claims against BZAM Cannabis Corp. were dismissed.
6. On February 1, 2021, a former BZAM Cannabis Corp. employee filed a human rights complaint with the Alberta Human Rights Commission with respect to their termination for refusal to be vaccinated for Covid-19 pursuant to BZAM’s Vaccination Policy. Waiting for hearing date.
7. *Jason Glenn c.o.b.a Frostmec Services v BZAM Management Inc.* – British Columbia Small Claims Court. Former employee filed a Notice of Claim alleging non-payment of invoices and seeking \$28,082.00. BZAM denies all allegations of fact in the Notice of Claim. The parties were unable to settle at the Settlement Conference. A trial date has yet to be set by the Court.

SCHEDULE "E"
ENVIRONMENTAL DISCLOSURE

Nil.

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate Relationships

See chart below

The Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Suite 402 – 5520 Explorer Drive, Mississauga, ON L4W 5L1
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, ON L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 200 common shares

BZAM Ltd.

Name of Obligor:	BZAM Ltd.
Prior Obligor Names:	The Green Organic Dutchman Holdings Ltd.
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Principal Place of Business/ Chief Executive Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Issued & Outstanding Shares:	158,121,789 common shares
List of Shareholders:	N/A

Medican Organic Inc.

Name of Obligor:	Medican Organic Inc./Médican Biologique inc.
Prior Obligor Names:	N/A
Predecessor Corporations:	9371-8633 Québec Inc./9371-8633 Québec Inc.
Jurisdiction of Incorporation:	Québec
Registered Office:	311-455 Boul. Fénelon, Dorval, Québec H9S 5T8
Principal Place of Business/ Chief Executive Office:	1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1
Issued & Outstanding Shares:	100 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Holdings Inc.

Name of Obligor: BZAM Holdings Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Management Inc.

Name of Obligor: BZAM Management Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 200 Burrard Street, Suite 1570, Vancouver, BC V6C 3L6
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: BZAM Holdings Inc. – 100 common shares

1005099 Manitoba Ltd.

Name of Obligor: 1005099 Manitoba Ltd.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Manitoba
 Registered Office: 2500 – 360 Main Street, Winnipeg, MB, R3C 4H6
 Principal Place of Business/
 Chief Executive Office: 3 – 875 Corydon Avenue, Winnipeg, MB R3M 0W7
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: BZAM Holdings Inc. – 100 common shares

BZAM Cannabis Corp.

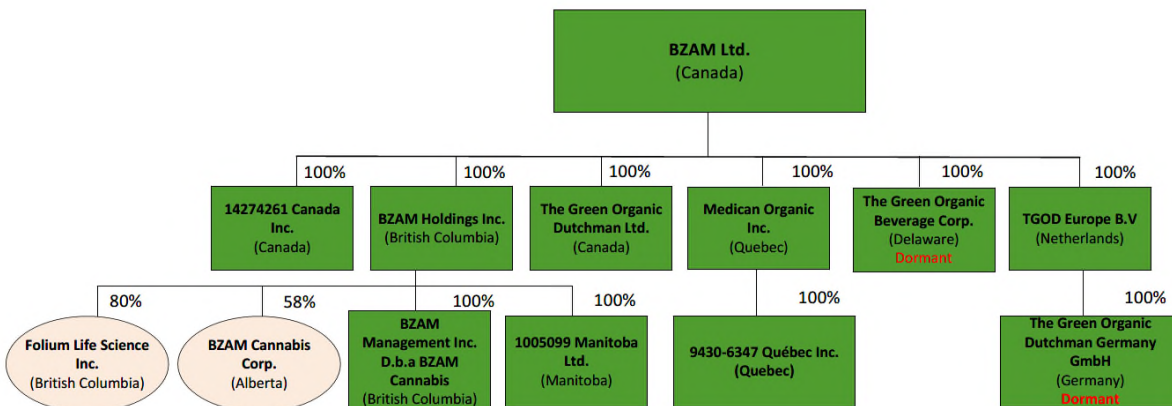
Name of Obligor: BZAM Cannabis Corp.
 Prior Obligor Names: N/A
 Predecessor Corporations: BZAM Cannabis Corp. and Sweetgrass Inc.
 Jurisdiction of Incorporation: Alberta
 Registered Office: 3400, 350 – 7TH Avenue SW, Calgary, Alberta T2P 3N9
 Principal Place of Business/
 Chief Executive Office: 8770 24 Street NW, Edmonton, Alberta T6P 1X8
 Issued & Outstanding Shares: 884,350 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	510,000 Class “A” Shares
Archon Industries	48,330 Class “A” Shares
1175345 Alberta Ltd.	25,000 Class “A” Shares
Jodi MacDonald	10,000 Class “A” Shares
Center Line Millwright Contracting Ltd.	11,670 Class “A” Shares
Derwin Herrera	10,000 Class “A” Shares
1979073 Alberta Ltd.	10,000 Class “A” Shares
Chaucer Investments Ltd.	25,000 Class “A” Shares
2086781 Alberta Ltd.	10,000 Class “A” Shares
2094804 Alberta Ltd.	20,000 Class “A” Shares
1237132 Alberta Ltd.	1,000 Class “A” Shares
William Rutledge	10,000 Class “A” Shares
Suzette Reichert	5,000 Class “A” Shares
Gail M. Burke	2,500 Class “A” Shares
Gamages Limited	75,000 Class “A” Shares
Homefolio Inc.	45,000 Class “A” Shares
Ryan Murray	20,000 Class “A” Shares
Simon Catherall	10,000 Class “A” Shares
Jairad Burke	10,000 Class “A” Shares
Barb O’Neill	10,000 Class “A” Shares
All Star Ventures Ltd.	3,200 Class “A” Shares
Grant Schneider	2,150 Class “A” Shares
Patrick Leonard	500 Class “A” Shares
Alex Lee	10,000 Class “A” Shares

Folium Life Science Inc.

Name of Obligor: Folium Life Science Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: Folium Life Science Inc. and 1137773 B.C. Ltd.
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 107/109 – 1761 Sean Heights, Saanichton, BC V8M 0A5
 Issued & Outstanding Shares: 3,600 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	2,880 Class "A" Shares
Fonda Betts	91.2 Class "A" Shares
Sheldon Kales	54 Class "A" Shares
1244780 B.C. Ltd.	574.8 Class "A" Shares



SCHEDULE "G"**PENDING CORPORATE CHANGES**

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated October 23, 2020 and trading on the CSE under the symbol "BZAM.WA".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated December 10, 2020 and trading on the CSE under the symbol "BZAM.WB".

Warrants issued by The Green Organic Dutchman Holdings Ltd. under the indenture dated June 12, 2020 and trading on the CSE under the symbol "BZAM.WR".

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Maynbridge Capital Inc. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Cortland Credit Lending Corporation. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd.

Escrowed share units, contingent share units, RSUs, and incentive stock options and ESPP issued under BZAM Ltd.'s incentive compensation plans

Common shares to be issued pursuant to a non-brokered private placement announced on May 19 for the issuance of up to 22,222,223 units, consisting of one common share and one warrant to purchase one common share.

The purchase of 9430-6347 Quebec Inc. by Médican Biologique Inc., by way of Share Purchase Agreement between, among others, Médican Biologique Inc. and the Vendors (as defined therein) (the "**Medican SPA**") dated November 11, 2022. The Medican SPA is currently held in escrow until such time as all purchase conditions are met.

SCHEDULE "H"**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D'Intention between The Green Organic Dutchman Holdings Ltd. and Societe Quebecoise du Cannabis dated March 26, 2020
7. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. and Loblaws Inc. dated March 3, 2020
8. Master Cannabis Supply Agreement dated April 5, 2021 between Ontario Cannabis Retail Corporation and Galaxie Brands Corporation
9. Licensed Producer Supply Agreement for Non-Medical Cannabis dated March 31, 2021 between Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act, SBC 2018, c 28 and Galaxie Brands Corporation
10. Standing Offer Contract executed May 7, 2021 between Alberta Gaming, Liquor and Cannabis Commission and Galaxie Brands Corporation
11. Supply Agreement dated September 28th, 2021 between Galaxie Brands Corporation and Cannmart Inc.
12. Unanimous Shareholder Agreement (between BZAM LTD., Northwest Confections Canada Inc. and Wyld Glx Corp.
13. Intellectual Property Licence Agreement dated April 15, 2021 between BZAM LTD. and Wyld Glx Corp.
14. Intellectual Property Licence Agreement dated April 15, 2021 between Northwest Confections Canada Inc. and Wyld Glx Corp.

15. Amended and Restated Manufacturing and Distribution Agreement dated August 24, 2021 between BZAM Management Inc. and Wyld Glx Corp.
16. Amending Agreement dated October 18, 2021 between Northwest Confections Canada Inc. and BZAM LTD.
17. Joint Venture between Northwest Confections Canada Inc. (subsidiary of Northwest Commonwealth LLC) and BZAM LTD.
18. Amended and Restated Joint Venture Agreement dated August 24, 2021 between Northwest Confections Canada Inc. and BZAM Management Inc.
19. Purchase order, Master Production and Packing Services Agreement dated August 21st, 2021 between Galaxie Brands Corporation and Noya Cannabis Inc.
20. Contract Grow Agreement dated April 27, 2021 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Pure Sunfarms Corp., as seller
21. Purchase Agreement dated May 25, 2022 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Medisun Inc., as seller
22. Supply and Purchase Agreement dated April 28, 2023 between BZAM LTD. (d/b/a BZAM Cannabis), as seller, and 4C LABS LTD., as buyer.
23. Supply and Purchase Agreement dated January 4, 2022, between The Green Organic Dutchman LTD., as seller, and Oxygen Handel GmbH., as buyer
24. The Medican SPA

Material Permits

25. Health Canada Licence No LIC-CJMMLU7I1JN-2022 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. Expiring July 20, 2027
26. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025
27. Galaxie Brands Corporation Cannabis Licence No. 82993 7846 RD0001 under the *Excise Act, 2001* (Canada)
28. Galaxie Brands Corporation Licence No. LIC-DOAXL5I1NX-2020-10 under the *Cannabis Act* (Canada)
29. Galaxie Brands Corporation Licence No. 9JHRW8LW under the *Safe Food For Canadians Act* (Canada)
30. BZAM Management Inc. Licence LIC-JTUPWJZJ50-2022 under the *Cannabis Act* (Canada)

31. BZAM Management Inc. Licence LIC-G27V6VI0UJ-2022 under the *Cannabis Act* (Canada)
32. BZAM Management Inc. Licence LIC-HU7CU4DYAO-2020-5 under the *Cannabis Act* (Canada)
33. BZAM Cannabis Corp. Licence LIC-J5USTB6Z3V-2022 under the *Cannabis Act* (Canada)
34. Folium Life Science Inc. Licence LIC-9GRI1YRQEV-2021 under the *Cannabis Act* (Canada)
35. BZAM Management Inc. Research License LIC-TNCAPN24J9-2022 under the *Cannabis Act* (Canada)
36. The Green Organic Dutchman Ltd. EUGMP – DE_BW_01_GMP_2023_0085 For Ancaster, Jerseyville.

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
 - b. 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 owned by BZAM Cannabis Corp.
 - c. 13325 Cedar Way, Maple Ridge, BC V4R 2T4 owned by BZAM Management Inc.
 - d. 2775 Myers Creek Road E., Midway, BC V0H 1M0 owned by BZAM Management Inc.

2. Leased:
 - a. 402, 5520 Explorer Drive Mississauga, ON L4W 5L1 leased by The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.)
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.
 - c. 19100 Airport Way, Units 518/519, Pitt Meadows, BC V3Y 0E2 leased by BZAM Management Inc.
 - d. 40 Great Plains Road, Edenwold, SK S4L 1B6 leased by 10050999 Manitoba Ltd.
 - e. Unit 3 – 875 Corydon Avenue, Winnipeg, MB, R3M 0W7 leased by 10050999 Manitoba Ltd.
 - f. Unit 107/109, 1759 Sean Heights, Saanichton BC, V8M 1X6 leased by BZAM Cannabis Corp.
 - g. 5000 Chemin Murphy, Vaudeuil-Dorion QC, J7V 8P2. Leased by 9430-6347 Quebec Inc.¹

¹ Although the Medican SPA remains in escrow and is not yet in effect, Medican Organic Inc. is paying the rent for this leased property on behalf of 9430-6347 Quebec Inc..

SCHEDULE "J"**PERMITTED ENCUMBRANCES**

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$100,000.
3. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500, plus interest accrued on such term deposits.
4. Charge on the real property legally described as Plan 8720213, Block 5, Lot 4, and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 in favour of Marjinder Sing Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636

SIXTH AMENDMENT
dated as of August 30, 2023
to
AMENDED AND RESTATED CREDIT AGREEMENT
dated as of September 29, 2021

THIS SIXTH AMENDMENT (this "**Amendment**") dated as of August 30, 2023 is entered into between, among others, The Green Organic Dutchman Ltd. (the "**Borrower**"), and Cortland Credit Lending Corporation, in its capacity as agent (the "**Agent**"), for the lenders from time-to-time party to the Credit Agreement (as hereinafter defined).

RECITALS

WHEREAS the Borrower and the Agent are parties to an amended and restated credit agreement dated as of September 29, 2021, as amended by a first amendment dated as of November 30, 2021, a second amendment dated as of March 9, 2022, a third amendment dated as of April 29, 2022, a fourth amendment dated as of November 3, 2022 and a fifth amendment dated as of June 30, 2023 (collectively, the "**Credit Agreement**");

AND WHEREAS the Agent, the Borrower and the other Obligors are parties to a consent agreement dated as of the date hereof (the "**Stone Pine Consent**");

AND WHEREAS the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined) on the terms and condition more particularly described herein;

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

Article 1 – Definitions

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

Article 2 – Amendments to Credit Agreement

As of the ARCA Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 Schedule "C" to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

"ARCA Amendment No. 6" means the sixth amendment to this Agreement dated August 30, 2023."

“ARCA Amendment No. 6 Effective Date” means the date upon which all of the conditions precedent to the effectiveness of Amendment No. 6 shall have been satisfied.

“Edmonton Property” means the real property owned by BZAM Ltd. And located at 8770 24th Street, Edmonton, AB, Canada, T6P 1X8, legally described as PLAN 8720213, BLOCK 5, LOT 4, Excepting Thereout All Mines and Minerals.

“Overadvance” means, between the ARCA Amendment No. 6 Effective Date and the earlier of: (i) the completion of the sale of the Edmonton Property; and (ii) January 15, 2024, Three Million Dollars (\$3,000,000), and at all other times thereafter, Zero Dollars (\$0).

“Revolving Facility Margin Limit” means, at any time: (i) the book value of Eligible Inventory at such time (which, for greater certainty, excludes any Inventory subject to any Potential Priority Claims or Priority Liens) multiplied by the Advance Rate applicable to Eligible Inventory; plus (ii) the face amount of Eligible Accounts Receivable at such time multiplied by the Advance Rate applicable to Eligible Accounts Receivable; plus (iii) the Overadvance, minus (iv) the face amount of Potential Priority Claims relating to Eligible Accounts Receivable forming (or capable of forming) Priority Liens; provided that the amount calculated in (i), above, shall not exceed Three Million Dollars (\$3,000,000)

- 2.2 The definition of “Obligors” in Schedule “C” of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“Obligors” means, collectively the Borrower, Holdings and all of Holdings’ direct and indirect subsidiaries which are organized under the federal laws of Canada (or any province thereof) or any state of the United States of America, and **“Obligor”** means any of them; for greater certainty, as of the date of ARCA Amendment No. 6, the Obligors include the Borrower, Holdings, Medican Organic Inc., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp. and Folium Life Science Inc.”

- 2.3 The following new Section 8(pp) is hereby added following Section 8(pp):

“(pp) will remit to the Agent no less than \$4,000,000 from the net proceeds of the sale of the Edmonton Property to be applied as follows by the Agent: (i) \$3,000,000 to repay the Overadvance; and (ii) no less than \$1,000,000 to be applied as a Base Facility Prepayment (which for greater certainty shall reduce the Base Facility Amount by an amount equal to such Base Facility Prepayment).”

- 2.4 Schedules “F” and “I” of the Credit Agreement are hereby deleted in their entirety and replaced with the Schedules “F” and “I” attached hereto as Exhibit “A”.

Article 4 – Confirmation of Guarantee and Security

- 4.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

Article 5 – Representations and Warranties

- 5.1 Each of the Obligors hereby represents and warrants that:
- (a) it has full power, authority and capacity to enter into and to perform all its obligations contemplated by this Amendment;
 - (b) the execution, delivery and performance by it of this Amendment: (i) has been duly authorized by all necessary action; and (ii) will not conflict with, result in a breach of, or constitute a default under, its charter documents;
 - (c) this Amendment constitutes a legal, binding and valid obligation enforceable against it in accordance with the terms subject to (i) the extent that enforceability may be limited by applicable bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally; and (ii) the extent that equitable principles may limit the availability of certain remedies including remedies of specific performance and injunctive relief, which equitable remedies may only be granted in the discretion of a court;
 - (d) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
 - (e) no Default or Event of Default has occurred or is continuing, other than the breach of Section 8(ii) of the Credit Agreement, which has been disclosed to the Agent and is the subject of ongoing discussion (the "**Relevant Covenant Breach**").
- 5.2 For greater certainty, notwithstanding the Relevant Covenant Breach, the Agent has not waived any Defaults or Events of Default arising from the Relevant Covenant Breach, and specifically reserves all of its rights, remedies and claims under the Credit Agreement or otherwise with respect to any and all such Defaults and Events of Default.

Article 6 – Miscellaneous

- 6.1 **Effectiveness.** This Amendment shall become effective as of the date that the following conditions have been satisfied (the "**Amendment Effective Date**"):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment; and
 - (b) such other documents and information which the Agent may reasonably request.
- 6.2 **References to Credit Agreement.** Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof", "herein" or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.

- 6.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 6.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 6.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 6.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 6.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 6.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

(The remainder of this page is intentionally blank; signature page follows.)

IN WITNESS WHEREOF the parties hereto have executed this Amendment.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon

Name: Sean Bovingdon

Title: CFO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

OTHER OBLIGORS:

BZAM LTD.

Per: Milich

Name: Matt Milich

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon

Name: Sean Bovingdon

Title: CFO


Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

BZAM HOLDINGS INC.

Per: 
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.


FOLIUM LIFE SCIENCE INC.

Per: _____
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

BZAM MANAGEMENT INC.

Per: 
Name: Sean Bovingdon
Title: CFO

Per: _____
Name:
Title:

I/we have the authority to bind the corporation.

BZAM CANNABIS CORP.

Per: Sean Bovingdon

Name: Sean Bovingdon

Title: CFO

Per: _____

Name:

Title:

I/we have the authority to bind the corporation.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

DocuSigned by:

Per: _____
376FEFF2EF6A46C...

Name: Sean Register

Title: CEO

Per: _____

Name:

Title:

I/we have the authority to bind the Agent.

Exhibit A
Updated Schedules F and I to the Credit Agreement

SCHEDULE "F"

CORPORATE INFORMATION

Intercorporate Relationships

See chart below

The Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Suite 402 – 5520 Explorer Drive, Mississauga, ON L4W 5L1
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, ON L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 200 common shares

BZAM Ltd.

Name of Obligor:	BZAM Ltd.
Prior Obligor Names:	The Green Organic Dutchman Holdings Ltd.
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Principal Place of Business/ Chief Executive Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Issued & Outstanding Shares:	158,121,789 common shares
List of Shareholders:	N/A

Medican Organic Inc.

Name of Obligor: Medican Organic Inc./Médican Biologique inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: 9371-8633 Québec Inc./9371-8633 Québec Inc.
 Jurisdiction of Incorporation: Québec
 Registered Office: 311-455 Boul. Fénelon, Dorval, Québec H9S 5T8
 Principal Place of Business/
 Chief Executive Office: 1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Holdings Inc.

Name of Obligor: BZAM Holdings Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Management Inc.

Name of Obligor: BZAM Management Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 200 Burrard Street, Suite 1570, Vancouver, BC V6C 3L6
 Issued & Outstanding Shares: 100 common shares
 List of Shareholders: BZAM Holdings Inc. – 100 common shares

BZAM Cannabis Corp.

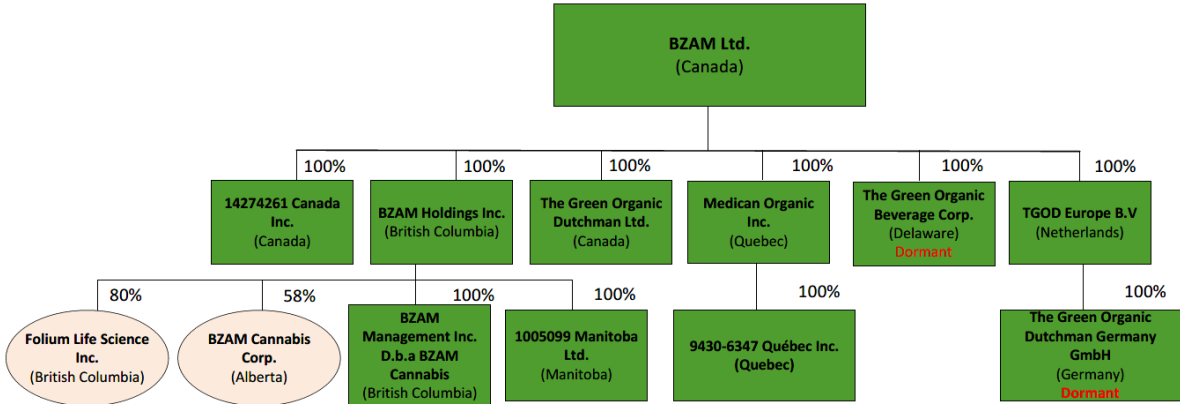
Name of Obligor: BZAM Cannabis Corp.
 Prior Obligor Names: N/A
 Predecessor Corporations: BZAM Cannabis Corp. and Sweetgrass Inc.
 Jurisdiction of Incorporation: Alberta
 Registered Office: 3400, 350 – 7TH Avenue SW, Calgary, Alberta T2P 3N9
 Principal Place of Business/
 Chief Executive Office: 8770 24 Street NW, Edmonton, Alberta T6P 1X8
 Issued & Outstanding Shares: 884,700 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	780,000 Class “A” Shares
Jodi MacDonald	10,000 Class “A” Shares
Derwin Herrera	10,000 Class “A” Shares
1979073 Alberta Ltd.	10,000 Class “A” Shares
Chaucer Investments Ltd.	25,000 Class “A” Shares
2086781 Alberta Ltd.	10,000 Class “A” Shares
1237132 Alberta Ltd.	1,000 Class “A” Shares
William Rutledge	10,000 Class “A” Shares
Gail M. Burke	2,500 Class “A” Shares
Homefolio Inc.	45,000 Class “A” Shares
Ryan Murray	20,000 Class “A” Shares
All Star Ventures Ltd.	3,200 Class “A” Shares
Grant Schneider	2,150 Class “A” Shares
Patrick Leonard	500 Class “A” Shares

Folium Life Science Inc.

Name of Obligor: Folium Life Science Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: Folium Life Science Inc. and 1137773 B.C. Ltd.
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 107/109 – 1761 Sean Heights, Saanichton, BC V8M 0A5
 Issued & Outstanding Shares: 3,600 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	2,880 Class "A" Shares
Fonda Betts	91.2 Class "A" Shares
Sheldon Kales	54 Class "A" Shares
1244780 B.C. Ltd.	574.8 Class "A" Shares



SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
 - b. 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 owned by BZAM Cannabis Corp.
 - c. 13325 Cedar Way, Maple Ridge, BC V4R 2T4 owned by BZAM Management Inc.

2. Leased:
 - a. 402, 5520 Explorer Drive Mississauga, ON L4W 5L1 leased by The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.)
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.
 - c. 19100 Airport Way, Units 518/519, Pitt Meadows, BC V3Y 0E2 leased by BZAM Management Inc.
 - d. 40 Great Plains Road, Edenwold, SK S4L 1B6 leased by 10050999 Manitoba Ltd.
 - e. Unit 107/109, 1759 Sean Heights, Saanichton BC, V8M 1X6 leased by BZAM Cannabis Corp.
 - f. 5000 Chemin Murphy, Vaudeuil-Dorion QC, J7V 8P2. Leased by 9430-6347 Quebec Inc.¹

¹ Although the Medican SPA remains in escrow and is not yet in effect, Medican Organic Inc. is paying the rent for this leased property on behalf of 9430-6347 Quebec Inc..

This is Exhibit "E" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

Dated as of January 8, 2024

Among:

Cortland Credit Lending Corporation,
in its capacity as administrative agent (the “**Agent**”)
for the Lenders (as defined herein)
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2

And:

The Green Organic Dutchman Ltd. (the “**Borrower**”)
Suite 402 – 5520 Explorer Drive
Mississauga, ON L4W 5L1

And:

Those lenders from time to time party hereto in accordance with Section 30 (collectively, the “**Lenders**”, and each a “**Lender**”).

WHEREAS the Agent and the Borrower entered into a credit agreement dated March 31, 2020, as amended by a first amendment dated May 27, 2020, a second amendment dated October 1, 2020 and a third amendment dated July 30, 2021 (as amended, the “**Original Credit Agreement**”).

AND WHEREAS the Agent and the Borrower amended and restated the Original Credit Agreement in its entirety by way of an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022, a third amendment dated April 29, 2022, a fourth amendment dated November 3, 2022, a fifth amendment dated June 30, 2023, and a sixth amendment dated August 30, 2023 (as amended, the “**First ARCA**”).

AND WHEREAS the Borrower and the Lenders wish to amend and restate the First ARCA in its entirety by way of this second amended and restated credit agreement (this “**Agreement**”).

AND WHEREAS terms used and not otherwise defined have the meanings given to such terms in Schedule “C” attached hereto.

IN CONSIDERATION of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

1. **Funding Commitment.**

- (a) Subject to the satisfaction of the terms and conditions set out in this Agreement, the Agent, on behalf of the Lenders, hereby agrees to continue to provide the Borrower with the Revolving Facility, by way of Loan Advances, provided that the aggregate amount of Loan Advances outstanding at any time shall not exceed the Revolving Facility Limit.

(b) The Borrower acknowledges and agrees that the proceeds of the Revolving Facility will be used to finance the working capital requirements of the Obligors, including the payment of ordinary course payables of the Obligors, including fees and expenses relating to the transactions contemplated by this Agreement.

2. **Agent Compensation.** In consideration of, among other things, amending the Revolving Facility as provided for under this Agreement, the Agent shall be entitled to the following fees or reimbursement of the following costs (which fees and costs shall be in addition to any other amounts payable to the Agent and/or Lenders hereunder, including interest):

(a) **[Reserved].**

(b) Any documented out-of-pocket expenses incurred in connection with (i) the Agent's due diligence, and (ii) the monitoring of the Revolving Facility while the Revolving Facility is made available to the Borrower, shall be payable upon demand.

(c) A utilization fee, calculated daily and payable on the last Business Day of each month, by subtracting the aggregate amount of the Loan Advances outstanding on each day, from the Maximum Revolving Facility Limit) and multiplying the difference by the Utilization Fee Rate.

3. **Loan Advances.**

(a) Subject to satisfaction of the terms and conditions set out in this Agreement, the Agent shall, from time to time, upon request of the Borrower made in accordance with the terms and conditions of this Agreement, make one or more Loan Advances available to the Borrower provided that the aggregate principal amount of such Loan Advances does not exceed, at any given time, the Revolving Facility Limit at such time. If at any time the aggregate principal amount of all Loan Advances outstanding (collectively, the "**Total Exposure**") exceeds the Revolving Facility Limit at such time, then the Borrower will promptly repay such Loan Advances in cash by an amount required to reduce the Total Exposure to an amount less than or equal to the Revolving Facility Limit.

(b) Each Loan Advance will bear interest at the Interest Rate, which interest will be due and payable in cash on the last Business Day of each month.

(c) The Revolving Facility shall be a revolving facility. For greater certainty, the Borrower shall be entitled to obtain Loan Advances under the Revolving Facility from time to time and repay all or any portion of the Loan Advances under the Revolving Facility from time to time and thereafter re-borrow Loan Advances from time to time; provided that: (i) the Borrower, acknowledges, covenants and agrees that the Total Exposure shall not at any time exceed the Revolving Facility Limit.; (ii) any repayment made in respect of the Base Facility Amount prior to the Maturity Date (each such repayment, a "**Base Facility Prepayment**") shall permanently reduce the Base Facility Amount (but, for greater certainty, not the Maximum Revolving Facility Limit) by an amount equal to such Base Facility Prepayment; and (iii) on and after March 24, 2024, the Borrower shall make Base Facility Prepayments, on a monthly basis, in amounts to be determined by the Agent acting reasonably.

(d) The Collection Account will be swept daily as provided for in Section 8(w).

- (e) Interest owing on the Loan Advances shall be calculated daily and not in advance on the basis of the then current calendar year of three-hundred and sixty-five (365) or three-hundred and sixty-six (366) days for the actual number of days elapsed, and in the case of a leap year, the annual interest rate corresponding to the interest calculated on a three-hundred and sixty-five (365) day year is equal to the interest rate thus calculated multiplied by three-hundred and sixty-six (366) and divided by three-hundred and sixty-five (365). Any amount of principal, interest, commission, discount or of any other nature remaining unpaid at maturity shall bear interest at the Interest Rate. Interest on all overdue interest calculated as aforesaid and compounded monthly at the aforesaid rate from the due date thereof without necessity of notice or demand, the whole before as well as after maturity, demand, default or judgement. The Borrower acknowledges and agrees that for the purposes of the *Interest Act* (Canada), the information provided to it hereunder with respect to the calculation of interest hereunder or under any other Transaction Document shall constitute an express statement of the yearly rate or percentage of interest to which such interest rate (including the Interest Rate) or percentage is equivalent. The Borrower hereby irrevocably agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Agreement or any other Transaction Document, that the interest payable under this Agreement (including the Interest Rate) or any other Transaction Document and the calculation thereof has not been adequately disclosed to the Borrower, whether pursuant to section 4 of the *Interest Act* (Canada) or any other Applicable Law.
- (f) Where the rate of interest payable under any Loan Advance is found by a competent court of law, governmental agency or other tribunal to exceed the maximum rate of interest permitted by the laws of any applicable jurisdiction or the rules or regulations of any appropriate regulatory authority, then during the time that the rate of interest would exceed the permissible limit, that portion of each interest payment attributable to the portion of the interest rate that exceeds the permissible limit shall be deemed to be a voluntary prepayment of principal.
- (g) The Agent's books and records relating to the Loan Advances and any related interest shall be *prima facie* evidence of same, absent manifest error.

4. **Conditions Precedent to the Effectiveness of this Agreement.** The effectiveness of this Agreement will be subject to receipt by the Agent of an executed copy of this Agreement together with the following, each in a form satisfactory to the Agent, and/or satisfaction of the following, unless waived by the Agent on terms satisfactory to the Agent:

- (a) an executed copy of a perfection certificate by the FBC Obligors;
- (b) an executed copy of a confirmation of guarantee and security agreement from each Obligor (other than the FBC Obligors);
- (c) an executed copy of an attornment agreement to the Guarantee to be delivered by each FBC Obligor;
- (d) an executed copy of each of the Security Agreements by each FBC Obligor;
- (e) an executed copy of an amendment agreement to the Security Agreement previously delivered by Holdings;

- (f) an executed copy of a completion certificate in respect of the FBC SEA by Holdings together with:
 - (i) a copy of the release by the FBC Vendor (and all subsidiaries of the FBC Vendor except for the FBC Obligors) of any and all amounts owing by the FBC Obligors (other than the FBC Unsecured Loan); and
 - (ii) copies of each employee release required under or pursuant to the FBC SEA;
- (g) until view access has been granted pursuant to Section 11(c), deliver, or caused to be delivered, to the Agent a bank statement with respect to the FBC Obligor bank accounts daily and the Borrower will, or will cause the FBC Obligors to, manually sweep such accounts weekly to the Agent;
- (h) documents evidencing the equity conversion of the loan made by Stone Pine to Holdings pursuant to the secured demand promissory note dated September 26, 2022 in the principal amount of \$2,200,000, including:
 - (i) executed copies of any and all documents relating to the equity conversion;
 - (ii) executed copies of any and all documents releasing Holdings from the security granted in favour of Stone Pine, including that certain general security agreement dated September 26, 2022;
 - (iii) executed copies of any and all documents confirming payment in full of the Stone Pine indebtedness incurred pursuant to such note; and
 - (iv) copies of the discharges for any registrations or filings that may be outstanding in favour of Stone Pine against Holdings in connection with Section 4(h)(ii) immediately above.
- (i) receipt by the Agent of all information necessary for the Agent to comply with its legal and internal requirements in respect of applicable money-laundering legislation, proceeds of crime legislation and “know your customer” requirements;
- (j) completion of and satisfaction with all necessary financial, insurance and legal due diligence (including the Agent’s satisfaction with the nature and scope of any Liens affecting the FBC Obligors);
- (k) a corporate organizational chart for the Obligors;
- (l) a certificate of a senior officer of the Borrower, Holdings and each FBC Obligor to which are appended: (i) copies of the articles of incorporation, certificate of formation and by-laws or constitution (if applicable), operating agreement or shareholder agreement governing the affairs of such Obligor (if applicable), (ii) an incumbency certificate setting out the names and offices of all directors and officers of such Obligor, together with specimen signatures of same, and (iii) certified copies of the resolutions of the shareholders or directors of such Obligor authorizing the execution, delivery and performance of the Transaction Documents to which each is a party and the transactions contemplated thereby, and the granting of security;
- (m) certificates of status or good standing or equivalent, as applicable, of each Obligor in respect of its jurisdiction of formation;

- (n) opinions regarding corporate status of the Borrower, Holdings and each FBC Obligor, the due authorization, execution and delivery of the Transaction Documents to which such Obligor is a party, all registrations in respect of such security and the enforceability of such Transaction Documents (all such opinions to be in form and substance satisfactory to the Agent);
- (o) all representations and warranties provided for in the Transaction Documents being true, accurate and complete, in all material respects;
- (p) no Material Adverse Change has occurred since the date of the last financial statements provided by the Obligors to the Agent;
- (q) evidence that all security given to the Agent is registered and perfected in all such jurisdictions satisfactory to the Agent in order to provide the Agent with a first-ranking security interest (subject only to Permitted Encumbrances) in the Collateral;
- (r) the Agent shall have received payment in full of all fees and expenses required under this Agreement;
- (s) the Agent shall have received, in form and substance satisfactory to the Agent, delivery of any estoppel letters, releases, discharges, subordinations and postponements (in registerable form where appropriate) with respect to any Liens affecting the Collateral;
- (t) the Agent shall have received copies of all Material Agreements and Material Permits; and
- (u) such other conditions and/or documents or instruments as the Agent may reasonably require.

5. **Conditions Precedent to Loan Advances.** The obligation of the Lenders to make any Loan Advance (subsequent to the initial Loan Advance) will be subject to receipt by the Agent of the following, each in a form satisfactory to the Agent, and/or satisfaction of the following, in each case, without duplication, unless waived by the Agent on terms satisfactory to the Agent:

- (a) an executed Advance Request Certificate and a Borrowing Base Certificate shall have been received not less than 1 Business Day before the date of the proposed Loan Advance;
- (b) all representations and warranties provided for in the Transaction Documents being true, accurate and complete, in all material respects, as of the date of such Loan Advance, except to the extent specified to be made as of a specific date; and
- (c) no Default or Event of Default shall have occurred as of the date of such Loan Advance.

6. **Representations and Warranties.** Each Obligor represents and warrants to the Agent as follows:

- (a) **Status.** It has been duly organized and is a valid and subsisting legal entity in good standing under the laws of its jurisdiction of formation and has full capacity and power to carry on its business as the same is presently conducted and, to own and lease property.
- (b) **Power and Authority.** It has the power and is duly authorized to enter into, execute, deliver and perform its obligations under this Agreement and each other Transaction Document

to which it is a party, and it has the power and is duly authorized to borrow as herein contemplated and to provide the security interests herein contemplated.

- (c) Ownership of Assets. It owns, leases or has rights in all assets required in order to carry on its businesses as presently conducted. All such assets are owned by it free and clear of all Liens other than Permitted Encumbrances.
- (d) Compliance with Laws. It is in compliance in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws).
- (e) Litigation, Judgments and Executions. There are no actions, suits or proceedings pending, or to the knowledge of it threatened, against it in any court or before or by any federal, provincial, municipal or other Governmental Authority, except: (A) the litigation disclosed in Schedule "D" attached hereto; and (B) other litigation in which all amounts claimed against the Obligors do not in the aggregate exceed Fifty Thousand Dollars (\$50,000). There are no judgments or executions against it. Without limiting the generality of the foregoing:
 - (i) the matter involving Panni Management and Technology Corporation has been resolved and the settlement was not material, and did not cause a Material Adverse Change or result in the occurrence of a Default or Event of Default; and
 - (ii) any amount owing or which may become owing by any Obligor pursuant to or in connection with the Tambakos Litigation Matter (as defined in Schedule "D" attached hereto) is fully indemnified by a Person (other than an Obligor) pursuant to the FBC SEA.
- (f) Environmental Laws. Except to the extent disclosed in Schedule "E" attached hereto:
 - (i) each Obligor and its business, operations, assets, equipment, property, leaseholds and other facilities is in compliance in all material respects with all Requirements of Environmental Law, specifically including all Requirements of Environmental Law concerning the storage and handling of Hazardous Materials;
 - (ii) each Obligor holds all material permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials and all other Requirements of Environmental Law;
 - (iii) there has been no material emission, spill, release, or discharge into or upon the air, soils (or any improvements located thereon), surface water or groundwater or the sewer, septic system or waste treatment, storage or disposal system servicing any premises, of any Hazardous Materials at or from any of the properties owned or leased by any of the Obligors;
 - (iv) no material written complaint, order, directive, claim, citation, or notice from any Governmental Authority or any other Person has been received by any Obligor with respect to any of the properties owned or leased by any of the Obligors in respect of air emissions, spills, releases, or discharges to soils or improvements located thereon, surface water, groundwater or the sewer, septic system or waste treatment, storage or disposal systems servicing any of the properties owned or

leased by any of the Obligors, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation, or disposal of Hazardous Materials or other Requirements of Environmental Law affecting any of the properties owned or leased by any of the Obligors;

- (v) there are no material legal or administrative proceedings, investigations or claims now pending, or to the Borrower's knowledge, threatened in writing, with respect to the presence on or under, or the discharge, emission, spill, radiation or disposal into or upon any of the properties owned or leased by any of the Obligors, the atmosphere, or any watercourse or body of water, of any Hazardous Material; nor are there any material matters under discussion between any Obligor and any Governmental Authority relating thereto; and there is no factual basis for any such proceedings, investigations or claims; and
- (vi) the Obligors have no material indebtedness, obligation or liability, absolute or contingent, matured or not matured, with respect to the storage, treatment, cleanup or disposal of any Hazardous Materials, including without limitation any such indebtedness, obligation, or liability under any Requirements of Environmental Law regarding such storage, treatment, cleanup or disposal.
- (g) Bankruptcy Events. No Bankruptcy Event has been initiated by it or occurred in respect of it, and no Bankruptcy Event has been threatened against it.
- (h) Anti-Terrorism and Corruption Laws. It has conducted its business in compliance with Anti-Terrorism and Corruption Laws and has instituted and maintained policies and procedures reasonably designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws.
- (i) Subsidiaries. As of the date hereof, the only Subsidiaries it has are listed in Schedule "F" attached hereto.
- (j) Corporate Information. Schedule "F" attached hereto contains a true and complete list as of the date hereof of the following information in respect of each Obligor:
 - (i) all prior names and predecessor corporations;
 - (ii) jurisdiction of incorporation;
 - (iii) registered office, chief executive office, principal place of business, and all locations at which it has places of business or owns assets;
 - (iv) the number and classes of its issued and outstanding shares, except in the case of Holdings; and
 - (v) a list of all shareholders including the number and class of shares held by each and a list of all of its subsidiaries.
- (k) Solvency. It is Solvent.
- (l) No Pending Corporate Changes. Except as disclosed on Schedule "G" attached hereto, or in the public filings of Holdings, as of the date hereof, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, warrants or convertible

obligations of any nature, for the purchase of any properties or assets of any Obligor out of the ordinary course of business or for the purchase, subscription, allotment or issuance of any debt or equity securities of any Obligor.

- (m) Material Agreements and Material Permits. Its Material Agreements and Material Permits are listed in Schedule “H” attached hereto (as such Schedule may be updated from time to time to reflect any Material Agreements or Material Permits entered into or obtained in compliance with the terms hereof) and true, correct and complete copies of each have been delivered to the Agent. Each such Material Agreement and Material Permit is in good standing, in full force and effect and there are no defaults thereunder, except to the extent any such Material Agreement has terminated as scheduled in the ordinary course in accordance with its terms.
- (n) No Conflicts under Material Agreements or Material Permits. The execution and delivery by each Obligor of those Transaction Documents to which it is a party, and the performance of its obligations thereunder, will not conflict with, result in a breach of or require any approval or consent under any Material Agreement or Material Permit to which it is a party.
- (o) Real Properties. Its real property interests as of the date hereof, both owned and leased, and subject to a warehouse contract or held with a bailee, are listed in Schedule “I” attached hereto.
- (p) No Guarantees. It has not granted any Guarantees, other than Permitted Guarantees.
- (q) Statutory Liens. It has remitted on a timely basis all amounts required to have been withheld and remitted (including withholdings from employee wages and salaries relating to income tax and employment insurance), goods and services tax and all other amounts, which if not paid when due could result in the creation of a statutory lien against any of its property.
- (r) No Default or Event of Default. No Default or Event of Default has occurred and is continuing.
- (s) Financial Statements and No Material Change. The financial statements of the each Obligor that have been made available to the Agent have been prepared in accordance with GAAP, and fairly present the financial position and results of operations of such Obligor for the dates or periods reported on thereby subject, in relation to any unaudited financial statements, any year-end adjustments. From the date of the last audited financial statements made available to the Agent, there has been no event which would reasonably be expected to result in a Material Adverse Change.
- (t) Related Party Transactions. Except as (A) disclosed in the financial statements or other public disclosure of the Obligors or (B) as permitted by this Agreement, no Obligor: (i) is a creditor under a loan or otherwise committed to make any payment or loan to, or borrowed any moneys from or otherwise been indebted to, any related party thereof (other than another Obligor); or (ii) been a party to any contract with any related party thereof, other than independent contractor or indemnification agreements entered into with officers or directors. Any transactions between an Obligor and a related party (other than another Obligor) has been completed on reasonable commercial terms that, considered as a whole, are not in any material respect less advantageous to such Obligor, than if the

transaction was with a Person dealing at arm's length with such Obligor, as the case may be.

- (u) U.S. Cannabis. It has no direct, indirect or ancillary interest in any "marijuana-related activity" in the United States as defined in Staff Notice 51-352 (Revised) – Issuers with U.S. Marijuana Activities of the Canadian Securities Administrators.
- (v) Internal Controls. It has established and maintains a system of internal controls over financial reporting that is designed to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with GAAP, and includes policies and procedures that: (i) pertain to the maintenance of records that accurately and fairly reflect the material transactions, acquisitions and dispositions of the property and assets of it; (ii) are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that material receipts and expenditures of it are made only in accordance with authorizations of management its directors; and (iii) are designed to provide reasonable assurance regarding prevention or timely detection of any unauthorized acquisition, use or disposition of its property or assets that could have a material adverse effect on its financial statements.
- (w) Full Disclosure. All information (including, without limitation, financial information and financial statements) furnished by or in respect of the Obligors to the Agent for the purposes of or in connection with this Agreement and each of the other Transaction Documents was true and correct in all material respects as at the date such information is stated to have been given, and is not incomplete by omitting to state any material fact necessary to make the statements contained in such information not misleading in any material respect in light of the circumstances under which the statements contained in such information were made.
- (x) Warrants. In respect of the Warrants and the Warrant Shares:
 - (i) Warrants. That the Agent, or its Affiliates, are the holders of the Warrants and that the Warrants are fully earned.
 - (ii) Warrant Shares. That Holdings (A) is duly authorized and has the corporate and lawful power and authority to create and issue the Warrant Shares upon the exercise of the Warrants and to perform its obligations thereunder and that the certificate(s) representing the Warrants, will, when issued, represent a valid, legal and binding obligation of Holdings enforceable in accordance with its terms; and (B) has agreed to, at all times, reserve and keep available out of its authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants, it will cause the Warrant Shares, including duly authorized certificates in respect thereof, subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued and delivered as directed and such Warrant Shares shall be issued as fully paid and non-assessable common shares of Holdings and the holders thereof shall not be liable to Holdings or to its creditors in respect thereof.
 - (iii) Actions to Issue Warrant Shares. That Holdings has agreed to take such actions as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of any applicable laws or the

applicable requirements of any stock exchange upon which the common shares of Holdings may be listed.

- (iv) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the provinces and territories of Canada.
- (v) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares for trading on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Warrants or the Agent) and to have the Warrant Shares issued pursuant to the exercise of the Warrants listed and posted for trading on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the holder of the Warrants or the Agent) as expeditiously as possible and in any event prior to the issuance of such common shares.
- (vi) Issuance of Warrant Shares. That Holdings has agreed that upon exercise of the Warrants, the Warrant Shares will be issued as fully paid and non-assessable common shares in the capital of Holdings.
- (y) Securities Filings. That Holdings has agreed to make all requisite filings under applicable securities laws necessary to remain a reporting issuer not in default in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.
- (z) Listing of Holdings' Shares. That Holdings has agreed to use all reasonable efforts to maintain the listing of its common shares on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the Agent).
- (aa) Excluded Subsidiaries. Each of the Excluded Subsidiaries does not hold any assets.
- (bb) 102172093 Saskatchewan Ltd. Without the prior written consent of the Agent, at its sole discretion, the Borrower shall not permit 102172093 Saskatchewan Ltd. to, at any time, own or acquire any material assets that exceed \$50,000 in value individually or in the aggregate.

7. Reporting Covenants.

- (a) The Borrower will provide to the Agent the following financial information:
 - (i) quarterly consolidated financial statements, within sixty (60) days of each fiscal quarter of the Borrower;
 - (ii) copies of management updates, budgets and other related reports on the operational results of the Obligors which have been provided to the board of directors of the Borrower at such directors' regular board meetings and all such other financial information relating to the foregoing as the Agent reasonably requires to assess the liquidity of the Obligors and the Obligors' performance against such budgets;

- (iii) a quarterly business review on such terms, and such basis, as is required by the Agent, such to determine the status of business as it relates to the Obligors, and in particular compliance with the terms of this Agreement;
 - (iv) annual audited consolidated financial statements within one hundred twenty (120) days of the end of each fiscal year of the Borrower;
 - (v) on a monthly basis, within thirty (30) days of the end of each calendar month:
 - 1. unconsolidated financial statements of each Obligor;
 - 2. unconsolidated general and ledger trial balance for each Obligor;
 - 3. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;
 - 4. an accounts payable summary for each creditor of the Obligors, aged by invoice date;
 - 5. bank reconciliations, including for greater certainty, bank statements and a complete listing of outstanding cheques;
 - 6. confirmation of payment of all taxes owing by any Obligor; and
 - (vi) on a weekly basis, on Friday of each week (as of Thursday of such week);
 - 1. an accounts receivable summary for each debtor of the Obligors, aged by invoice date;
 - 2. an accounts payable summary for each creditor of the Obligors, aged by invoice date; and
 - (vii) any additional financial and reporting information as the Agent may reasonably request from time to time, in its sole discretion.
8. **Covenants.** Each Obligor covenants and agrees with the Agent that it:
- (a) will pay all interest, principal, fees and other amounts due under the terms of this Agreement and any other Transaction Document to which it is a party;
 - (b) will satisfy, in all material respects, all the terms and conditions of this Agreement and any other Transaction Document to which it is a party;
 - (c) will immediately advise the Agent of any Default or Event of Default;
 - (d) will file all tax returns which are or will be required to be filed by it, pay or make provision for payment of all taxes (including interest and penalties) and Potential Priority Claims, which are or will become due and payable and provide adequate reserves for the payment of any tax, the payment of which is being contested;
 - (e) it will comply in all material respects with all Applicable Laws (specifically including, for greater certainty, all applicable Cannabis laws) and use the proceeds of all Loan Advances hereunder for legal and proper purposes; and without limiting the generality of the foregoing the Borrower shall and shall cause each other Obligor to:

- (i) engage in Cannabis-Related Activities only to the extent that such Cannabis-Related Activities are (A) in an Approved Jurisdiction, and (B) in compliance with all Applicable Laws in such Approved Jurisdiction (including, without limitation on a federal, state, provincial, territorial and municipal basis);
 - (ii) ensure that all activities of the Obligors relating to the cultivation, production and processing of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions; and
 - (iii) ensure that all activities of the Obligors relating to the sale of Cannabis and Cannabis-related products occur solely in facilities licensed by Governmental Authorities in Approved Jurisdictions or between entities licensed by Governmental Authorities in Approved Jurisdictions.
- (f) will: (i) immediately, with respect to Material Agreements and/or Material Permit; and (ii) promptly, and in any event within three (3) Business Days, notify the Agent of any material action requests or material violation notices received by it from any Person (including, without limitation, from any Governmental Authority) concerning it (including, without limitation, any notices or requests in connection with the protection or preservation of the environment) and hold the Agent and the Lenders harmless from and against any losses, costs or expenses which the Agent or any Lender may suffer in connection therewith;
- (g) will promptly advise the Agent of any Material Adverse Change;
- (h) will keep its assets (including, without limitation, the Collateral) fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) will, at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default that is continuing, the Agent is permitted to do the following at any time and without notice) permit the Agent or its representatives, from time to time, (i) to visit and inspect any Obligor's premises, properties and assets and examine and obtain copies of the Borrower's records or other information, and (ii) to discuss the Obligors' affairs with the auditors of the Obligors (in the presence of the Obligors' representatives as it may designate); the Obligors hereby authorize and direct any such third party to provide to the Agent or its representatives all such information, records or documentation reasonably requested by the Agent;
- (j) except for Permitted Encumbrances, will not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any mortgage, charge, lien, pledge, security interest or other encumbrance affecting any of its properties, assets or other rights;
- (k) will not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its:
- (i) accounts receivables; or
 - (ii) other than accounts receivables, properties or assets (excluding obsolete or otherwise superfluous assets) other than (i) in the ordinary course of business and on commercially reasonable terms, or (ii) to another Obligor, (iii) to the extent the

proceeds of such sale are promptly reinvested in assets useful to the business of the Obligors, or (iv) if such disposition would not materially impact the operation, business or financial condition of any Obligor.

- (l) will not, without the prior written consent of the Agent, provide any Guarantees (other than Permitted Guarantees);
- (m) will not, without first obtaining the prior written consent of the Agent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person and it will cause any such resulting Person to become an Obligor hereunder and to grant such security and enter into such Transaction Documents and other agreements as the Agent may require, provided that (i) upon ten (10) days' prior written notice to the Agent any Obligor may merge, amalgamate or wind-up with or into another Obligor, and (ii) concurrently with such merger, amalgamation or winding-up the Borrower shall provide, or cause to be provided to the Agent all additional or replacement Security Agreements as the Agent may reasonably require in connection therewith;
- (n) will not pay any dividends, other corporate distributions, or any interest or principal on subordinated debt other than (i) to another Obligor, (ii) in respect to Permitted Indebtedness, or (iii) with the prior written consent of the Agent *provided that* notwithstanding the foregoing: (i) no payments may be made in respect of the FBC Unsecured Loan if a Default or Event of Default has occurred hereunder and is continuing or would occur upon the making of any such payment; (ii) no payments may be made other than as set out in the FBC Unsecured Promissory Note.
- (o) will not acquire or move any material Collateral or change its chief executive office or principal place of business to any jurisdiction outside of the jurisdiction of each such respective Obligor listed in Schedule "F" attached hereto without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in favour of the Agent a security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;
- (p) will not incur additional indebtedness other than Permitted Indebtedness;
- (q) will not enter into any swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other derivative transactions for investment or speculative purposes (for greater certainty, the entering into of any such swaps, futures, hedges, foreign exchange or commodity transactions for spot or forward delivery, contracts or other transactions for protection against fluctuation in currency or interest rates or commodity prices is permitted);
- (r) will not, without the prior written consent of the Agent, make, cause or permit any amendment to any Material Agreement if the effect of such amendment would be reasonably likely to result in a Default or Event of Default;
- (s) will provide written notice to the Agent of each of the following promptly after the occurrence thereof:
 - (i) all proposed amendments to Material Agreements and Material Permits;

- (ii) all correspondence and notices received from any Governmental Authority or stock exchange with respect to any Material Agreement, Material Permit or any regulatory or other investigations into the Obligors' business practices which could have a material and negative effect on any of the Obligors or their business, or any of the Obligors' ability to repay the obligations owing under this Agreement or would be likely to result in a Default;
- (iii) any changes in the identity of Responsible Persons, which materially effect the Obligors together with satisfactory evidence of security clearances for such Responsible Persons under the Cannabis Act or the Cannabis Regulations; and any rejection notice for new or renewal security clearance applications for each Responsible Person;
- (t) will conduct its business in compliance with Anti-Terrorism and Corruption Laws and institute and maintain policies and procedures designed to promote and achieve compliance with such Anti-Terrorism and Corruption Laws;
- (u) will (i) where an Account Debtor makes a payment in the form of a cheque, deposit such cheque into the Collections Account, (ii) where an Account Debtor makes a payment by electronic funds transfer, direct such Account Debtor to make such transfer to the Collections Account;
- (v) will not (i) amend, vary or terminate the Collections Account or the Blocked Account Agreement, and (ii) amend, modify or otherwise change any banking instructions provided to the financial institution maintaining the Collections Account, which would result in the application of any funds from any Account Debtor to an account other than the Collections Account;
- (w) the Borrower shall sweep the Collections Account at the end of each day and use such funds to repay all or any portion of the Loan Advances under the Revolving Facility outstanding at such time;
- (x) will grant the Agent and the Lenders the first right of refusal to provide any debtor in possession financing during any applicable Bankruptcy Event;
- (y) not amend, supplement (in a way that is detrimental to the Lender), terminate, abandon, allow to expire or fail to renew any Material Permits, or permit any other Person to use, become party to or otherwise have an interest in, any Material Permits, or take any action in furtherance of, or fail to take any action, which failure could be reasonably expected to result in, any of the foregoing;
- (z) not enter into any transaction with any Affiliate, other than the another Obligor, except on terms no less favourable than could be obtained in an arm's-length transaction;
- (aa) change in any material respect the nature of its business or operations, nor engage directly or indirectly in any material business activity, or purchase or otherwise acquire any material property, in either case, not related to or in furtherance of the conduct of the business as presently conducted by it;
- (bb) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants and to issue and deliver the Warrant Shares subscribed for and

- purchased in accordance with the terms and conditions of the Warrants to be issued as fully paid and non-assessable common shares of Holdings;
- (cc) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
 - (dd) to cause a news release of Holdings announcing this Agreement and such other matters as may be required pursuant to applicable securities laws to be disseminated and filed pursuant to such applicable securities laws, provided that Borrower agrees to provide a draft of such news release to the Agent and to allow the Agent to provide reasonable comments prior to its dissemination / filing;
 - (ee) to cause Holdings to provide a draft of any other news release related to this Agreement and/or ancillary matters to the Agent and to allow the Agent to provide reasonable comments prior to the dissemination / filing of any such other new release;
 - (ff) in respect of the Warrants, will:
 - (i) cause Holdings to, at all times, reserve and keep available out of Holdings' authorized common shares a sufficient number of Warrant Shares to satisfy the right of purchase pursuant to the Warrants and to issue and deliver the Warrant Shares subscribed for and purchased in accordance with the terms and conditions of the Warrants to be issued as fully paid and non-assessable common shares of Holdings; and
 - (ii) to take all actions, and to cause Holdings to take such actions, as may be reasonably necessary and as are within its power to ensure that all Warrant Shares will be issued without violation of any applicable laws or the applicable requirements of any stock exchange upon which the common shares of Holdings may be listed;
 - (gg) will maintain positive EBITDA on a rolling 3-month average;
 - (hh) with respect to the BZAM Edmonton Property:
 - (i) it shall not or shall not permit, as applicable, the charge on the Existing BZAM Edmonton Property Charge to be increased from such amount existing as of November 3, 2022;
 - (ii) it shall not or shall not permit, as applicable, any charges to be placed on the BZAM Edmonton Property (other than Permitted Encumbrances); and
 - (iii) to the extent the Existing BZAM Edmonton Property Charge is discharged at any time, it shall provide or cause to be provided (as applicable) a first charge on the BZAM Edmonton Property in favour of the Agent.
 - (ii) will provide, or cause to be provided, in respect of any Excluded Subsidiary to the extent it holds any assets, all Guarantees and Security Agreements required to be provided under this Agreement. For greater certainty, to the extent any such Subsidiary no longer qualifies as an Excluded Subsidiary, such Subsidiary shall cease to be an Excluded Subsidiary and shall be an Obligor for the purposes of this Agreement;

- (jj) will remit to the Agent no less than \$4,000,000 from the net proceeds of the sale of the BZAM Edmonton Property to be applied as follows by the Agent: (i) \$3,000,000 to repay the Overadvance; and (ii) no less than \$1,000,000 to be applied as a Base Facility Prepayment (which for greater certainty shall reduce the Base Facility Amount by an amount equal to such Base Facility Prepayment); and
- (kk) will provide evidence, in form and substance satisfactory to the Agent, of the amalgamation of Médican Biologique Inc. and 9430-6347 Quebec Inc. within two (2) Business Days following the release of the Medican SPA (as defined in Schedule "G") from escrow.

9. **Use of Insurance Proceeds.** The parties agree that the proceeds of any insurance policies received by the Agent in connection with insurable events relating to the Collateral shall be applied to repay the outstanding fees, interest and principal in respect of the Loan Advances.

10. **Term and Termination.**

- (a) The term of the Revolving Facility expires on March 24, 2024 (the "**Maturity Date**").
- (b) The Agent shall have the right to terminate the Revolving Facility:
 - (i) upon immediate notice, if an Event of Default has occurred and is continuing;
 - (ii) upon one hundred and eighty (180) days notice, if a material adverse change in market conditions is negatively affecting the liquidity of any Lender; and
 - (iii) upon immediate notice, if the Revolving Facility shall become, in whole or in part, illegal or in contravention of any Applicable Law.
- (c) The Revolving Facility may be terminated upon the mutual agreement of the Agent and the Borrower, at which time, all accrued interest, principal and unpaid fees owing shall be paid in cash by the Borrower to the Agent on such date; provided that if any such termination is at the request of the Borrower, the term "unpaid fees" in the preceding sentence shall include, without limitation, the Termination Fee.
- (d) If there is a Bankruptcy Event of the Borrower, then this Agreement shall be forthwith ended and terminated.
- (e) If the Revolving Facility is terminated for any reason, with respect to any outstanding Loan Advances, the Agent shall retain all of its rights and remedies, under the Transaction Documents.
- (f) If the Revolving Facility is terminated for any reason, then at the election of the Agent by way of immediate notice to the Borrower, all accrued and/or unpaid interest, all outstanding Loan Advances, and all unpaid fees will be due and payable under this Agreement, and the Borrower will pay such amounts to the Agent forthwith.
- (g) the Borrower shall have the right to terminate this Agreement without the Agent's consent upon not less than ninety (90) days written notice, subject to the payment in full all accrued and/or unpaid interest, all outstanding Loan Advances, and all unpaid fees, such amounts shall be payable in cash by the Borrower to the Agent forthwith upon such termination.

11. **Post-Closing Undertaking.** The Borrower, on behalf of each Obligor, hereby agrees that it shall take (or cause to be taken, as applicable) the following actions within the applicable time periods set out below, and further agrees that any failure of the Borrower to take such actions or satisfy any of the following post-closing conditions within such time period shall constitute (subject to any written extensions granted by the Agent) an Event of Default:

- (a) cause to be delivered to the Agent, within thirty (30) days of the date of this Agreement, Collateral Access Agreements;
- (b) grant to the Agent, within two (2) Business Days view access on all FBC Obligor bank accounts and the Borrower will, or will cause the FBC Obligors to, manually sweep such accounts weekly to the Agent;
- (c) move, or cause to be moved, within thirty (30) days of the date of this Agreement, all FBC Obligor bank accounts from Alterna Savings and Credit Union Limited to Bank of Montreal (or such other financial institution acceptable to the Agent in its sole discretion);
- (d) cause to be delivered to the Agent, within ten (10) days of the date that Section 11(b) immediately above has been satisfied (and in any event within forty (40) days of the date of this Agreement), Blocked Account Agreements;
- (e) deliver to the Agent immediately upon completion (and in any event within three (3) Business Days of the date of this Agreement) evidence of the name change of any of the FBC Obligors;
- (f) deliver to the Agent or its counsel, within three (3) Business Days of the date of this Agreement, original share certificates for any and all equity interests in the capital of FBC, together with duly executed stock transfer powers of attorney in blank with respect to such equity interests;
- (g) deliver to the Agent:
 - (i) within ten (10) days of the date of this Agreement, copies of each of the consents required under or pursuant to the FBC SEA;
 - (ii) within sixty (60) days of the date of this Agreement, copies of each of the governmental authorizations required under or pursuant to the FBC SEA; and
- (h) cause the Agent to be added as (i) an additional insured to each commercial general liability insurance policy maintained by the FBC Obligors; and (ii) first mortgagee and first loss payee to each property and business insurance policy maintained by the FBC Obligors, and deliver to the Agent, within five (5) Business Days certificates of insurance for all such insurance policies, with such additional insured and mortgagee/loss payee endorsements, together with copies of the applicable policies.

12. **Remedies Upon Default.** Upon the occurrence of any Event of Default, the Lender may at its sole option:

- (a) declare, by notice in writing to the Borrower, any or all of the Loan Advances and fees and other obligations owing to the Agent and or the Lenders to be immediately due and payable;
- (b) realize upon all or any part of the Collateral, pursuant to the Security Agreements; and

(c) take such actions and commence such proceedings as may be permitted at law or in equity (whether or not provided for herein or in the Transaction Documents) at such times and in such manner as the Agent in its sole discretion may consider expedient

13. **Accredited Investor Representation.** The Agent represents and warrants to the Borrower and Holdings that it is an “accredited investor” within the meaning of section 73.3 of the *Securities Act* (Ontario) by virtue of being a person described in the Accredited Investor Certificate (attached as Schedule “K”), and the Agent is delivering with this Agreement a completed and signed Accredited Investor Certificate.

14. **Extended Meanings.** Terms defined in the singular have the same meaning when used in the plural, and vice-versa. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term “including” shall mean “including, without limitation”, and the term “includes” shall mean “includes, without limitation”. Any reference herein to the exercise of discretion by the Agent or any Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

15. **Headings.** The section headings are not to be considered part of this Agreement, are inserted for convenience of reference only, are not intended to be full or accurate descriptions of the content thereof and shall not affect the construction or interpretation of this Agreement.

16. **Currency.** All dollar amounts referred to in this Agreement and all payments to be made hereunder are in Canadian dollars unless agreed to otherwise in writing by the Agent.

17. **Entire Agreement.** This Agreement, including the Schedules hereto, and the Exhibits to such Schedules, and any other agreement required hereunder to be delivered in connection herewith, constitute the entire agreement between the parties as to the subject matter of this Agreement and may not be amended or modified in any respect except by written instrument signed by the parties hereto.

18. **Severability.** In the event that any one or more provisions contained in this Agreement, or any other agreement required hereunder to be delivered in connection herewith, shall be invalid, illegal or unenforceable in any way, the remaining provisions hereof or thereof shall not be affected or impaired thereby unless as a consequence thereof of the rights and benefits granted to the Agent are, in the discretion of the Agent, materially and adversely affected.

19. **Execution.** This Agreement may be executed in one or more counterparts, each of which when so executed shall constitute an original and all of which together shall constitute one and the same agreement.

20. **Electronic Execution of Certain Documents.** The words “delivery”, “execution,” “signed,” “signature,” and words of like import in any Transaction Document or any other document to be signed in connection with this Agreement and the transactions contemplated hereby shall be deemed to include electronic signatures, the electronic matching of assignment terms and contract formations on electronic platforms approved by the Agent, or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law; provided, that notwithstanding anything contained herein to the contrary the Agent is under no obligation to agree to accept

electronic signature in any form or in any format unless expressly agreed to by the Agent pursuant to procedures approved by it.

21. **Business Day.** If under the provisions of this Agreement any amount is to be paid or any act or thing is to be done or step is to be taken on a day other than a Business Day, then such amount shall be paid or such act or thing or step shall be done or taken on the next succeeding Business Day.

22. **Further Assurance.** The Borrower shall, from time to time execute, draw, endorse and deliver all such instruments and documents and do all such acts and things as the Agent may deem necessary or desirable for the purposes of carrying into effect any or all of the provisions of this Agreement or any documents delivered hereunder or of securing the fulfillment of all the obligations of the Borrower to the Agent hereunder.

23. **Costs, Expenses and Fees.** The Borrower agrees to pay all fees owing to the Agent hereunder and all of the Agent's costs incurred from time to time (including reasonable legal fees and disbursements and reasonable accountant fees and disbursements) in the preparation, negotiation and execution of this Agreement and the other Transaction Documents and all third party costs associated with bringing or attempting to bring this transaction to a close and any costs incurred in the operation or enforcement of this Agreement or any other Transaction Documents. The Agent will provide a summary of such legal fees and disbursements. All costs of insuring the Collateral will be the responsibility of the Borrower. All such costs and expenses shall be payable upon demand. The Agent shall have the right, but not the obligation, to deduct all such costs and expenses and any fees owing to the Agent, from time to time, from the proceeds of any Loan Advance.

24. **GOVERNING LAW.** THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

25. **SUBMISSION TO JURISDICTION.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR IN TORT OR OTHERWISE, AGAINST THE AGENT OR ANY RELATED PARTY OF THE AGENT IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN ANY FORUM OTHER THAN THE COURTS OF THE PROVINCE OF ONTARIO SITTING IN THE CITY OF TORONTO, THE FEDERAL COURTS OF CANADA SITTING IN THE CITY OF TORONTO, AND ANY APPELLATE COURT FROM ANY THEREOF, (EXCEPT, AS TO ANY OTHER TRANSACTION DOCUMENT, AS EXPRESSLY SET FORTH THEREIN) AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH ONTARIO PROVINCIAL COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES

THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER TRANSACTION DOCUMENT SHALL AFFECT ANY RIGHT THAT THE AGENT MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT AGAINST THE BORROWER OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

26. **WAIVER OF VENUE.** THE BORROWER IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER TRANSACTION DOCUMENT IN ANY COURT REFERRED TO IN SECTION 25. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

27. **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY CONSENTS TO SERVICE OF PROCESS IN THE MANNER PROVIDED FOR NOTICES IN SECTION 28. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

28. **Notice.** Any notice to be given by any party hereto to any other party hereto shall be in writing and may be given by personal delivery, or except during any period when postal service is interrupted, by prepaid registered mail, or by electronic mail or by other means of instantaneous transmission that produces a permanent copy to the address noted below ("**other communication**") addressed as follows:

(a) to the Borrower:

The Green Organic Dutchman Ltd.
Suite 402 – 5520 Explorer Drive
Mississauga, ON L4W 5L1

Attention: Matt Milich
Telephone: (778) 655-6335
Email: mmilich@bzam.com

(b) to the Agent or a Lender:

Cortland Credit Lending Corporation
c/o Cortland Credit Group Inc.
200 Bay St., Suite 3230
Royal Bank Plaza South Tower
Toronto, ON, M5J 2J2

Attention: Bruce Sherk
Telephone: (416) 407-4440
Email: bsherk@cortlandcredit.ca

If given by registered mail shall be deemed to have been received by the party to whom it was addressed on the date falling four (4) Business Days following the date upon which it has been

deposited in the post office with postage and cost of registration prepaid, and if personally delivered to an adult during normal business hours, when so delivered, and if given by other communication, the third (3rd) business hour after transmission and confirmation of receipt. Provided that any of the above-named parties may change the address designated from time to time, by notice in writing to the other party hereto.

29. **Binding Effect.** This Agreement shall be binding upon and shall enure to the benefit of (i) the Agent and the Lenders and their respective successors and assigns, and (ii) the Borrower and its successors and permitted assigns; "successors" includes any corporation resulting from the amalgamation of any party with any other corporation.

30. **Lenders.**

(a) The Borrower acknowledges and agrees that the Lenders shall be determined by the Agent from time to time, provided that (i) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (without the consent of the Borrower) that is managed, affiliated with or Controlled by the Agent, (ii) prior to the occurrence of an Event of Default, a Lender may be any entity designated by the Agent (with the consent of the Borrower) that is not an entity managed, affiliated with or Controlled by the Agent, and (iii) following the occurrence of an Event of Default a Lender may be any entity designated by the Agent in its sole and unfettered discretion.

(b) The Borrower acknowledges and agrees that the Agent is acting as administrative and collateral agent for the Lenders. The Borrower acknowledges and agrees that the Agent shall be entitled to disclose, on a confidential basis, all information received by it regarding the Borrower, any Obligor, the Collateral, this Agreement and any other Transaction Document to: (i) each Lender, each prospective Lender, any Person purchasing notes, units or otherwise providing funding, directly or indirectly, to any Lender (or any prospective Lender), each prospective assignee or participant, and the officers, directors, employees, accountants, lawyers and other professional advisors of the Agent, any Lender, any prospective Lender and any prospective assignee or participant (each a "**Receiving Party**") provided that each Receiving Party agrees to maintain the confidentiality of any such information in respect of which the Agent has any duty of confidentiality to the Borrower or any Obligor; (ii) to any rating agencies rating the indebtedness of a Lender, provided such rating agencies are bound by customary confidentiality agreements; (iii) to any agent of the Agent or any Lender to the extent necessary to enforce any rights which the Agent or such Lender may have to collect any amounts in respect of the Transaction Documents or the Collateral, provided such agent has agreed in writing to be bound by the provision of this Agreement in respect of such information; (iv) to the extent required for any registration or filing required to perfect any of the Agent's Liens contemplated any Security Agreement or other Transaction Document; and (v) as may be required by Applicable Law. The Agent and the Lenders confirm that, regardless of the number and identity of the Lenders, the Obligors will only be required to act in accordance with the instructions of the Agent, and no Lender will have an independent cause of action or remedy against the Obligors directly, it being understood that each Lender has appointed, or will appoint, the Agent as its sole and exclusive administrative and collateral agent in connection with the transactions contemplated by this Agreement.

31. **General Indemnity.** Each Obligor hereby indemnifies and holds harmless the Indemnified Parties from and against any and all claims, damages, losses, costs and expenses, that may be

incurred by or asserted or awarded against any Indemnified Party, in each case arising out of or in connection with or relating to any investigation, litigation or proceeding or the preparation of any defense with respect thereto arising out of or in connection with or relating to this Agreement, the other Transaction Documents or the transactions contemplated hereby or thereby, or any use made or proposed to be made with the proceeds of the Loan Advances, whether or not such investigation, litigation or proceeding is brought by an Obligor, any shareholder or creditor thereof, an Indemnified Party or any other Person, or an Indemnified Party is otherwise a party thereto and whether or not the transactions contemplated hereby are consummated, except to the extent such losses and expenses are found in a final, non-appealable judgment by a court of competent jurisdiction to have resulted from such Indemnified Party's intentional or gross negligence or wilful misconduct or for breach in bad faith of such Indemnified Party's obligations hereunder or under any other Transaction Document, or where such litigation or proceeding is solely between Indemnified Parties.

32. **Claims under the Indemnity.** The Indemnified Party claiming indemnification under Section 31 shall give the Borrower prompt notice in writing of particulars of any claim asserted by third parties against it which is covered by such indemnities.

33. **Amendment and Restatement.** This Agreement is an amendment and restatement of the First ARCA, and is in full force and effect, as of and from the date hereof. This Agreement will not discharge or constitute a novation of any debt, obligation, covenant or agreement contained in the Original Credit Agreement, the First ARCA or in any other Transaction Document, agreements, certificates and other documents executed and delivered by or on behalf of any Obligor in respect thereof or in connection therewith, but the same shall remain in full force and effect as amended and restated by this Agreement and is hereby ratified and confirmed in the form of this Agreement. For greater certainty, the parties hereto agree that any obligations outstanding under or in connection with the Original Credit Agreement, the First ARCA or the Transaction Documents as of the date hereof, constitute obligations outstanding under this Agreement or the Transaction Documents (as applicable). Each reference to the "**Credit Agreement**" or other similar reference in any of the Transaction Documents and all other agreements, certificates and other documents executed and delivered by any of the Obligors or Cortland in respect thereof or in connection therewith shall mean and be a reference to this Agreement.

[Remainder of this page is intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

BORROWER:

THE GREEN ORGANIC DUTCHMAN LTD.


Per: _____
Name:
Title:

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower.

AGENT:

CORTLAND CREDIT LENDING CORPORATION, as Agent

Per:  _____
Name: Sean Register
Title: CEO

Per: _____
Name:
Title:

I/We have the authority to bind the Borrower.

OTHER OBLIGORS:

BZAM LTD.

Per: 
Name: Matt Milich
Title: CEO

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

MEDICAN ORGANIC INC.

Per: Sean Bovingdon
Name: Sean Bovingdon
Title: CFO

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

BZAM HOLDINGS INC.

Per: 
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

FOLIUM LIFE SCIENCE INC.

Per: 
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

BZAM MANAGEMENT INC.

Per: 
Name: Matt Milich
Title: CEO

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.


BZAM CANNABIS CORP.

Per: 
Name: Matt Milich
Title: President

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

FINAL BELL CANADA INC.

Per: 
Name: Greg Boone
Title: President

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

FINAL BELL CORP.

Per: 
Name: Greg Boone
Title: CEO

Per: _____
Name:
Title:

I/We have the authority to bind the Obligor.

FINAL BELL CANADA INC.

Per: _____
 Name:
 Title:

Per: _____
 Name: Jennifer Maccarone
 Title: coo

DocuSigned by:
Jennifer Maccarone

I/We have the authority to bind the Obligor.

FINAL BELL CORP.

Per: _____
 Name:
 Title:

Per: _____
 Name: Jennifer Maccarone
 Title: coo

DocuSigned by:
Jennifer Maccarone

I/We have the authority to bind the Obligor.

SCHEDULE "A"
FORM OF ADVANCE REQUEST CERTIFICATE

ADVANCE REQUEST CERTIFICATE

Pursuant to the provisions of the second amended and restated credit agreement dated January 8, 2024 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**Credit Agreement**”) (terms defined therein being used herein as so defined), between, *inter alia*, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, as administrative agent (the “**Agent**”), the undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. **Representations and Warranties.** The representations and warranties of the Borrower and the other Obligors set forth in the Credit Agreement, or which are contained in any certificate, document or financial or other written statement furnished pursuant to or in connection with the Credit Agreement, including the other Transaction Documents, are accurate and complete in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except to the extent specified in the Credit Agreement or Transaction Documents to be made as of a specific date.
2. **No Material Adverse Change.** Since the date of the latest financial statements of the Borrower provided to the Agent in connection with the Transaction Documents, no Material Adverse Change has occurred.
3. **No Default.** No Default or Event of Default has occurred and is continuing as of the date hereof.
4. **Conditions Precedent.** The conditions precedent to this Loan Advance in accordance with the Credit Agreement have been satisfied.
5. **Loan Advance.** The Borrower hereby requests, authorizes, and instructs the Agent to drawdown and advance under the Revolving Facility the amount of CDN \$● to the Borrower on _____, 20____. This will be the Agent’s authority:
 - (a) [●]; and
 - (b) [●].

[Signature Page Follows]

DATED _____, 20____.

THE GREEN ORGANIC DUTCHMAN LTD.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "B"

WARRANTS

	Warrant 1	Warrant 2	Warrant 3	Warrant 4
Expiry Date	2024-06-03	2025-11-02	2026-11-29	2027-11-07
Strike	5.00	3.00	1.4	0.95
Cortland Credit Strategies LP	28,000	28,000	182,000	456,400
Cortland Credit Institutional LP	5,333	5,333	18,000	10,267
Agent	16,667	16,667	100,000	233,333
Total Current	50,000	50,000	300,000	700,000
Actual Issuance	500,000	500,000	3,000,000	700,000

SCHEDULE “C”

DEFINED TERMS

As used in this Agreement and unless otherwise stated herein, the terms set out below shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined).

“\$” and “Dollar” each mean Canadian dollars.

“**Account Debtor**” means the account debtor in respect of any account receivable of an Obligor arising from a bona fide, fully-completed transaction in the ordinary course of business consisting of either the sale of goods or the provision of services by the Obligor.

“**Accounts Receivable**” means all debts, accounts (including all “**accounts**” as defined in the PPSA), claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by a Person, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts, accounts, claims, demands, monies and choses in action.

“**Accounts Receivable Eligibility Criteria**” means, in respect of any Obligor, an Account Receivable of such Obligor (in this definition, individually called an “**account**”) which satisfies all of the following eligibility criteria:

- (a) the account is subject to a first-ranking security interest held by the Agent pursuant to the Security Agreements and is not subject to any other Liens, except Permitted Encumbrances, and the Account Debtor thereof has been directed to pay the proceeds of such account to the Collections Account;
- (b) if the Account Debtor is a Governmental Authority, all requirements of Applicable Law have been satisfied in order that the assignment of such account in favour of the Agent shall be valid and enforceable;
- (c) the Account Debtor is located in an Approved Jurisdiction;
- (d) the Account Debtor is not any Obligor or any Related Person of any Obligor;
- (e) the account is not in dispute or subject to any defence, counterclaim or claim by the Account Debtor for credit, set-off, allowance or adjustment;
- (f) the Obligor does not have an obligation to hold any portion of the account in trust or as agent for any other Person (except pursuant to a statutory lien securing obligations which are not overdue);
- (g) an invoice relating to the account has been issued by the Obligor and received by the Account Debtor;
- (h) the account is not outstanding for more than ninety-one (91) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment), unless the Account Debtor is a Governmental Authority, in which case the account shall not be outstanding for more than one hundred twenty-one (121) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment);

- (i) the Account Debtor is not insolvent or subject to any Bankruptcy Event; and
- (j) the account is not subject to undue credit risk in the opinion of the Agent.

“Advance Rate” means: means: (i) with respect to Eligible Inventory, twenty-five percent (25%); and (ii) with respect to Eligible Accounts Receivable, eighty-five percent (85%).

“Advance Request Certificate” means a written notice, in the form attached as Schedule “A” attached hereto, pursuant to which the Borrower may request a Loan Advance in an amount not less than \$250,000.

“Affiliate” means, with respect to a specified Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

“Anti-Terrorism and Corruption Laws” means any Applicable Laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, corruption or bribery, and any regulation, order, or directive promulgated, issued or enforced pursuant to such laws, rules and regulations, all as amended, supplemented or replaced from time to time.

“Applicable Law” means, with respect to any Person, all laws, rules, regulations and orders of Governmental Authorities applicable to such Person or any of its properties or assets.

“Applicable Margin” means at any time: (i) at any time there is a Positive EBDA Variance, 6.55% per annum; or (ii) at any time there is a Negative EBDA Variance, 8.05% per annum.

“Approved Jurisdiction” means a country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state, provincial, territorial and municipal basis) to undertake any Cannabis-Related Activities provided that in each case (i) such country has been approved in writing by the Agent in its discretion and (ii) if required by the Agent, the ability to undertake Cannabis-Related Activities to the extent permitted by Applicable Law therein is confirmed by a legal opinion provided by the Borrower’s counsel in such jurisdiction, in form and substance satisfactory to the Agent. The Agent may in its discretion from time to time (i) upon receipt of a written request by the Borrower, designate any jurisdiction an Approved Jurisdiction provided that the above criteria are satisfied; and (ii) revoke the designation of any jurisdiction as an Approved Jurisdiction by written notice to the Borrower if such criteria are not satisfied.

“Associate” has the meaning ascribed thereto in the *Canada Business Corporations Act*.

“Bankruptcy Event” means an Involuntary Bankruptcy Event or a Voluntary Bankruptcy Event.

“Base Facility Amount” means Twenty-Four Million Dollars (\$24,000,000), as such amount may be reduced in accordance with this Agreement;

“Blocked Account Agreement” means an agreement, in form and substance satisfactory to the Agent, in respect of a Collections Account in which, among other things, the financial institution maintaining such account acknowledges and agrees with the Agent and relevant Obligors that the Agent will control all disbursements from such accounts.

“Borrowing Base Certificate” means a written report, in form and substance satisfactory to the Agent, pursuant to which the Borrower has, among other things, calculated the Revolving Facility Margin Limit.

“Business Day” means any day other than: (a) a Saturday or Sunday; or (b) a day on which banking institutions in Toronto, Ontario, are authorized or obligated by law or executive order to be closed.

“BZAM Edmonton Property” means the real property legally described as Plan 8720213, Block 5, Lot 4, Excepting thereout all mines and minerals and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8.

“BZAM Loan” means the loans made by Stone Pine to Holdings pursuant to secured demand promissory notes on:

- (a) March 3, 2023, in the principal amount of \$2,500,000;
- (b) April 30, 2023, in the principal amount of \$1,325,000;
- (c) October 27, 2023, in the principal amount of \$1,190,000;
- (d) November 8, 2023, in the principal amount of \$600,000;
- (e) November 30, 2023, in the principal amount of \$2,000,000;
- (f) December 4, 2023, in the principal amount of \$900,000; and
- (g) such other amounts that the Agent may agree to, in writing, in its sole discretion.

“Cannabis” means:

- (a) any plant or seed, whether live or dead, from any species or subspecies of genus *Cannabis*, including *Cannabis sativa*, *Cannabis indica* and *Cannabis ruderalis*, Marijuana and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome;
- (b) any material obtained, extracted, isolated, or purified from the plant or seed or the parts contemplated by clause (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof;
- (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition, including any micro-organism engineered for such purpose;
- (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition;
- (e) any other meaning ascribed to the term “cannabis” under Applicable Law in any Approved Jurisdiction, including the *Cannabis Act and the Controlled Drugs and Substances Act* (Canada); and
- (f) any other meaning ascribed to the term “cannabis” under the *Controlled Substances Act* (United States).

“Cannabis Act” means An Act respecting cannabis and to amend the *Controlled Drugs and Substances Act*, the *Criminal Code* and other Acts, S.C. 2018, c. 16, as amended from time to time.

“Cannabis Regulations” means Cannabis Regulations under the Cannabis Act, as amended from time to time and all other regulations made from time to time under the Cannabis Act or any other statute in an Approved Jurisdiction with respect to Cannabis-Related Activities.

“Cannabis-Related Activities” means any activities, including advertising or promotional activities, relating to or in connection with the importation, exportation, cultivation, production, purchase, distribution or sale of Cannabis or Cannabis-related products.

“Capital Lease” means, with respect to a Person, a lease or other arrangement in respect of personal property that is required to be classified and accounted for as an obligation on a balance sheet of the Person in accordance with IFRS.

“Change of Control” means (i) if (x) Matt Milich ceases to be the chief executive officer of the Borrower, (y) Sean Bovingdon ceases to be the chief financial officer of the Borrower, or (z) Jordan Winnett ceases to be the chief commercial officer of the Borrower, and the Agent shall not have been satisfied, in its reasonable discretion, with the arrangements made with respect to the replacement of both such individuals; (ii) fifty percent (50%) or more of the ownership or Control of the voting interests of Holdings are acquired, directly or indirectly, by any Person, whether acting individually or in concert with any other Person or Persons; (iii) the sale of all or substantially all of the assets of any Obligor (other than to another Obligor); (iv) if any wholly owned, direct or indirect, subsidiary of the Borrower ceases to be wholly owned, directly or indirectly, by the Borrower; or (v) Borrower ceases to be wholly-owned, directly or indirectly, by Holdings. Notwithstanding the foregoing, BZAM International Ltd. (and its Affiliates) may own more than fifty percent (50%) of Holdings pursuant to: (i) an equity conversion relating to the BZAM Loan; or (ii) with the written consent of the Agent, in its sole discretion; provided that, in each case, Holdings shall provide, or cause to be provided to the Agent any and all documentation required in order for the Agent to comply with Applicable Law.

“Collateral” means all present and after acquired undertaking and personal property of the Obligors, including all proceeds thereof, subject to such customary exclusions as set out in the Security Agreements.

“Collateral Access Agreement” means a landlord waiver, bailee letter, or acknowledgement agreement of any lessor, warehouseman, processor, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in any Collateral in form and substance reasonably satisfactory to Agent.

“Collections Account” means the account established and maintained by a Schedule “I” Canadian Chartered Bank in the name of the Borrower into which all payments by Account Debtors are deposited and which account shall at all times be subject to the Blocked Account Agreement.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise, and **“Controlling”** and **“Controlled”** have meanings correlative thereto.

“Default” means any event, act, omission or condition which with the giving of notice or passage of time, or both, would result in an Event of Default.

“EBDA” means, at any time, EBITDA less (without duplication) interest, financing costs and taxes.

“EBITDA”, for a period, means net income of the Borrower for such period, on a consolidated basis, plus, without duplication for such period, each on a consolidated basis, interest expense,

taxes, depreciation, amortization, extraordinary or non-recurring losses and impairments, unrealized losses in the fair value of biological assets and non-cash stock based compensation, less unrealized gains in the fair value of biological assets and extraordinary or non-recurring gains.

“Eligible Accounts Receivable” means in respect of any Obligor, Accounts Receivable owned by such Obligor which complies with the Accounts Receivable Eligibility Criteria.

“Eligible Inventory” means in respect of any Obligor, Inventory owned by such Obligor which complies with the Inventory Eligibility Criteria.

“Event of Default” means:

- (a) if any Obligor at any time shall fail to pay or perform with regard to the obligation to repay the principal or interest on each Loan Advance on the date required by this Agreement for such payment;
- (b) if any Obligor at any time shall fail to pay or perform with regard to the obligation to pay any fees or other amounts payable to the Agent (which, for greater certainty, does not include amounts payable under item (i), above) within three (3) Business Days of the date required by this Agreement or any other Transaction Document for such payment;
- (c) if any Obligor ceases or threatens to cease carrying on its business or if a petition shall be filed, an order shall be made or an effective resolution shall be passed for the winding-up or liquidation of an Obligor;
- (d) if a Bankruptcy Event of any Obligor occurs;
- (e) if a Change of Control (that has not been consented to in writing by the Agent) occurs;
- (f) if any encumbrancer, lien holder or Person acting on its behalf shall take possession of the Collateral or any part thereof;
- (g) if any Obligor permits any sum which is outstanding in an aggregate principal amount exceeding \$100,000 and which has been admitted as due by such Obligor or is not disputed to be due by it and which forms or is capable of being made a charge on any Collateral in priority to the security interests granted to the Agent to remain unpaid after proceedings have been taken to enforce such charge;
- (h) if any representation or warranty made by or on behalf of any Obligor or any of its officers, employees or agents to the Agent shall be false or inaccurate, in any material respect (determined in the discretion of the Agent, acting reasonably);
- (i) if any Obligor fails to perform or comply with any of its covenants or obligations contained in any Transaction Document; provided that (other than any covenants provided for in Sections 8(j), 8(k), 8(l), 8(m), 8(n), 8(o), 8(p), 8(q), 8(r), 8(t), 8(u), 8(v), 8(w), and 8(y) or any other Event of Default provided for in any other clause of this definition), if such non-compliance is capable of being remedied within ten (10) days, such Obligor diligently attempts to remedy such non-compliance and informs the Agent of its efforts in this regard, and remedies such default within such ten (10) days, then such non-compliance shall be deemed not to constitute an Event of Default;

- (j) if any Obligor defaults in the observance or performance of any provision relating to the indebtedness or liability of such Obligor to any Person other than the Agent, in an aggregate principal amount exceeding \$100,000, subject to any cure or grace periods provided for in the documentation providing for such indebtedness or liability;
- (k) if any Material Agreement or Material Permit shall terminate, be withdrawn, suspended, revoked, cancelled or amended in contravention of this Agreement;
- (l) if a Material Adverse Change shall have occurred;
- (m) if there is a suspension of trading of the common shares of Holdings on the Canadian Securities Exchange (or such other recognized stock exchange as may be agreed upon by Holdings and the Agent and such suspension is in excess of five (5) trading days on such exchange);
- (n) if the Cannabis Act is repealed and not replaced with similar legislation;
- (o) if the FBC Unsecured Promissory Note is amended in any respect;
- (p) if there is a default, event of default or other breach of the FBC Unsecured Promissory Note (without giving effect to any cure period); or
- (q) if any payment is made in respect of the FBC Unsecured Loan that is not explicitly permitted hereunder.

“Excluded Subsidiaries” means, collectively (i) The Green Organic Beverage Corp., a Delaware corporation; (ii) 102172093 Saskatchewan Ltd., a Saskatchewan corporation; and (iii) 14274261 Canada Inc., a federal corporation.

“Existing BZAM Edmonton Property Charge” means the charge on the BZAM Edmonton Property in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636.

“FBC” means Final Bell Corp. (formerly Starseed Medicinal Inc.), a federal corporation, extra-provincially registered in Ontario, Saskatchewan, British Columbia, Alberta and Quebec.

“FBC Obligors” means, collectively FBCI and FBC.

“FBC SEA” means the share exchange agreement, dated December 5, 2023 between Holdings, as purchaser, the FBC Vendor and FBCI.

“FBC Unsecured Loan” means the loan made by the FBC Vendor to FBCI pursuant to the FBC Unsecured Promissory Note in the principal amount of \$8,000,000.

“FBC Unsecured Promissory Note” means the unsecured promissory note between Final Bell Holdings Inc. and FBCI dated January 5, 2024, in the principal amount of \$8,000,000.

“FBC Vendor” Final Bell Holdings International Ltd.

“FBCI” means Final Bell Canada Inc., an Ontario corporation.

“Governmental Authority” means the government of Canada, the United States of America or any other nation or any political subdivision thereof, whether state, provincial or local, and any agency, authority, instrumentality, regulatory body (including any self-regulatory body), court,

central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, and for greater certainty includes Health Canada.

“Guarantee” means any agreement by which any Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes liable upon, the obligation of any other Person, or agrees to maintain the net worth or working capital or other financial condition of, or provide any financial assistance to any other Person or otherwise assures any creditor of such Person against loss, and shall include any contingent liability under any letter of credit or similar document or instrument.

“Hazardous Materials” means any contaminant, pollutant, waste or substance that is likely to cause immediately or at some future time harm or degradation to the surrounding environment or risk to human health; and without restricting the generality of the foregoing, including any pollutant, contaminant, waste, hazardous waste or dangerous goods that is regulated by any Requirements of Environmental Law or that is designated, classified, listed or defined as hazardous, toxic, radioactive or dangerous or as a contaminant, pollutant or waste by any Requirements of Environmental Law.

“Health Canada Licenses” means, in respect of any Obligor, all Material Permits of such Obligor which are both related to the Cannabis-Related Activities of such Obligor and issued by Health Canada, including Material Permits to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation License Nos. LIC-CJMMLU7IUN-2022, LIC-JTUPWJZJ50-2022, LIC-2OLWTAUL3J-2022, LIC-9GRI1YRQEV-2021, LIC-J5USTB6Z3V-2022, LIC-MVXNLN8UCN-2020, LIC-E5FM5PUXBF-2020-5, LIC-ZOTV09QHPG-2022.

“Holdings” means BZAM Ltd. (formerly The Green Organic Dutchman Holdings Ltd.). For greater certainty, each reference in any other (i) Transaction Document; or (ii) document, instrument or agreement executed and/or delivered in connection with this Agreement, to the words “Holdings”, “The Green Organic Dutchman Holdings Ltd.”, or words of like import, shall mean and be a reference to BZAM Ltd.

“Indemnified Parties” refers collectively to the Agent, the Lenders, each of their affiliates as well as each of its directors, officers, employees, representatives and agents and **“Indemnified Party”** refers to any one thereof.

“Interest Rate” means the greater of (i) 12% per annum and, (ii) the TD Prime Rate, plus the Applicable Margin.

“Inventory” means finished goods (including all “goods” as defined in the PPSA) acquired or held for sale, re-sale or lease or furnished or to be furnished under contracts of rental or service, raw materials, work in progress, finished goods, returned goods, parts or equipment acquired from third parties for re-sale, and includes all Inventory in transit.

“Inventory Eligibility Criteria” means the criteria set by the Agent from time to time which identifies and sets any requirements or restrictions for the purpose of determining whether any Inventory owned by an Obligor is Eligible Inventory and includes the following eligibility criteria, which may be amended by the Agent from time to time: (i) such Inventory is not obsolete; (ii) such Inventory was not acquired by any Obligor more than 8 months from any testing date; (iii) such Inventory does not have any customer or supplier deposits applied against it; (iv) the supplier of such Inventory does not retain any title in such Inventory; (v) such Inventory is not subject to any recall or safety restrictions in any relevant jurisdiction of sale or operations of any Obligor; (vi)

such Inventory is not subject to any Potential Priority Claim or Priority Lien; (vii) such Inventory has been paid for in cash by such Obligor; (viii) such Inventory is relevant to the Obligors' business at all relevant times; and (ix) such Inventory is either: (A) located at premises owned by an Obligor; or (B) located on premises owned by any other Persons which are the subject of a duly executed Collateral Access Agreement in favour of the Agent.

"Involuntary Bankruptcy Event" means, without the consent or acquiescence of the applicable Person, the entering of an application for an order for relief or approving a petition or court order for relief or reorganization or any other petition or order seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, monitoring or other similar relief under any present or future bankruptcy, insolvency or similar process under Applicable Law, or the filing of any such petition or order against such Person or, without the consent or acquiescence of such Person, the entering of an order appointing a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or of all or any substantial part of the undertaking or property of such Person, in each case where such petition or order shall remain unstayed or shall not have been stayed or dismissed within forty-five (45) days from entry thereof.

"Lien" means any security interest, mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or otherwise), charge against or interest in property or other priority or preferential arrangement of any kind or nature whatsoever, in each case to secure payment of a debt or performance of an obligation, including any conditional sale or any sale with recourse.

"Loan Advance" means any loan extended to the Borrower pursuant to the terms of this Agreement.

"Marijuana" has the meaning ascribed to such term (i) under the Applicable Law in any Approved Jurisdiction or (ii) under the *Controlled Substances Act* (United States).

"Material Adverse Change" means any event, circumstance or change that could be expected to result, individually or in the aggregate, in a material adverse effect, in any respect, on (a) the legality, validity or enforceability of any of the Transaction Documents or any of the security interests provided for thereunder, (b) the right or ability of an Obligor to perform any of its obligations under any of the Transaction Documents, in each case to which it is a party, or to consummate the transactions contemplated under any of the Transaction Documents, (c) the financial condition, assets, business or prospects of the Obligors, taken as a whole, (d) any Material Permit, or (e) an Obligor's ability to retain, utilize, exploit or comply with its obligations under any Material Permit.

"Material Agreement" means any contract or agreement of an Obligor (i) which involves potential revenue or expenditure in excess of \$500,000 in any fiscal year, or (ii) the loss, termination or non-renewal of which would reasonably be expected to result in a Material Adverse Change, including without limitation any agreement between an Obligor and any other Person for the supply of Cannabis.

"Material Permit" means the Health Canada Licenses and any other authorization, approval, consent, exemption, license, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval, development permit or building permit), the failure of which to be obtained or held would prohibit or reasonably be expected to materially and adversely affect the ability of any Obligor to conduct its business as presently conducted and planned to be conducted.

“Maximum Revolving Facility Limit” means Thirty Four Million Dollars (\$34,000,000).

“Negative EBDA Variance” means at any time, when there exists no Positive EBDA Variance.

“Obligors” means, collectively the Borrower, Holdings and all of Holdings’ direct and indirect subsidiaries which are organized under the federal laws of Canada (or any province thereof) or any state of the United States of America (other than Excluded Subsidiaries), and “Obligor” means any of them; for greater certainty, as of the date of this Agreement, the Obligors include the Borrower, Holdings, Medican Organic Inc., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp., Folium Life Science Inc., FBCI and FBC.

“Overadvance” means, between August 30, 2023 and the earlier of: (i) the completion of the sale of the BZAM Edmonton Property; and (ii) March 24, 2024, Three Million Dollars (\$3,000,000), and at all other times thereafter, Zero Dollars (\$0).

“Permitted Encumbrances” means, collectively:

- (a) Liens granted in favour of the Agent pursuant to the Security Agreements;
- (b) Liens or deposit under workers’ compensation, social security or similar legislation or in connection with bids, tenders, leases or contracts or to secured related public or statutory obligations, surety and appeal bonds where required by law;
- (c) any builders’, mechanics’, materialman’s, carriers’, repairmen’s, warehousemen’s, landlords’ and other like Liens and privileges, in each case, which relate to obligations not yet due or delinquent or being contested in good faith;
- (d) any Liens for taxes, assessments, unpaid wages, unpaid superannuation or governmental charges or levies for the then current year and not at the time due and delinquent or are being contested in good faith;
- (e) any right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, claim or permit held or acquired by an Obligor, or by any statutory provision, to terminate the lease, licence, franchise, grant, claim or permit or to purchase assets used in connection therewith or to require annual or other periodic payments as a condition of the continuance thereof;
- (f) any Lien created or assumed by any Obligor in favour of a public utility when required by the utility in connection with the operations of such Obligor that do not in the aggregate detract from the value of any of the Collateral or impair their use in the operation of the business of such Obligor;
- (g) any reservations, limitations, provisos and conditions expressed in original grants from any Governmental Authority;
- (h) any applicable municipal and other Governmental Authority restrictions affecting the use of land or the nature of any structures which may be erected thereon, any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other Persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions applicable to the use of real property by any Obligor, or title defects, encroachments or irregularities, that do not detract from the value of the property or impair its use in the operation of the business of any Obligor;

- (i) any Lien that secures Permitted Indebtedness referred to under clause (e) of the definition of “Permitted Indebtedness” provided that: (i) such Lien is limited to the mobile equipment which was acquired with the proceeds of such Permitted Indebtedness and (ii) the amount of such Permitted Indebtedness secured by any such Lien at no time exceeds 100% of the original acquisition price of such mobile asset at the time it was acquired, plus interest and fees, if any;
- (j) any Lien in connection with attachments, judgments and other similar Liens arising in connection with court proceedings; provided however that: (i) the Liens are in existence for less than twenty (20) Business Days after their creation, or (ii) the execution or other enforcement of the Lien is effectively stayed or the claims so secured is being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with generally accepted accounting principles;
- (k) customary rights of set-off or combination of accounts with respect to deposits or accounts incurred in the ordinary course of business;
- (l) any Lien in connection with the BZAM Loan;
- (m) Liens listed in Schedule “J”; and
- (n) any Lien that secures indebtedness provided that such Lien is limited to monies paid or payable under the insurance policies together with the assigned right to cancel the insurance policies.

“Permitted Guarantees” means any Guarantee by an Obligor of any Permitted Indebtedness.

“Permitted Indebtedness” means any:

- (a) indebtedness under this Agreement;
- (b) indebtedness comprised of amounts owed to trade creditors and accruals in the ordinary course of business, which are either not overdue or, if disputed and in that case whether or not overdue, are being contested in good faith by such Obligor by appropriate proceedings diligently conducted, and provided always that: (i) the failure to pay such indebtedness could not be expected to result in a Default or Event of Default and (ii) the aggregate amount of such indebtedness does not exceed \$15,000,000;
- (c) any inter-company indebtedness between any Obligors;
- (d) any other indebtedness which the Agent agrees in writing is Permitted Indebtedness for the purposes of this Agreement;
- (e) any indebtedness under Capital Leases and Purchase Money Obligations, which indebtedness does not exceed \$10,000,000 in the aggregate for the Obligors at any time;
- (f) indebtedness owed to any Person providing or financing workers’ compensation, health, disability or other employee benefits or property, casualty or liability insurance, in each case incurred in the ordinary course of business;
- (g) the BZAM Loan;

- (h) indebtedness owing to Manjinder Singh Gill in a principal amount not to exceed \$5,000,000, secured by the Existing BZAM Edmonton Property Charge; and
- (i) the FBC Unsecured Loan.

“**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“**Positive EBDA Variance**” means at any time, EBDA greater than Zero Dollars (\$0) in each month of the immediately preceding consecutive three (3) month period.

“**Potential Priority Claims**” means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law or otherwise, which ranks or is capable of ranking in priority to the Agent’s security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement; provided that, for the purposes of calculating the Revolving Facility Margin Limit, the portion of Potential Priority Claims relating to excise tax shall exclude any deposits made in connection with any such excise tax owing.

“**PPSA**” means the *Personal Property Security Act* (Ontario), as amended, and to the extent relevant, equivalent statutes of the other Provinces of Canada, including the Civil Code of Quebec.

“**Priority Lien**” means any Lien that is not a Subordinated Lien.

“**Purchase Money Obligation**” means, with respect to a Person, indebtedness of the Person issued, incurred or assumed to finance all or part of the cost of acquiring any tangible asset.

“**Related Person**” in relation to any Person means a Subsidiary, Affiliate, Associate or shareholder, director, officer or employee of such Person.

“**Requirements of Environmental Law**” means: (i) obligations under common law; (ii) requirements imposed by or pursuant to statutes, regulations and by-laws whether presently or hereafter in force; (iii) directives, policies and guidelines issued or relied upon by any Governmental Authority to the extent such directives, policies or guidelines have the force of law; (iv) permits, licenses, certificates and approvals from Governmental Authorities which are required in connection with air emissions, discharges to surface or groundwater, noise emissions, solid or liquid waste disposal, the use, generation, storage, transportation or disposal of Hazardous Materials; and (v) requirements imposed under any clean-up, compliance or other order made pursuant to any of the foregoing, in each and every case relating to environmental, health or safety matters including all such obligations and requirements which relate to (A) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation of Hazardous Materials and (B) exposure to Hazardous Materials.

“**Responsible Person**” means: (i) an officer or director of any Obligor; or (ii) any other Person required to hold a security clearance pursuant to the Cannabis Act or the Cannabis Regulations.

“**Revolving Facility**” means a revolving credit facility in an amount not to exceed the Revolving Facility Limit.

“**Revolving Facility Limit**” means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed the Maximum Revolving Facility Limit.

“Revolving Facility Margin Limit” means, at any time: (i) the book value of Eligible Inventory at such time (which, for greater certainty, excludes any Inventory subject to any Potential Priority Claims or Priority Liens) multiplied by the Advance Rate applicable to Eligible Inventory; plus (ii) the face amount of Eligible Accounts Receivable at such time multiplied by the Advance Rate applicable to Eligible Accounts Receivable; plus (iii) the Overadvance; minus (iv) the face amount of Potential Priority Claims relating to Eligible Accounts Receivable forming (or capable of forming) Priority Liens; provided that the amount calculated in (i), above, shall not exceed Three Million Dollars (\$3,000,000).

“Security Agreements” means, collectively, (i) general security and pledge agreements (or hypothecs) delivered by each of the Obligor to the Agent; (ii) the debentures and mortgages given by the Obligor to the Agent, as applicable, in respect of the real property owned by them; (iii) security agreements in respect of intellectual property delivered by each of the Obligor to the Agent, as applicable; (iv) a subordination agreement or intercreditor as may be required by the Agent from time to time; (v) all guarantees given by any Obligor to the Agent; (vi) Blocked Account Agreements (including with respect to the Collections Accounts); (vii) assignments of insurance delivered by the Obligor in favour of the Agent, as applicable, in each case, as such agreements may be amended, amended and restated or replaced in its entirety from time to time; and (viii) Collateral Access Agreements.

“Solvent” means, with respect to any Person as of the date of determination, (i) the aggregate property of such Person is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) the aggregate property of such Person is, at a fair valuation, sufficient to enable payment of all its obligations, due and accruing due; (iii) such Person is able to meet its obligations as they generally become due; and (iv) such Person has not ceased paying its current obligations in the ordinary course of business as they generally become due; and for purposes of this definition, the amount of any contingent obligation at such time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

“Stone Pine” means Stone Pine Capital Ltd.

“Subordinated Lien” means any Lien for which the holder thereof has agreed, pursuant to a subordination agreement or intercreditor agreement in form satisfactory to the Agent, that such Lien shall at all times be subordinated and postponed in favour of the Liens granted by any Obligor in favour of the Agent.

“Subsidiary” means a Person (other than a natural person) which is Controlled, directly or indirectly, by another Person (other than a natural person); and for greater certainty includes a Subsidiary of a Subsidiary.

“TD Prime Rate” means the floating annual rate of interest established from time to time by the Toronto-Dominion Bank as the reference rate it will use to determine rates of interest payable to the Toronto-Dominion Bank by commercial borrowers from it of Canadian dollar loans in Canada and designated by it as its “prime rate”.

“Termination Fee” means, at any time, an amount equal to two percent (2%) of the Maximum Revolving Facility Limit.

“Total Exposure” has the meaning given to such term in Section 3(a) of this Agreement.

“Transaction Documents” means, collectively, this Agreement (including for greater certainty any amendments thereto), the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).

“Utilization Fee Rate” means two and four tenths of a percent (2.40%) per annum, divided by the then current calendar year of three hundred and sixty-five (365) or three hundred and sixty-six (366) days, as the case may be.

“Voluntary Bankruptcy Event” means (a) an admission in writing by a Person of its inability to pay its debts generally or a general assignment by such Person for the benefit of creditors, (b) the filing of any assignment, petition or consent thereto or answer by such Person seeking to adjudicate itself as bankrupt or insolvent, or seeking for itself any liquidation, winding-up, reorganization, arrangement, adjustment, protection, relief or composition of such Person or its debts under any present or future bankruptcy, insolvency or similar Applicable Law, or seeking, consenting to or acquiescing in the entry of an order for relief in any case under any such Applicable Law, or the appointment of or taking possession by a trustee, monitor, custodian, inspector, receiver or liquidator of such Person or for any substantial part of such Person’s property, or (c) corporate or other action taken by such Person to authorize any of the actions set forth above.

“Warrants” means the warrants created and issued in favour of the Agent, including those created and issued as a condition under, or pursuant to, the Original Credit Agreement and the First ARCA, as further described in Schedule “B” attached hereto.

“Warrant Shares” means the warrants to purchase freely tradeable common shares in Holdings pursuant to the Warrants, as further described in Schedule “B” attached hereto.

SCHEDULE “D”**LITIGATION**

1. *1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd.* (the prior name of Holdings), Ontario Superior Court of Justice File No. CV-18-605781. Action commenced by the former Chief Financial Officer of Holdings claiming \$3 million in damages, stemming from the termination of her consulting agreement. As of November 29, 2023, Ms. Stephenson, through counsel has put forward a settlement offer of \$325,000 plus costs.
2. BZAM Cannabis Corp. commenced a claim, by arbitration, against GO Drywall Ltd. for breach of a construction contract for failure to provide services. BZAM Cannabis Corp.’s claim is for \$248,936.25. Go Drywall Ltd. commenced a cross claim for wrongful termination of the contract seeking \$746,805.89. A final arbitration was awarded in favor of BZAM Cannabis Corp.’s for the full amount of the claim, plus legal costs. BZAM Cannabis Corp.’s is in the process of attempting to enforce judgment.
3. BZAM Management Inc. has filed an appeal from the assessments by the BC Ministry of Finance’s tax appeals division to recover approximately \$1.05 Million in BC property transfer taxes paid by it in connection with its acquisition of three properties in British Columbia. BZAM Management Inc. takes the position that the taxes were not payable as it is not in fact a “foreign corporation”, which is the basis upon which such taxes are exigible. Waiting on response from BC Ministry of Finance Tax Appeals Division.
4. British Columbia Workers’ Compensation Appeal Tribunal (“**WCAT**”). Employee BZAM Management Inc. has claimed workers’ compensation benefits for a workplace injury. Claim denied on review. Worker appealed to WCAT. After the appeal hearing on January 16, 2023, all claims against BZAM Cannabis Corp. were dismissed.
5. On February 1, 2021, a former BZAM Cannabis Corp. employee filed a human rights complaint with the Alberta Human Rights Commission with respect to their termination for refusal to be vaccinated for Covid-19 pursuant to BZAM’s Vaccination Policy. Waiting for hearing date.
6. *Jason Glenn c.o.b.a Frostmec Services v BZAM Management Inc.* – British Columbia Small Claims Court. Former employee filed a Notice of Claim alleging non-payment of invoices and seeking \$28,082.00. BZAM denies all allegations of fact in the Notice of Claim. The parties were unable to settle at the Settlement Conference. A trial date has yet to be set by the Court.
7. *Freyja Jorgensen v. Final Bell Canada*, HRTO File No. 2023-53071, commenced May 31, 2023. Freyja Jorgensen, a former employee of Final Bell Corp., commenced a proceeding at the Human Rights Tribunal of Canada in the amount of CAD \$123,201. Final Bell Corp. has filed a response and estimates that its exposure is between CAD \$0 and CAD \$50,000.
8. *Thanasi Tambakos, Silvia Vassileva, Christian Tambakos, by his Litigation Guardian, Silvia Vassileva, and Gabriella Tambakos by her Litigation Guardian Silvia Vassileva v. Spectrum Cannabis Canada Ltd. (F.K.A. Mettrum Ltd.), Final Bell Corp. (F.K.A. Starseed Medicinal Inc., and Mettrum (Bennett North) Ltd.), Agripharm Corp., and Canopy Growth Corporation*, CV-23-00695168-0000, issued February 23, 2023. This action claims that

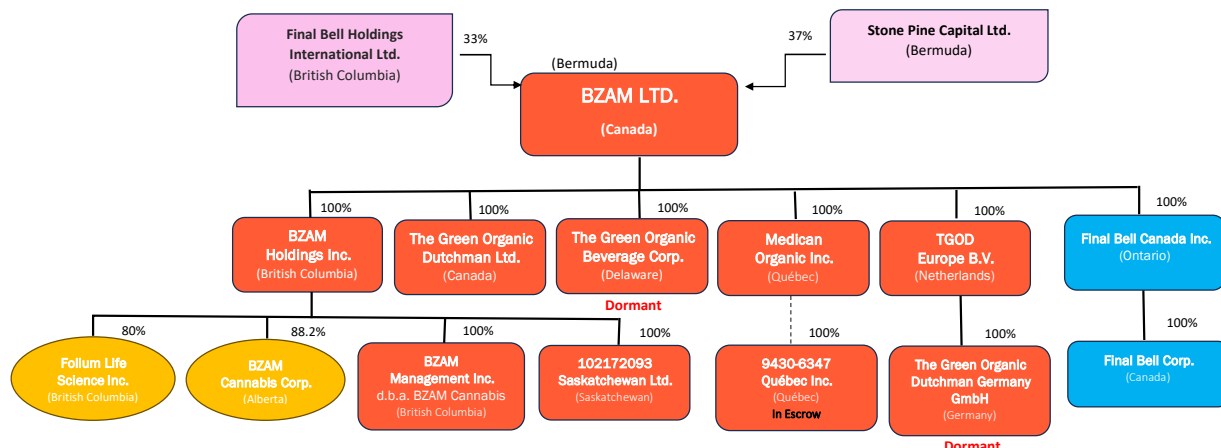
the defendants were negligent in the cultivation, production, testing, processing, manufacture, distribution, marketing and sale of the medical marijuana products affected by a recall of products produced, marketed and sold by the defendant, Mettrum Ltd. The claim is for approximately CAD \$475,000 (the "**Tambakos Litigation Matter**").

SCHEDULE "E"
ENVIRONMENTAL DISCLOSURE

Nil.

SCHEDULE "F"
CORPORATE INFORMATION

Intercorporate Relationships



The Green Organic Dutchman Ltd.

Name of Obligor:	The Green Organic Dutchman Ltd.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	Suite 402 – 5520 Explorer Drive, Mississauga, ON L4W 5L1
Principal Place of Business/ Chief Executive Office:	1915 Jerseyville Road West, Jerseyville, ON L0R 1R0
Issued & Outstanding Shares:	200 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 200 common shares

BZAM Ltd.

Name of Obligor:	BZAM Ltd.
Prior Obligor Names:	The Green Organic Dutchman Holdings Ltd.
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	Canada
Registered Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Principal Place of Business/ Chief Executive Office:	1570-200 Burrard Street, Vancouver, BC V6C 3L6
Issued & Outstanding Shares:	158,121,789 common shares
List of Shareholders:	N/A

Medican Organic Inc.

Name of Obligor:	Medican Organic Inc./Médican Biologique inc.
Prior Obligor Names:	N/A
Predecessor Corporations:	9371-8633 Québec Inc./9371-8633 Québec Inc.
Jurisdiction of Incorporation:	Québec
Registered Office:	311-455 Boul. Fénelon, Dorval, Québec H9S 5T8
Principal Place of Business/ Chief Executive Office:	1175 Boul. Gérard-Cadieux, Salaberry-de-Valleyfield, Québec, J6T 6M1
Issued & Outstanding Shares:	100 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Holdings Inc.

Name of Obligor:	BZAM Holdings Inc.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	British Columbia
Registered Office:	2900-550 Burrard Street, Vancouver, BC V6C 0A3
Principal Place of Business/ Chief Executive Office:	2900-550 Burrard Street, Vancouver, BC V6C 0A3
Issued & Outstanding Shares:	100 common shares
List of Shareholders:	The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.) – 100 common shares

BZAM Management Inc.

Name of Obligor:	BZAM Management Inc.
Prior Obligor Names:	N/A
Predecessor Corporations:	N/A
Jurisdiction of Incorporation:	British Columbia
Registered Office:	2900-550 Burrard Street, Vancouver, BC V6C 0A3
Principal Place of Business/ Chief Executive Office:	200 Burrard Street, Suite 1570, Vancouver, BC V6C 3L6
Issued & Outstanding Shares:	100 common shares
List of Shareholders:	BZAM Holdings Inc. – 100 common shares

BZAM Cannabis Corp.

Name of Obligor: BZAM Cannabis Corp.
 Prior Obligor Names: N/A
 Predecessor Corporations: BZAM Cannabis Corp. and Sweetgrass Inc.
 Jurisdiction of Incorporation: Alberta
 Registered Office: 3400, 350 – 7TH Avenue SW, Calgary, Alberta T2P 3N9
 Principal Place of Business/
 Chief Executive Office: 8770 24 Street NW, Edmonton, Alberta T6P 1X8
 Issued & Outstanding Shares: 884,700 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	780,000 Class “A” Shares
Jodi MacDonald	10,000 Class “A” Shares
Derwin Herrera	10,000 Class “A” Shares
1979073 Alberta Ltd.	10,000 Class “A” Shares
Chaucer Investments Ltd.	25,000 Class “A” Shares
2086781 Alberta Ltd.	10,000 Class “A” Shares
1237132 Alberta Ltd.	1,000 Class “A” Shares
William Rutledge	10,000 Class “A” Shares
Gail M. Burke	2,500 Class “A” Shares
Homefolio Inc.	45,000 Class “A” Shares
Ryan Murray	20,000 Class “A” Shares
All Star Ventures Ltd.	3,200 Class “A” Shares
Grant Schneider	2,150 Class “A” Shares
Patrick Leonard	500 Class “A” Shares

Folium Life Science Inc.

Name of Obligor: Folium Life Science Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: Folium Life Science Inc. and 1137773 B.C. Ltd.
 Jurisdiction of Incorporation: British Columbia
 Registered Office: 2900-550 Burrard Street, Vancouver, BC V6C 0A3
 Principal Place of Business/
 Chief Executive Office: 107/109 – 1761 Sean Heights, Saanichton, BC V8M 0A5
 Issued & Outstanding Shares: 3,600 Class “A” Shares
 List of Shareholders:

BZAM Holdings Inc.	2,880 Class "A" Shares
Fonda Betts	91.2 Class "A" Shares
Sheldon Kales	54 Class "A" Shares
1244780 B.C. Ltd.	574.8 Class "A" Shares

Final Bell Canada Inc.

Name of Obligor: Final Bell Canada Inc.
 Prior Obligor Names: N/A
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Ontario
 Registered Office: 1100 Bennett Road North, Unit 3, Bowmanville, ON L1C 0Y7
 Principal Place of Business/
 Chief Executive Office: 1100 Bennett Road North, Unit 3, Bowmanville, ON L1C 0Y7
 Issued & Outstanding Shares: 1,000 (see breakdown among classes in chart below)
 List of Shareholders:

BZAM Ltd.	295 class A (voting) common shares
	295 class B (non-voting) common shares
	30 class C (non-voting) common shares
	100 class D (non-voting) common shares
	100 class E (non-voting) common shares
	30 class F (non-voting) common shares
	100 class G (non-voting) common shares
	20 class H (non-voting) common shares
	30 class I (non-voting) common shares

Final Bell Corp.

Name of Obligor: Final Bell Corp.
 Prior Obligor Names: Starseed Medicinal Inc. and Mettrum (Bennett North) Ltd.
 Predecessor Corporations: N/A
 Jurisdiction of Incorporation: Canada
 Registered Office: 1100 Bennett Road North, Unit 3, Bowmanville, ON L1C 0Y7
 Principal Place of Business/
 Chief Executive Office: 1100 Bennett Road North, Unit 3, Bowmanville, ON L1C 0Y7

Issued & Outstanding Shares: 100 common shares
List of Shareholders: Final Bell Canada Inc. – 100 common shares

SCHEDULE “G”**PENDING CORPORATE CHANGES**

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) under the indenture dated October 23, 2020 and trading on the CSE under the symbol “BZAM.WA”.

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) under the indenture dated December 10, 2020 and trading on the CSE under the symbol “BZAM.WB”.

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) under the indenture dated June 12, 2020 and trading on the CSE under the symbol “BZAM.WR”.

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) to Maynbridge Capital Inc. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) to Cortland Credit Lending Corporation. in connection with its senior secured loan, repaid on June 22, 2021.

Warrants issued by The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) to Canaccord Genuity Corp. in connection with its financings of The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings).

Escrowed share units, contingent share units, RSUs, and incentive stock options and ESPP issued under BZAM Ltd.’s incentive compensation plans

Common shares to be issued pursuant to a non-brokered private placement announced on May 19 for the issuance of up to 22,222,223 units, consisting of one common share and one warrant to purchase one common share.

The purchase of 9430-6347 Quebec Inc. by Médican Biologique Inc., by way of Share Purchase Agreement between, among others, Médican Biologique Inc. and the Vendors (as defined therein) (the “**Medican SPA**”) dated November 11, 2022. The Medican SPA is currently held in escrow until such time as all purchase conditions are met including receipt of a municipal permit.

Amendment to the articles of incorporation for each of the FBC Obligors to remove any reference to the term “Final Bell” within the name of such entity.

SCHEDULE “H”**MATERIAL AGREEMENTS AND MATERIAL PERMITS**Material Agreements

1. Standing Offer Contract 1631 between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Alberta Gaming, Liquor and Cannabis Commission dated May 20, 2019
2. Master Cannabis Supply Agreement between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Ontario Cannabis Retail Corporation dated February 6, 2019
3. Data Subscription Agreement between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Ontario Cannabis Retail Corporation dated February 25, 2019
4. Licensed Producer Supply Agreement for Non-Medical Cannabis between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act dated November 7, 2019
5. NLC Cannabis and Cannabis Related Product Supply Agreement between The Green Organic Dutchman Ltd. and Newfoundland and Labrador Liquor Corporation dated November 19, 2019
6. Lettre D’Intention between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Societe Quebequoise du Cannabis dated March 26, 2020
7. Supplier Agreement – Cannabis Products between The Green Organic Dutchman Holdings Ltd. (the prior name of Holdings) and Loblaws Inc. dated March 3, 2020
8. Unanimous Shareholder Agreement (between BZAM LTD., Northwest Confections Canada Inc. and Wyld Glx Corp.
9. Intellectual Property Licence Agreement dated April 15, 2021 between BZAM LTD. and Wyld Glx Corp.
10. Intellectual Property Licence Agreement dated April 15, 2021 between Northwest Confections Canada Inc. and Wyld Glx Corp.
11. Amended and Restated Manufacturing and Distribution Agreement dated August 24, 2021 between BZAM Management Inc. and Wyld Glx Corp.
12. Amending Agreement dated October 18, 2021 between Northwest Confections Canada Inc. and BZAM LTD.
13. Joint Venture between Northwest Confections Canada Inc. (subsidiary of Northwest Commonwealth LLC) and BZAM LTD.
14. Amended and Restated Joint Venture Agreement dated August 24, 2021 between Northwest Confections Canada Inc. and BZAM Management Inc.
15. Contract Grow Agreement dated April 27, 2021 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Pure Sunfarms Corp., as seller

16. Purchase Agreement dated May 25, 2022 between BZAM Management Inc. (d/b/a BZAM Cannabis), as buyer, and Medisun Inc., as seller
17. Supply and Purchase Agreement dated April 28, 2023 between BZAM LTD. (d/b/a BZAM Cannabis), as seller, and 4C LABS LTD., as buyer.
18. Supply and Purchase Agreement dated January 4, 2022, between The Green Organic Dutchman LTD., as seller, and Oxygen Handel GmbH., as buyer
19. The Medican SPA
20. The Trademark License and Manufacturing Agreement dated November 2, 2021 and Amending Agreement to the Trademark License and Manufacturing Agreement dated May 5, 2022 between Final Bell Canada Inc. and Aphaea, LLC. (Sherbinskis)
21. The Trademark License and Manufacturing Agreement dated June 17, 2021 between Final Bell Canada Inc. and Little Farma Inc.
22. The Brand License and Manufacturing Agreement dated February 9, 2023 between Final Bell Corp. and Cookies Creative Consulting, LLC.
23. The License and Services Agreement dated November 16, 2023 between Dreamfields Canada Operations Inc. and Final Bell Corp. (Jeeter)
24. The Offtake Supply Agreement dated February 9, 2023 between Final Bell Corp. and Noya Cannabis Inc.
25. The Preroll Input Supply Agreement dated December 22, 2022 between Final Bell Corp. and Noya Cannabis Inc.
26. The License and Services Agreement dated July 14, 2022 between Final Bell Corp. and PAX Labs (Canada) Inc.
27. The Fourth Amended and Restated Manufacturing Services Agreement dated August 25, 2023 between Final Bell Corp. and The Peace Naturals Project Inc.
28. The Amended and Restated Manufacturing Services Agreement dated April 29, 2022 between Final Bell Corp. and Greentec Holdings Ltd.
29. The Contract Manufacturing Agreement dated August 28, 2023 between Final Bell Corp. and Tweed Inc.
30. The Manufacturing Services Agreement dated December 12, 2022 between Final Bell Corp. and Organigram Inc.
31. The Manufacturing Services Agreement dated June 26, 2023 between Atlas Global Brands and Final Bell Corp.
32. The First Amended Manufacturing Services Agreement dated October 24, 2023 between Final Bell Corp. and Bzam Management Inc.
33. The Distribution agreement dated September 26, 2023 between Final Bell Corp. and Maqabim Distributors Ltd.
34. The Distribution Agreement dated July 4 2023 between Final Bell Corp. and Valiant Distribution Canada Inc.

35. The Distribution Agreement dated January 1, 2023 between Final Bell Corp. and 10926671 Canada Ltd. (Open Fields Distribution) (Manitoba)
36. The Distribution Agreement dated January 17, 2023 between Final Bell Corp. and Open Fields Distribution (Saskatchewan)
37. The Cannabis Product Supply Agreement dated April 4, 2022 between Final Bell Corp. and 9374-2187 Qc Inc. dba Medicibus.
38. The Sales, Distribution and Marketing Agreement dated November 11, 2022 between Final Bell Corp. and Rose Lifescience Inc.
39. The Genetic Purchase and Laboratory Services Agreement dated May 5, 2022 between Final Bell Corp. and 101265496 Saskatchewan Ltd. (Mother Labs).
40. The Offtake Supply Agreement dated March 1, 2023 between Final Bell Corp. and Lyonleaf Cannabis Inc.
41. The Processing Services Agreement dated September 17, 2021 between Final Bell Corp. and Cannapiece Corp.
42. The Final Bell Data Sharing Agreement dated July 1, 2022 between Final Bell Corp. and Cannabolic Marketing Corp. (CMC)
43. The Cabanalytics Data License Agreement dated May 1, 2022 between Final Bell Corp. and High Tide Inc.
44. The Data License Agreement dated October 1, 2022 between Final Bell Corp. and TS Programs Ltd.
45. The Amending Agreement to Data License Agreement dated January 1, 2023 between Final Bell Corp. and Hifyre Inc.
46. The Data License Agreement dated May 1, 2023 between Final Bell Corp. and Nova Cannabis Analytics Limited Partnership.
47. The Business Data License Agreement dated May 5, 2023 between Final Bell Corp. and Sparq Retail Cannabis Dispensary & Delivery.
48. Licensed Producer Supply Agreement for Non-Medical Cannabis between Final Bell Corp. and Her Majesty the Queen in Right of the Province of British Columbia, as represented by the Administrator of the Cannabis Distribution Act, SBC 2018, c 28 (BCLDB) dated March 31, 2021.
49. The Master Cannabis Supply Agreement dated June 22, 2021 and Amending Agreement to Master Cannabis Supply Agreement re Insurance Requirements dated March 7, 2023 between Ontario Cannabis Retail Corporation, as purchaser, and Final Bell Corp., as supplier.
50. Cannabis Purchase and Sale Agreement dated September 27, 2022 between Final Bell Corp. and the Yukon Liquor Corporation.
51. The Term Sheet dated October 7, 2023 between Final Bell Corp. and Wagner Dimas.
52. The Leases with respect to the leased real property in Schedule "I".

53. The share purchase agreement dated March 15, 2021 among Starseed Holdings Inc., WeedMD Inc. and Final Bell Canada Inc.

Material Permits

1. Health Canada Licence No LIC-CJMMLU7IJN-2022 (cultivation, processing, sale) issued to The Green Organic Dutchman Ltd. Expiring July 20, 2027
2. Health Canada Licence No LIC-MVXNLN8UCN-2020 (Research) issued to The Green Organic Dutchman Ltd., expiring February 12, 2025
3. BZAM Management Inc. Licence LIC-JTUPWJZJ50-2022 under the Cannabis Act (Canada)
4. BZAM Management Inc. Licence LIC-G27V6VI0UJ-2022 under the Cannabis Act (Canada)
5. BZAM Management Inc. Licence LIC-HU7CU4DYAO-2020-5 under the Cannabis Act (Canada)
6. BZAM Cannabis Corp. Licence LIC-J5USTB6Z3V-2022 under the Cannabis Act (Canada)
7. Folium Life Science Inc. Licence LIC-9GRI1YRQEV-2021 under the Cannabis Act (Canada)
8. BZAM Management Inc. Research License LIC-TNCAPN24J9-2022 under the Cannabis Act (Canada)
9. The Green Organic Dutchman Ltd. EUGMP – DE_BW_01_GMP_2023_0085 For Ancaster, Jerseyville.
10. Health Canada Licence No. LIC-ZOTV09QHPG-2022 issued to Final Bell Corp., expiring October 27, 2027
11. Health Canada Licence No. LIC-E5FM5PUXBF-2020-5 (Research) issued to Final Bell Corp., expiring February 7, 2025
12. Final Bell Corp. Canada Revenue Agency Cannabis License No. 780639324 RD0001 issued under the Excise Act (Canada) on November 22, 2023
13. AGLC Cannabis Representative Registration issued to Final Bell Corp. on February 13, 2023

SCHEDULE "I"**REAL PROPERTY**

1. Owned:
 - a. 1915 Jerseyville Road West, Jerseyville, ON L0R 1R0 owned by The Green Organic Dutchman Ltd.
 - b. 8770 24th Street NW, Edmonton, Alberta, T6P 1X8 owned by BZAM Cannabis Corp.
2. Leased:
 - a. 402, 5520 Explorer Drive Mississauga, ON L4W 5L1 leased by The Green Organic Dutchman Holdings Ltd. (the prior name of BZAM Ltd.)
 - b. 311-455 BOUL., Fenelon, Dorval, Quebec H9S 578 leased by Medican Organic Inc.
 - c. 19100 Airport Way, Units 518/519, Pitt Meadows, BC V3Y 0E2 leased by BZAM Management Inc.
 - d. Unit 107/109, 1759 Sean Heights, Saanichton BC, V8M 1X6 leased by BZAM Cannabis Corp.
 - e. 5000 Chemin Murphy, Vaudeuil-Dorion QC, J7V 8P2 leased by 9430-6347 Quebec Inc.¹
 - f. 1100 Bennett Road North, Units 1-3, Bowmanville, ON L1C 0Y7 subleased by Final Bell Canada Inc.
 - g. 1100 Bennett Road North, Unit 4, Bowmanville, ON L1C 0Y7 leased by Final Bell Corp.
 - h. 1100 Bennett Road North, Unit 5, Bowmanville, ON L1C 0Y7 leased by Final Bell Canada Inc.
3. Warehoused:
 - a. 250 Baseline Road, Bowmanville, ON L1C 1A4, subject to a warehouse agreement by Final Bell Canada Inc.

¹ Although the Medican SPA remains in escrow pending receipt of a municipal permit and is not yet in effect, Medican Organic Inc. is paying the rent for this leased property on behalf of 9430-6347 Quebec Inc.

SCHEDULE "J"**PERMITTED ENCUMBRANCES**

1. Lien with registration number 20170906 1631 1862 3892 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to assignment of term deposits and credit balances.
2. Lien with registration number 20180410 1610 1532 1077 in favour of Bank of Montreal as against The Green Organic Dutchman Holdings Ltd. with respect to a short-term investment certificate n/o 0002-9631-033 in the principal amount of \$100,000.
3. Lien with registration number 20191025 1616 1626 1771 in favour of Alterna Savings and Credit Union Limited as against The Green Organic Dutchman Holdings Ltd. with respect to a term deposits #8 and #9 for letters of credit in the amount of \$35,000 and \$455,500, plus interest accrued on such term deposits.
4. Existing BZAM Edmonton Property Charge.

SCHEDULE “K”

ACCREDITED INVESTOR CERTIFICATE

TO: BZAM Ltd. (the “Corporation”)

You (the undersigned accredited investor) represent and warrant to the Corporation that you are an “**accredited investor**” as defined in section 73.3 of the *Securities Act* (Ontario), on the basis that you fit within the category of accredited investor which you have indicated below.

You represent and warrant that you are: {please initial the applicable item, complete the relevant information and sign this certificate}

- _____ (a) a Schedule I, II or III bank, or a Canadian financial institution
- _____ (b) the Business Development Bank of Canada
- _____ (c) a subsidiary of any person referred to in paragraph (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary
- _____ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer
- _____ (e) an individual registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d)
- _____ (e.1) an individual formerly registered under the securities legislation of a jurisdiction of Canada, other than an individual formerly registered solely as a representative of a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador)
- _____ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada
- _____ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l’île de Montréal or an intermunicipal management board in Québec
- _____ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government
- _____ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada
- _____ (j) an individual who, either alone or with a spouse, beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$1,000,000

{Note: Financial assets include cash and securities, but do not include a personal residence – see the definition of “financial assets” later in this certificate. Financial assets are generally liquid or relatively easy to liquidate.

You must subtract any liabilities related to your financial assets to calculate your net financial assets—see the definition of “related liabilities”. Financial assets held in a group RRSP under which you do not have the ability to acquire the financial assets and deal with them directly are not considered to be beneficially owned by you.

- _____ (j.1) an individual who beneficially owns financial assets having an aggregate realizable value that, before taxes but net of any related liabilities, exceeds \$5,000,000

{Note: The financial assets of your spouse (including financial assets in a spousal RRSP) cannot be included in the calculation of net financial assets under this paragraph (j.1).}

- _____ (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year

- _____ (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000

{Note: To calculate net assets, take the value of your total assets (which may include a personal residence) and subtract your total liabilities (which may include a mortgage). The value attributed to assets should reasonably reflect their estimated fair value. Income tax should be considered a liability if the obligation to pay it is outstanding at the time of the subscription.}

- _____ (m) a person, other than an individual or investment fund, that has net assets of at least \$5,000,000 as shown on its most recently prepared financial statements

- _____ (n) an investment fund that distributes or has distributed its securities only to:
- (i) a person that is or was an accredited investor at the time of the distribution;
 - (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 (Minimum amount investment), or 2.19 (Additional investment in investment funds) of NI 45-106; or
 - (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 (Investment fund reinvestment) of NI 45-106

- _____ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt

- _____ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction,

acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be

- _____ (q) a person acting on behalf of a fully managed account managed by that person, if that person is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction
- _____ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded
- _____ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function
- _____ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors

{Note: If you have initialed this paragraph (t), name each owner of an interest, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this ●). If a person named below is a director required by law to own a voting security, and that person is not an accredited investor, indicate "director" under Category.}

Name	Category
_____	_____
_____	_____
_____	_____
_____	_____

- _____ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser
- _____ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as an accredited investor
- _____ (w) a trust established by an accredited investor for the benefit of the accredited investor's family members of which a majority of the trustees are accredited investors and all of the beneficiaries are the accredited investor's spouse, a former spouse of the accredited investor or a parent, grandparent, brother, sister, child or grandchild of that accredited investor, of that accredited investor's spouse or of that accredited investor's former spouse

{Note: If you have initialed this paragraph (w), name the person who established the trust and each trustee, and indicate the category of accredited investor into which that person fits (by reference to the paragraph numbers in this ●.). If a person named below is not an accredited investor, indicate "N/A" under Category.}

	Name	Category
Person who established trust:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____
Trustee:	_____	_____

Signatures	
Name of accredited investor:	CORTLAND CREDIT LENDING CORPORATION
Signature of authorized signatory/agent on behalf of accredited investor:	
Name and official capacity or title of authorized signatory/agent:	
Date:	

As used in this certificate, the following terms have the following meanings.

“Canadian financial institution” means:

- (a) an association governed by the *Cooperative Credit Associations Act (Canada)* or a central cooperative credit society for which an order has been made under section 473(1) of that Act; and
- (b) in Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative or credit union league or federation that is authorized by a statute of Canada or Ontario to carry on business in Canada or Ontario, as the case may be; and
- (c) outside of Ontario, also means a loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada.

“eligibility adviser” means:

- (a) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed; and
- (b) in Manitoba, also means a lawyer who is a practicing member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a

member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:

- (i) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons; and
- (ii) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months.

“executive officer” means, for an issuer, an individual who is:

- (a) a chair, vice-chair or president;
- (b) a vice-president in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the issuer.

“financial assets” means:

- (a) cash;
- (b) securities; or
- (c) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation.

“foreign jurisdiction” means a country other than Canada or a political subdivision of a country other than Canada.

“founder” means, in respect of an issuer, a person who:

- (a) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer; and
- (b) at the time of the distribution or trade is actively involved in the business of the issuer.

“fully managed account” means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client’s express consent to a transaction.

“investment fund” has the same meaning as in National Instrument 81-106 — Investment Fund Continuous Disclosure and means a mutual fund or a non-redeemable investment fund.

“jurisdiction of Canada” means a province or territory of Canada.

“non-redeemable investment fund” means an issuer:

- (a) whose primary purpose is to invest money provided by its securityholders;
- (b) that does not invest:

- (i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund; or
 - (ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund; and
- (c) that is not a mutual fund.

“person” includes:

- (a) an individual;
- (b) a corporation;
- (c) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not; and
- (d) an individual or other person in that person’s capacity as a trustee, executor, administrator or personal or other legal representative.

“related liabilities” means:

- (a) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or
- (b) liabilities that are secured by financial assets.

“spouse” means an individual who:

- (a) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual;
- (b) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender; or
- (c) in Alberta, is an individual referred to in paragraph (a) or (b), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).

“subsidiary” means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

This is Exhibit "F" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

GENERAL SECURITY AGREEMENT

This Agreement is made this 8 day of January, 2024

BETWEEN:

FINAL BELL CANADA INC.
(the "**Debtor**")

- and -

CORTLAND CREDIT LENDING CORPORATION, as Administrative Agent
(the "**Agent**")

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees with the Agent as follows:

1. Interpretation

Reference is made to the second amended and restated credit agreement among The Green Organic Dutchman Ltd. (the "**Borrower**"), the Agent and the lenders from time to time party thereto dated on or about the date hereof (as it may be amended, amended and restated, supplemented or otherwise modified from time to time, collectively, the "**Credit Agreement**"). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined herein. In addition, the following terms shall have the respective meanings set forth below:

"**Acceleration Date**" means the delivery by the Agent to an Obligor of a written notice that the Obligations (as hereinafter defined) are immediately due and payable, following the occurrence and during the continuation of an Event of Default.

"**Collateral**" means the present and after-acquired real and personal property of the Debtor and all Inventory, Equipment, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities, Documents, Undertaking and Proceeds (as such terms are defined herein), subject to any exceptions identified in Section 6 of this Agreement. Any reference in this Agreement to Collateral shall mean Collateral or any part thereof, unless the context otherwise requires.

"**PPSA**" means the *Personal Property Security Act* (Ontario), including the regulations thereto and related Minister's Orders, provided that if perfection or the effect of or non-perfection or the priority of any Lien created hereunder or under any other Security Agreement on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in any applicable jurisdiction in Canada, "**PPSA**" means the *Personal Property Security Act* or such other applicable legislation (including, the Civil Code of Quebec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Security Interest**" means the grants, mortgages, charges, transfers, assignments and security interests herein created.

2. **Creation of Security Interest; Obligations Secured**

The Debtor hereby grants to and in favour of the Agent, as continuing security for the payment and performance of (i) all present and future, direct and indirect, contingent and absolute obligations and liabilities of the Debtor to the Agent and the Lenders arising under or in connection with the Credit Agreement and all Guarantees provided by the Debtor from time to time in respect of the indebtedness and liabilities of the Borrower thereunder, and (ii) all obligations of the Debtor to the Agent and the Lenders arising under this Agreement (collectively, the "**Obligations**"), a security interest in, and hereby mortgages, charges and assigns to and in favour of the Agent, all present and after-acquired real and personal property of the Debtor, including the following:

Equipment

- (a) all present and after-acquired equipment of the Debtor, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto (collectively, "**Equipment**");

Inventory

- (b) all present and after-acquired inventory of the Debtor, including all raw materials, materials used or consumed in the business of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service (collectively, "**Inventory**");

Accounts

- (c) all present and after-acquired debts, demands and amounts due or accruing due to the Debtor whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof and all other present and after-acquired accounts receivable and amounts due or accruing due to the Debtor evidenced by any deposit receipts, term deposits, guaranteed investment certificates or other evidence of debt obligations issued by a bank, trust company or other financial institution, and all replacements, renewals and substitutions therefor (collectively, "**Accounts**");

Intangibles

- (d) all present and future intangible personal property of the Debtor, including all contract rights, goodwill, and Intellectual Property (as hereinafter defined), and all other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing, that are not "goods" (as such term is defined in the PPSA) (collectively, "**Goods**"), Chattel Paper (as hereinafter defined), Documents of Title (as

hereinafter defined), Instruments (as hereinafter defined), Money (as hereinafter defined) or Investment Property (as hereinafter defined) (collectively, "**Intangibles**"); as used herein, "**Intellectual Property**" means all of the Debtor's present and future intellectual property including without limitation, (i) copyrights, (ii) patents, (iii) trademarks, trade names, business names, trade styles, logos and all other forms of business identifiers, and (iv) trade secrets and other confidential information and data in any form or format, including without limitation, all know-how obtained, developed or used in or contemplated at any time for use in the business, affairs, undertaking and operations of the Debtor now or hereafter owned generated or acquired, including in each instance all related additions, improvements and accessories thereto and replacements thereof (whether registered or unregistered) including without limitation, the intellectual property described in Schedule B attached hereto;

Documents of Title

- (e) all present and after-acquired "documents of title" (as such term is defined in the PPSA) of the Debtor, whether negotiable or otherwise including all warehouse receipts and bills of lading (collectively, "**Documents of Title**");

Chattel Paper

- (f) all present and after-acquired agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific Goods (collectively, "**Chattel Paper**");

Instruments

- (g) all present and after-acquired bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment (collectively, "**Instruments**");

Money

- (h) all present and after-acquired "money" (as such term is defined in the PPSA) of the Debtor, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency (collectively, "**Money**");

Securities

- (i) all present and after-acquired securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures, "financial assets" (as such term is defined in the *Securities Transfer Act, 2006* (Ontario)) and "investment property" (as such term is defined in the PPSA) (collectively, "**Investment Property**") and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and dividends and income derived therefrom (collectively,

"Securities"); and for greater certainty, specifically including, without limitation, the Securities listed in Schedule "A" attached hereto or otherwise acknowledged in writing by the Debtor as comprising part of the Collateral;

Documents

- (j) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral subject to the Security Interest (collectively, "**Documents**");

Undertaking

- (k) all present and after-acquired real and personal property, business, and undertaking of the Debtor not being Inventory, Equipment, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities or Documents (collectively, "**Undertaking**"); and

Proceeds

- (l) all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom (collectively, "**Proceeds**").

3. Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2, for greater certainty the Collateral shall include all present and after-acquired real and personal property in which the Debtor may have an interest which may be specifically described in any schedule which may be attached hereto. The Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Agent in order that the Security Interest shall attach to such real and personal property.

4. Attachment

The Debtor acknowledges that value has been given, the parties have not agreed to postpone the time for attachment of the Security Interest and the Debtor has rights in the Collateral which exists as at the date of this Agreement. In respect of Collateral in which the Debtor obtains an interest after the execution and delivery of this Agreement, the Security Interest shall attach thereto immediately upon the Debtor obtaining such rights.

5. Dealings with Collateral

The Debtor may sell Inventory and collect Accounts in the ordinary course of its business until on or after the Acceleration Date. After the Acceleration Date, the Debtor's entitlement to sell Inventory and collect Accounts shall cease, and any Accounts thereafter collected by the Debtor shall be held by in trust for the Agent and shall be paid to the Agent immediately upon receipt.

6. Exception re Leasehold Interests, Contractual Rights and Consumer Goods

(a) The last day of the term of any lease or sublease of any real property or agreement therefor is specifically excluded from the Collateral and the related Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any Person acquiring such interest of the Debtor.

(b) To the extent that the granting of the Security Interest in respect of any agreement, right, licence or permit to which the Debtor is a party would constitute a breach thereof, cause the acceleration thereof, cause the automatic termination thereof or would be terminable at the option of the other party, the Debtor hereby agrees to use commercially reasonable efforts to obtain from the parties to any such lease, agreement, right, licence or permit (except as otherwise provided in the Credit Agreement) any necessary consents (to the extent requested by the Agent) to the charging and assignment thereof in favour of the Agent, and the attachment of the Security Interest thereto shall be postponed until such consent is provided. Upon the provision of such consent, the Security Interest shall immediately attach thereto. Until such attachment, the Debtor shall hold its interest therein in trust for the Agent, unless the holding of such interest by the Debtor in trust for the Agent would constitute a breach thereof, cause the acceleration thereof or result in any of the other aforementioned effects.

(c) "Consumer goods" (as such term is defined in the PPSA) ("**Consumer Goods**") are specifically excluded from the Collateral and the related Security Interest.

7. Additional Provisions re Securities

The Debtor shall duly endorse for transfer all certificates evidencing the Securities, or execute in blank any stock transfer powers of attorney in respect thereof, in either case with signatures guaranteed if so requested by the Agent, acting reasonably. From and after the Acceleration Date, the Debtor shall cause any or all of the Securities to be registered in the name of the Agent or its nominee, and the Agent is hereby appointed the irrevocable attorney of the Debtor with full power of substitution to cause any or all of the Securities to be registered in the name of the Agent or its nominee. Until on or after the Acceleration Date:

- (a) the Debtor shall be entitled to exercise all voting rights attached to the Securities and give consents, waivers and ratifications in respect thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would impose any restriction on the transferability of the Securities or otherwise adversely affect the Security Interest or impair the value of the Securities; and
- (b) the Debtor shall not exercise its voting rights attached to the Securities in connection with any matter which would result in a contravention of the Credit Agreement.

All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately on the Acceleration Date.

8. Representations and Warranties

The Debtor hereby represents and warrants as follows to the Agent and the Lenders, and acknowledges that the Agent and the Lenders are relying thereon:

- (a) the Debtor has the capacity and authority to create the Security Interest and perform its obligations under this Agreement;

- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder has been duly authorized by all necessary proceedings;
- (c) the Collateral is owned by the Debtor free from all Liens except for Permitted Encumbrances;
- (d) the chief executive office of the Debtor is set out in Schedule "F" to the Credit Agreement;
- (e) the Collateral does not include any Consumer Goods; and
- (f) the Securities do not include any certificated securities (other than those set out in Schedule A hereto) and shall not hereafter become certificated without the prior written consent of the Agent. Without limiting the foregoing, all certificates, agreements or instruments representing or evidencing the Securities in existence on the date hereof have been delivered to the Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank.

9. Covenants

The Debtor covenants and agrees as follows:

- (a) not to grant or suffer to exist any Lien in respect of any of its property, except Permitted Encumbrances;
- (b) to prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property other than real property which is subject to a first-ranking Security Interest in favour of the Agent or a landlord agreement in favour of the Agent;
- (c) to deliver to the Agent from time to time upon request of the Agent all items of Collateral comprising Chattel Paper, Instruments, Securities and those Documents of Title which are negotiable;
- (d) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be reasonably required by the Agent to establish in favour of the Agent the Security Interest intended to be created hereby and to accomplish the intention of this Agreement; and
- (e) to pay all reasonable expenses, including reasonable solicitors' and receivers' fees and disbursements, incurred by the Agent or its agents (including any Receiver, as hereinafter defined) in connection with the preparation, perfection, preservation, and enforcement of this Agreement; including all reasonable expenses incurred by the Agent or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable promptly upon demand and shall form part of the Obligations.

10. Enforcement

On or after the Acceleration Date, in addition to exercising any other remedies available at law or equity or contained in any other agreement between the Debtor and the Agent, all of which remedies shall be independent and cumulative, the Agent may:

- (a) enter any premises where Collateral may be located;
- (b) take possession of Collateral by any method permitted by law;
- (c) occupy and use any premises occupied by the Debtor and use all or any of such premises and the Equipment and other Collateral located thereon;
- (d) take such steps and expend such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including payments on account of other security interests affecting the Collateral; provided that the Agent shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Agent shall comprise part of the Obligations and shall be secured hereby;
- (e) sell, lease, license or otherwise dispose of Collateral;
- (f) collect, sell or otherwise deal with Accounts, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Agent of all such present and future amounts due thereon;
- (g) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
- (h) exercise all voting rights attached to the Securities (whether or not registered in the name of the Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the absolute owner thereof;
- (i) exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Securities as if it were the absolute owner thereof including, without limitation, the right to exchange at its discretion any and all of the Securities upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Securities, and in connection therewith, to deposit and deliver any of the Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it;
- (j) comply with any limitation or restriction in connection with any proposed sale or other disposition of the Securities as may be necessary in order to comply with applicable laws and regulations, and policies imposed by any stock exchange, securities commission or other Governmental Authority, and the Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Agent be liable or accountable to the

Debtor for any discount in the sale price of the Securities which may be given by reason of the fact that such Securities are sold in compliance with any such limitation or restriction;

- (k) carry on the business of the Debtor or any portion thereof;
- (l) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor;
- (m) borrow money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;
- (n) apply to any court of competent jurisdiction for the appointment of a receiver or a receiver and manager in respect of the Debtor and/or the Collateral or any portion thereof;
- (o) appoint a receiver or a receiver and manager by private appointment (each of which together is herein called a “Receiver”) in respect of the Debtor and/or the Collateral or any portion thereof;
- (p) accept the Collateral in satisfaction of the Obligations; and
- (q) file proofs of claim and other documents in order to have the claims of the Agent and the Lenders lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral.

11. Receiver

Any Receiver appointed by the Agent may be any person or persons, and the Agent may remove any Receiver so appointed and appoint another or others instead. The Receiver may exercise all powers of the Agent as provided in this Agreement. The Receiver shall act as agent for the Agent for the purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all other purposes, including without limitation the occupation of any premises of the Debtor and in carrying on the Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Agent as it may determine in its discretion, acting reasonably. The Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions, except that such ratification, confirmation, release and indemnity shall not apply to any gross negligence or wilful misconduct on the part of the Receiver.

12. Standards of Sale

The Debtor agrees that it shall be commercially reasonable for the Agent to dispose of Collateral by private sale or public sale, in the Agent's reasonable discretion. If Collateral is disposed of by public

sale, the sale may be held following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven days prior to such sale, and the Agent may establish a reserve bid in respect of all or any portion of the Collateral. Collateral may be disposed of in whole or in part, for cash or credit, or part cash and part credit. The purchaser or lessee of such Collateral may be a customer of the Agent or any Lender. No purchaser shall be bound to enquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale hereunder. The Agent may sell any Collateral without entering into or taking actual possession of any part thereof, and while in possession the Agent shall only be accountable for monies actually received by it. The Agent may commence and continue any sale proceedings notwithstanding that other sale proceedings by other persons have been taken or are then pending.

13. Failure of Agent to Exercise Remedies

The Agent shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

14. Application of Payments

From and after the Acceleration Date, all payments made in respect of the Obligations and all monies received by the Agent or any Receiver appointed by the Agent in respect of the enforcement of the Security Interest (including the receipt of any Money) may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Agent or the Receiver, as the case may be, and the Agent may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Agent may determine in its discretion. The Debtor shall remain liable to the Agent for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

15. Dealings by Agent

Until the Obligations have been satisfied in full, the Agent may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Agent may see fit, acting reasonably, without prejudice to the Obligations and the rights of the Agent to hold and realize upon the Security Interest. The Agent has no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral which includes Chattel Paper or Instruments.

16. Payment of Liens

The Agent may pay and satisfy the whole or any part of any Liens now or hereafter existing in respect of any of the Collateral, and such payments together with all reasonable and documented costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations. In the event of the Agent satisfying any such Lien, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so, acting reasonably.

17. Notice

Without prejudice to any other method of giving notice, any notice by the Agent to the Debtor pursuant to this Agreement shall be effective if made in writing and given to the Debtor at the address of the Debtor and in the manner set out in the Guarantee.

18. Separate Security

This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Agent or the Lenders in respect of the Debtor, the Obligations or the Collateral.

19. Lenders Not Obligated to Extend Credit

Nothing in this Agreement shall obligate the Lenders to make any loan or other extension of credit to the Borrower, or extend the time for payment or satisfaction of any Obligations.

20. Severability

If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

21. Time of Essence

Time shall be of the essence of this Agreement.

22. Inconsistencies with Credit Agreement

To the extent that there is any inconsistency between a provision of this Agreement and a provision of the Credit Agreement, the said provision in the Credit Agreement shall govern.

23. Entire Agreement

Except as aforesaid, this Agreement and any other documents or instruments contemplated hereby shall constitute the entire agreement and understanding between the Debtor and the Agent relating to the subject-matter hereof. No provision of this Agreement, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification, waiver or termination is sought to be enforced. There are no representations, warranties or collateral agreements in effect between the Debtor and the Agent relating to the subject-matter hereof; and possession of an executed copy of this Agreement by the Agent constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.

24. Grammatical Changes

This Agreement is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made, specifically including a reference to a person as a corporation and vice-versa.

25. Governing Law; Submission to Jurisdiction

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Agent to enforce this Agreement in any other proper jurisdiction, the Debtor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Ontario.

26. Power of Attorney

The Debtor hereby constitutes and appoints the Agent or any officer thereof, at any time and from time to time on or after the Acceleration Date, as its true, lawful and irrevocable attorney, with full power of substitution, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Debtor arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of the Debtor whenever and wherever it may be considered necessary or expedient. The foregoing power of attorney is coupled with an interest and is irrevocable.

27. Successors and Assigns

This Agreement is binding upon the parties hereto, and their respective successors and permitted assigns.

28. Amalgamation of Debtor

If the Debtor amalgamates with any other corporation or corporations, it is the intention of the parties that this Agreement shall continue in full force and effect and shall be binding upon the amalgamated corporation, and for greater certainty, that:

- (a) the Security Interest shall: (i) continue to secure the Obligations; (ii) secure all obligations of each other amalgamating corporation to the Agent and the Lenders (which obligations shall constitute Obligations of the amalgamated corporation); and (iii) secure all obligations of the amalgamated corporation to the Agent and the Lenders arising after the amalgamation; and the term "Obligations" shall include all such obligations of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (b) the Security Interest shall: (i) continue to attach to all property and assets of the Debtor; (ii) attach to all property and assets of each other amalgamating corporation (which property and assets shall be the property and assets of the amalgamated corporation); and (iii) attach to all property and assets of the amalgamated corporation acquired after the amalgamation; and the term "Collateral" shall include all such property and assets of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (c) all defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context; and
- (d) the amalgamated corporation shall execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

29. Execution by Facsimile or PDF; Execution in Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same agreement. This Agreement may be executed by facsimile or electronic transmission of a printable image in 'pdf' or other file format of a signature or signatures applied to this Agreement, and any such signature or signatures shall be treated as original for all purposes.

30. Acknowledgment and Waiver


The Debtor:

- (a) acknowledges receipt of an executed copy of this Agreement; and
- (b) waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments hereto.

[The remainder of this page is intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the Debtor has executed this Agreement effective as of the day and year first above written.

FINAL BELL CANADA INC.

By: 
Name: Greg Boone
Title: President

By: _____
Name:
Title:

I/we have authority to bind the corporation.

IN WITNESS WHEREOF, the Debtor has executed this Agreement effective as of the day and year first above written.

FINAL BELL CANADA INC.

By: _____

Name:

Title:

DocuSigned by:

Jennifer Maccarone

By: _____

Name: Jennifer Maccarone

Title: COO

I/we have authority to bind the corporation.

SCHEDULE "A"
PLEDGED SECURITIES

<u>Issuer</u>	<u>Certificate Number</u>	<u>Number and Class of Shares</u>
Final Bell Corp.	No. C-4	100 common shares

SCHEDULE "B"

INTELLECTUAL PROPERTY

Owned Intellectual Property

N/A

Licensed Intellectual Property

Mark	Registration / Application #	Jurisdictions	Owner
SHERBINSKIS	1987175	Canada	APHAEA, LLC
MOCHI	1868158	Canada	APHAEA, LLC
COOKIES	1881704	Canada	Cookies Creative Consulting & Promotions, LLC
COOKIES DESIGN	1881708	Canada	Cookies Creative Consulting & Promotions, LLC
C. BITE DESIGN	1881714	Canada	Cookies Creative Consulting & Promotions, LLC
BEURRE BLANC	2098405	Canada	Final Bell Holdings, LLC
FINAL BELL	2098408	Canada	Final Bell Holdings, LLC
PAX	1937404	Canada	Pax Labs, Inc.
PAX DESIGN	2142108	Canada	Pax Labs, Inc.
ERA PRO	1989692	Canada	Pax Labs, Inc.
ANIMAL	N/A	Canada	Final Bell Holdings International
SEV7N	1977922	Canada	Seven Leaf Canada
SOVEREIGN		Canada	Seven Leaf Canada

GENERAL SECURITY AGREEMENT

This Agreement is made this 8 day of January, 2024

BETWEEN:

FINAL BELL CORP.
(the "**Debtor**")

- and -

CORTLAND CREDIT LENDING CORPORATION, as Administrative Agent
(the "**Agent**")

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Debtor hereby agrees with the Agent as follows:

1. Interpretation

Reference is made to the second amended and restated credit agreement among The Green Organic Dutchman Ltd. (the "**Borrower**"), the Agent and the lenders from time to time party thereto dated on or about the date hereof (as it may be amended, amended and restated, supplemented or otherwise modified from time to time, collectively, the "**Credit Agreement**"). Terms used herein as defined terms shall have the respective meanings ascribed in the Credit Agreement, unless otherwise defined herein. In addition, the following terms shall have the respective meanings set forth below:

"**Acceleration Date**" means the delivery by the Agent to an Obligor of a written notice that the Obligations (as hereinafter defined) are immediately due and payable, following the occurrence and during the continuation of an Event of Default.

"**Collateral**" means the present and after-acquired real and personal property of the Debtor and all Inventory, Equipment, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities, Documents, Undertaking and Proceeds (as such terms are defined herein), subject to any exceptions identified in Section 6 of this Agreement. Any reference in this Agreement to Collateral shall mean Collateral or any part thereof, unless the context otherwise requires.

"**PPSA**" means the *Personal Property Security Act* (Ontario), including the regulations thereto and related Minister's Orders, provided that if perfection or the effect of or non-perfection or the priority of any Lien created hereunder or under any other Security Agreement on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in any applicable jurisdiction in Canada, "**PPSA**" means the *Personal Property Security Act* or such other applicable legislation (including, the Civil Code of Quebec) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"**Security Interest**" means the grants, mortgages, charges, transfers, assignments and security interests herein created.

2. **Creation of Security Interest; Obligations Secured**

The Debtor hereby grants to and in favour of the Agent, as continuing security for the payment and performance of (i) all present and future, direct and indirect, contingent and absolute obligations and liabilities of the Debtor to the Agent and the Lenders arising under or in connection with the Credit Agreement and all Guarantees provided by the Debtor from time to time in respect of the indebtedness and liabilities of the Borrower thereunder, and (ii) all obligations of the Debtor to the Agent and the Lenders arising under this Agreement (collectively, the "**Obligations**"), a security interest in, and hereby mortgages, charges and assigns to and in favour of the Agent, all present and after-acquired real and personal property of the Debtor, including the following:

Equipment

- (a) all present and after-acquired equipment of the Debtor, including all machinery, fixtures, plant, tools, furniture, vehicles of any kind or description, all spare parts, accessories installed in or affixed or attached to any of the foregoing, and all drawings, specifications, plans and manuals relating thereto (collectively, "**Equipment**");

Inventory

- (b) all present and after-acquired inventory of the Debtor, including all raw materials, materials used or consumed in the business of the Debtor, work-in-progress, finished goods, goods used for packing, materials used in the business of the Debtor not intended for sale, and goods acquired or held for sale or furnished or to be furnished under contracts of rental or service (collectively, "**Inventory**");

Accounts

- (c) all present and after-acquired debts, demands and amounts due or accruing due to the Debtor whether or not earned by performance, including without limitation its book debts, accounts receivable, and claims under policies of insurance; and all contracts, security interests and other rights and benefits in respect thereof and all other present and after-acquired accounts receivable and amounts due or accruing due to the Debtor evidenced by any deposit receipts, term deposits, guaranteed investment certificates or other evidence of debt obligations issued by a bank, trust company or other financial institution, and all replacements, renewals and substitutions therefor (collectively, "**Accounts**");

Intangibles

- (d) all present and future intangible personal property of the Debtor, including all contract rights, goodwill, and Intellectual Property (as hereinafter defined), and all other choses in action of the Debtor of every kind, whether due at the present time or hereafter to become due or owing, that are not "goods" (as such term is defined in the PPSA) (collectively, "**Goods**"), Chattel Paper (as hereinafter defined), Documents of Title (as

hereinafter defined), Instruments (as hereinafter defined), Money (as hereinafter defined) or Investment Property (as hereinafter defined) (collectively, "**Intangibles**"); as used herein, "**Intellectual Property**" means all of the Debtor's present and future intellectual property including without limitation, (i) copyrights, (ii) patents, (iii) trademarks, trade names, business names, trade styles, logos and all other forms of business identifiers, and (iv) trade secrets and other confidential information and data in any form or format, including without limitation, all know-how obtained, developed or used in or contemplated at any time for use in the business, affairs, undertaking and operations of the Debtor now or hereafter owned generated or acquired, including in each instance all related additions, improvements and accessories thereto and replacements thereof (whether registered or unregistered) including without limitation, the intellectual property described in Schedule B attached hereto;

Documents of Title

- (e) all present and after-acquired "documents of title" (as such term is defined in the PPSA) of the Debtor, whether negotiable or otherwise including all warehouse receipts and bills of lading (collectively, "**Documents of Title**");

Chattel Paper

- (f) all present and after-acquired agreements made between the Debtor as secured party and others which evidence both a monetary obligation and a security interest in or a lease of specific Goods (collectively, "**Chattel Paper**");

Instruments

- (g) all present and after-acquired bills, notes and cheques (as such are defined pursuant to the *Bills of Exchange Act* (Canada)), and all other writings that evidence a right to the payment of money and are of a type that in the ordinary course of business are transferred by delivery without any necessary endorsement or assignment (collectively, "**Instruments**");

Money

- (h) all present and after-acquired "money" (as such term is defined in the PPSA) of the Debtor, whether authorized or adopted by the Parliament of Canada as part of its currency or any foreign government as part of its currency (collectively, "**Money**");

Securities

- (i) all present and after-acquired securities held by the Debtor, including shares, options, rights, warrants, joint venture interests, interests in limited partnerships, bonds, debentures, "financial assets" (as such term is defined in the *Securities Transfer Act, 2006* (Ontario)) and "investment property" (as such term is defined in the PPSA) (collectively, "**Investment Property**") and all other documents which constitute evidence of a share, participation or other interest of the Debtor in property or in an enterprise or which constitute evidence of an obligation of the issuer; and all substitutions therefor and dividends and income derived therefrom (collectively,

"Securities"); and for greater certainty, specifically including, without limitation, the Securities listed in Schedule "A" attached hereto or otherwise acknowledged in writing by the Debtor as comprising part of the Collateral;

Documents

- (j) all books, accounts, invoices, letters, papers, documents and other records in any form evidencing or relating to collateral subject to the Security Interest (collectively, "**Documents**");

Undertaking

- (k) all present and after-acquired real and personal property, business, and undertaking of the Debtor not being Inventory, Equipment, Accounts, Intangibles, Documents of Title, Chattel Paper, Instruments, Money, Securities or Documents (collectively, "**Undertaking**"); and

Proceeds

- (l) all personal property in any form derived directly or indirectly from any dealing with collateral subject to the Security Interest or the proceeds therefrom, including insurance proceeds and any other payment representing indemnity or compensation for loss of or damage thereto or the proceeds therefrom (collectively, "**Proceeds**").

3. Further Description of Collateral

Without limiting the generality of the description of Collateral as set out in Section 2, for greater certainty the Collateral shall include all present and after-acquired real and personal property in which the Debtor may have an interest which may be specifically described in any schedule which may be attached hereto. The Debtor agrees to execute and deliver at its own expense from time to time amendments to this Agreement or additional security agreements as may be reasonably required by the Agent in order that the Security Interest shall attach to such real and personal property.

4. Attachment

The Debtor acknowledges that value has been given, the parties have not agreed to postpone the time for attachment of the Security Interest and the Debtor has rights in the Collateral which exists as at the date of this Agreement. In respect of Collateral in which the Debtor obtains an interest after the execution and delivery of this Agreement, the Security Interest shall attach thereto immediately upon the Debtor obtaining such rights.

5. Dealings with Collateral

The Debtor may sell Inventory and collect Accounts in the ordinary course of its business until on or after the Acceleration Date. After the Acceleration Date, the Debtor's entitlement to sell Inventory and collect Accounts shall cease, and any Accounts thereafter collected by the Debtor shall be held by in trust for the Agent and shall be paid to the Agent immediately upon receipt.

6. Exception re Leasehold Interests, Contractual Rights and Consumer Goods

(a) The last day of the term of any lease or sublease of any real property or agreement therefor is specifically excluded from the Collateral and the related Security Interest, but the Debtor agrees to stand possessed of such last day in trust for any Person acquiring such interest of the Debtor.

(b) To the extent that the granting of the Security Interest in respect of any agreement, right, licence or permit to which the Debtor is a party would constitute a breach thereof, cause the acceleration thereof, cause the automatic termination thereof or would be terminable at the option of the other party, the Debtor hereby agrees to use commercially reasonable efforts to obtain from the parties to any such lease, agreement, right, licence or permit (except as otherwise provided in the Credit Agreement) any necessary consents (to the extent requested by the Agent) to the charging and assignment thereof in favour of the Agent, and the attachment of the Security Interest thereto shall be postponed until such consent is provided. Upon the provision of such consent, the Security Interest shall immediately attach thereto. Until such attachment, the Debtor shall hold its interest therein in trust for the Agent, unless the holding of such interest by the Debtor in trust for the Agent would constitute a breach thereof, cause the acceleration thereof or result in any of the other aforementioned effects.

(c) "Consumer goods" (as such term is defined in the PPSA) ("**Consumer Goods**") are specifically excluded from the Collateral and the related Security Interest.

7. Additional Provisions re Securities

The Debtor shall duly endorse for transfer all certificates evidencing the Securities, or execute in blank any stock transfer powers of attorney in respect thereof, in either case with signatures guaranteed if so requested by the Agent, acting reasonably. From and after the Acceleration Date, the Debtor shall cause any or all of the Securities to be registered in the name of the Agent or its nominee, and the Agent is hereby appointed the irrevocable attorney of the Debtor with full power of substitution to cause any or all of the Securities to be registered in the name of the Agent or its nominee. Until on or after the Acceleration Date:

- (a) the Debtor shall be entitled to exercise all voting rights attached to the Securities and give consents, waivers and ratifications in respect thereof; provided, however, that no vote shall be cast or consent, waiver or ratification given or action taken which would impose any restriction on the transferability of the Securities or otherwise adversely affect the Security Interest or impair the value of the Securities; and
- (b) the Debtor shall not exercise its voting rights attached to the Securities in connection with any matter which would result in a contravention of the Credit Agreement.

All such rights of the Debtor to vote and give consents, waivers and ratifications shall cease immediately on the Acceleration Date.

8. Representations and Warranties

The Debtor hereby represents and warrants as follows to the Agent and the Lenders, and acknowledges that the Agent and the Lenders are relying thereon:

- (a) the Debtor has the capacity and authority to create the Security Interest and perform its obligations under this Agreement;

- (b) the execution and delivery of this Agreement and the performance by the Debtor of its obligations hereunder has been duly authorized by all necessary proceedings;
- (c) the Collateral is owned by the Debtor free from all Liens except for Permitted Encumbrances;
- (d) the chief executive office of the Debtor is set out in Schedule "F" to the Credit Agreement;
- (e) the Collateral does not include any Consumer Goods; and
- (f) the Securities do not include any certificated securities (other than those set out in Schedule A hereto) and shall not hereafter become certificated without the prior written consent of the Agent. Without limiting the foregoing, all certificates, agreements or instruments representing or evidencing the Securities in existence on the date hereof have been delivered to the Agent in suitable form for transfer by delivery or accompanied by duly executed instruments of transfer or assignment in blank.

9. Covenants

The Debtor covenants and agrees as follows:

- (a) not to grant or suffer to exist any Lien in respect of any of its property, except Permitted Encumbrances;
- (b) to prevent the Collateral from becoming an accession to any personal property not subject to this Agreement, or becoming affixed to any real property other than real property which is subject to a first-ranking Security Interest in favour of the Agent or a landlord agreement in favour of the Agent;
- (c) to deliver to the Agent from time to time upon request of the Agent all items of Collateral comprising Chattel Paper, Instruments, Securities and those Documents of Title which are negotiable;
- (d) to do, make, execute and deliver such further and other assignments, transfers, deeds, security agreements and other documents as may be reasonably required by the Agent to establish in favour of the Agent the Security Interest intended to be created hereby and to accomplish the intention of this Agreement; and
- (e) to pay all reasonable expenses, including reasonable solicitors' and receivers' fees and disbursements, incurred by the Agent or its agents (including any Receiver, as hereinafter defined) in connection with the preparation, perfection, preservation, and enforcement of this Agreement; including all reasonable expenses incurred by the Agent or such agents in dealing with other creditors of the Debtor in connection with the establishment and confirmation of the priority of the Security Interest; all of which expenses shall be payable promptly upon demand and shall form part of the Obligations.

10. Enforcement

On or after the Acceleration Date, in addition to exercising any other remedies available at law or equity or contained in any other agreement between the Debtor and the Agent, all of which remedies shall be independent and cumulative, the Agent may:

- (a) enter any premises where Collateral may be located;
- (b) take possession of Collateral by any method permitted by law;
- (c) occupy and use any premises occupied by the Debtor and use all or any of such premises and the Equipment and other Collateral located thereon;
- (d) take such steps and expend such monies as it considers necessary or desirable in its sole discretion to maintain, preserve and protect the Collateral, including payments on account of other security interests affecting the Collateral; provided that the Agent shall have no obligation to take any such actions or make any such expenditures; but any such amounts paid by the Agent shall comprise part of the Obligations and shall be secured hereby;
- (e) sell, lease, license or otherwise dispose of Collateral;
- (f) collect, sell or otherwise deal with Accounts, including notifying any person obligated to the Debtor in respect of an Account, Chattel Paper or an Instrument to make payment to the Agent of all such present and future amounts due thereon;
- (g) collect any rents, income, and profits received in connection with the business of the Debtor or the Collateral, without carrying on such business;
- (h) exercise all voting rights attached to the Securities (whether or not registered in the name of the Agent or its nominee) and give or withhold all consents, waivers and ratifications in respect thereof and otherwise act with respect thereto as though it were the absolute owner thereof;
- (i) exercise any and all rights of conversion, exchange, subscription or any other rights, privileges or options pertaining to any of the Securities as if it were the absolute owner thereof including, without limitation, the right to exchange at its discretion any and all of the Securities upon the merger, consolidation, reorganization, recapitalization or other readjustment of any issuer thereof, or upon the exercise by any issuer of any right, privilege or option pertaining to any of the Securities, and in connection therewith, to deposit and deliver any of the Securities with any committee, depository, transfer agent, registrar or other designated agency upon such terms and conditions as it may determine, all without liability except to account for property actually received by it;
- (j) comply with any limitation or restriction in connection with any proposed sale or other disposition of the Securities as may be necessary in order to comply with applicable laws and regulations, and policies imposed by any stock exchange, securities commission or other Governmental Authority, and the Debtor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Agent be liable or accountable to the

Debtor for any discount in the sale price of the Securities which may be given by reason of the fact that such Securities are sold in compliance with any such limitation or restriction;

- (k) carry on the business of the Debtor or any portion thereof;
- (l) demand, commence, continue or defend any judicial or administrative proceedings for the purpose of protecting, seizing, collecting, realizing or obtaining possession or payment of the Collateral, and give valid and effectual receipts and discharges therefor and to compromise or give time for the payment or performance of all or any part of the Accounts or any other obligation of any third party to the Debtor;
- (m) borrow money for the maintenance, preservation or protection of the Collateral or for the carrying on of the business of the Debtor, and charge and grant further security interests in the Collateral in priority to the Security Interest, as security for the money so borrowed;
- (n) apply to any court of competent jurisdiction for the appointment of a receiver or a receiver and manager in respect of the Debtor and/or the Collateral or any portion thereof;
- (o) appoint a receiver or a receiver and manager by private appointment (each of which together is herein called a “Receiver”) in respect of the Debtor and/or the Collateral or any portion thereof;
- (p) accept the Collateral in satisfaction of the Obligations; and
- (q) file proofs of claim and other documents in order to have the claims of the Agent and the Lenders lodged in any bankruptcy, winding-up, or other judicial proceeding relating to the Debtor or the Collateral.

11. Receiver

Any Receiver appointed by the Agent may be any person or persons, and the Agent may remove any Receiver so appointed and appoint another or others instead. The Receiver may exercise all powers of the Agent as provided in this Agreement. The Receiver shall act as agent for the Agent for the purposes of taking possession of the Collateral, and (except as provided below) as agent for the Debtor for all other purposes, including without limitation the occupation of any premises of the Debtor and in carrying on the Debtor's business. For the purposes of realizing upon the Security Interest, the Receiver may sell, lease, or otherwise dispose of Collateral as agent for the Debtor or as agent for the Agent as it may determine in its discretion, acting reasonably. The Debtor agrees to ratify and confirm all actions of the Receiver acting as agent for the Debtor, and to release and indemnify the Receiver in respect of all such actions, except that such ratification, confirmation, release and indemnity shall not apply to any gross negligence or wilful misconduct on the part of the Receiver.

12. Standards of Sale

The Debtor agrees that it shall be commercially reasonable for the Agent to dispose of Collateral by private sale or public sale, in the Agent's reasonable discretion. If Collateral is disposed of by public

sale, the sale may be held following one advertisement in a newspaper having general circulation in the location of the Collateral to be sold at least seven days prior to such sale, and the Agent may establish a reserve bid in respect of all or any portion of the Collateral. Collateral may be disposed of in whole or in part, for cash or credit, or part cash and part credit. The purchaser or lessee of such Collateral may be a customer of the Agent or any Lender. No purchaser shall be bound to enquire into the legality, regularity or propriety of any sale or be affected by notice of any irregularity or impropriety and no lack of default or want of notice or other requirement or any irregularity or impropriety of any kind shall invalidate any sale hereunder. The Agent may sell any Collateral without entering into or taking actual possession of any part thereof, and while in possession the Agent shall only be accountable for monies actually received by it. The Agent may commence and continue any sale proceedings notwithstanding that other sale proceedings by other persons have been taken or are then pending.

13. Failure of Agent to Exercise Remedies

The Agent shall not be liable for any delay or failure to enforce any remedies available to it or to institute any proceedings for such purposes.

14. Application of Payments

From and after the Acceleration Date, all payments made in respect of the Obligations and all monies received by the Agent or any Receiver appointed by the Agent in respect of the enforcement of the Security Interest (including the receipt of any Money) may be held as security for the Obligations or applied in such manner as may be determined in the discretion of the Agent or the Receiver, as the case may be, and the Agent may at any time apply or change any such appropriation of such payments or monies to such part or parts of the Obligations as the Agent may determine in its discretion. The Debtor shall remain liable to the Agent for any deficiency; and any surplus funds realized after the satisfaction of all Obligations shall be paid in accordance with applicable law.

15. Dealings by Agent

Until the Obligations have been satisfied in full, the Agent may grant extensions of time and other indulgences, take and give up securities, accept compositions, grant releases and discharges, and otherwise deal with the Collateral, the Debtor, debtors of the Debtor, sureties of the Debtor, and others as the Agent may see fit, acting reasonably, without prejudice to the Obligations and the rights of the Agent to hold and realize upon the Security Interest. The Agent has no obligation to keep Collateral identifiable, or to preserve rights against prior secured creditors in respect of any Collateral which includes Chattel Paper or Instruments.

16. Payment of Liens

The Agent may pay and satisfy the whole or any part of any Liens now or hereafter existing in respect of any of the Collateral, and such payments together with all reasonable and documented costs, charges and expenses which may be incurred in connection with making such payments shall form part of the Obligations. In the event of the Agent satisfying any such Lien, it shall be entitled to all the equities and securities of the Person or Persons so paid and is hereby authorized to obtain any discharge thereof and hold such discharge without registration for so long as it may deem advisable to do so, acting reasonably.

17. Notice

Without prejudice to any other method of giving notice, any notice by the Agent to the Debtor pursuant to this Agreement shall be effective if made in writing and given to the Debtor at the address of the Debtor and in the manner set out in the Guarantee.

18. Separate Security

This Agreement and the Security Interest are in addition to and not in substitution for any other security now or hereafter held by the Agent or the Lenders in respect of the Debtor, the Obligations or the Collateral.

19. Lenders Not Obligated to Extend Credit

Nothing in this Agreement shall obligate the Lenders to make any loan or other extension of credit to the Borrower, or extend the time for payment or satisfaction of any Obligations.

20. Severability

If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

21. Time of Essence

Time shall be of the essence of this Agreement.

22. Inconsistencies with Credit Agreement

To the extent that there is any inconsistency between a provision of this Agreement and a provision of the Credit Agreement, the said provision in the Credit Agreement shall govern.

23. Entire Agreement

Except as aforesaid, this Agreement and any other documents or instruments contemplated hereby shall constitute the entire agreement and understanding between the Debtor and the Agent relating to the subject-matter hereof. No provision of this Agreement, or any other document or instrument in existence among the parties may be modified, waived or terminated except by an instrument in writing executed by the party against whom such modification, waiver or termination is sought to be enforced. There are no representations, warranties or collateral agreements in effect between the Debtor and the Agent relating to the subject-matter hereof; and possession of an executed copy of this Agreement by the Agent constitutes conclusive evidence that it was executed and delivered by the Debtor free of all conditions.

24. Grammatical Changes

This Agreement is to be read as if all changes in grammar, number and gender rendered necessary by the context had been made, specifically including a reference to a person as a corporation and vice-versa.

25. Governing Law; Submission to Jurisdiction

This Agreement shall be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the Agent to enforce this Agreement in any other proper jurisdiction, the Debtor hereby irrevocably submits and attorns to the jurisdiction of the courts of the Province of Ontario.

26. Power of Attorney

The Debtor hereby constitutes and appoints the Agent or any officer thereof, at any time and from time to time on or after the Acceleration Date, as its true, lawful and irrevocable attorney, with full power of substitution, to execute all documents and take all actions as may be necessary or desirable to perform any obligations of the Debtor arising pursuant to this Agreement, and in executing such documents and taking such actions, to use the name of the Debtor whenever and wherever it may be considered necessary or expedient. The foregoing power of attorney is coupled with an interest and is irrevocable.

27. Successors and Assigns

This Agreement is binding upon the parties hereto, and their respective successors and permitted assigns.

28. Amalgamation of Debtor

If the Debtor amalgamates with any other corporation or corporations, it is the intention of the parties that this Agreement shall continue in full force and effect and shall be binding upon the amalgamated corporation, and for greater certainty, that:

- (a) the Security Interest shall: (i) continue to secure the Obligations; (ii) secure all obligations of each other amalgamating corporation to the Agent and the Lenders (which obligations shall constitute Obligations of the amalgamated corporation); and (iii) secure all obligations of the amalgamated corporation to the Agent and the Lenders arising after the amalgamation; and the term "Obligations" shall include all such obligations of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (b) the Security Interest shall: (i) continue to attach to all property and assets of the Debtor; (ii) attach to all property and assets of each other amalgamating corporation (which property and assets shall be the property and assets of the amalgamated corporation); and (iii) attach to all property and assets of the amalgamated corporation acquired after the amalgamation; and the term "Collateral" shall include all such property and assets of the Debtor, the other amalgamating corporations and the amalgamated corporation;
- (c) all defined terms and other provisions of this Agreement shall be deemed to have been amended to reflect such amalgamation, to the extent required by the context; and
- (d) the amalgamated corporation shall execute and deliver all such further documents and assurances as may be necessary or desirable in connection with the foregoing.

29. Execution by Facsimile or PDF; Execution in Counterparts

This Agreement may be executed in several counterparts, each of which, when so executed, shall be deemed to be an original and which counterparts together shall constitute one and the same agreement. This Agreement may be executed by facsimile or electronic transmission of a printable image in 'pdf' or other file format of a signature or signatures applied to this Agreement, and any such signature or signatures shall be treated as original for all purposes.

30. Acknowledgment and Waiver

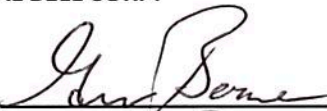
The Debtor:

- (a) acknowledges receipt of an executed copy of this Agreement; and
- (b) waives all rights to receive from the Lender a copy of any financing statement, financing change statement or verification statement filed or issued, as the case may be, at any time in respect of this Agreement or any amendments hereto.

[The remainder of this page is intentionally blank. Signature page follows.]

IN WITNESS WHEREOF, the Debtor has executed this Agreement effective as of the day and year first above written.

FINAL BELL CORP.

By:  _____
Name: Greg Boone
Title: CEO

By: _____
Name:
Title:

I/we have authority to bind the corporation.

IN WITNESS WHEREOF, the Debtor has executed this Agreement effective as of the day and year first above written.

FINAL BELL CORP.

By: _____

Name:

Title:

DocuSigned by:
Jennifer Maccarone

By: _____

Name: Jennifer Maccarone

Title: COO

I/we have authority to bind the corporation.

SCHEDULE "A"
PLEDGED SECURITIES

N/A

SCHEDULE "B"

INTELLECTUAL PROPERTY

Owned Intellectual Property

N/A

Licensed Intellectual Property

N/A

This is Exhibit "G" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

**SHORT FORM INTELLECTUAL PROPERTY SECURITY AGREEMENT
(CANADA)**

This INTELLECTUAL PROPERTY SECURITY AGREEMENT (as amended, amended and restated, supplemented or otherwise modified from time to time, the "**IP Security Agreement**") dated January 8, 2024 is made by Final Bell Canada Inc., a corporation formed under the laws of the Province of Ontario (together with its successors and permitted assigns, the "**Pledgor**"), in favour of Cortland Credit Lending Corporation, in its capacity as administrative agent (together with its successors and assigns, the "**Secured Party**").

WHEREAS The Green Organic Dutchman Ltd. (the "**Borrower**") has applied for and the Secured Party has agreed to advance certain financial accommodations to the Borrower on the terms and conditions set out in a second amended and restated credit agreement dated as of the date of this IP Security Agreement (as amended, amended and restated, supplemented or otherwise modified from time to time, collectively, the "**Credit Agreement**");

AND WHEREAS (i) the Pledgor is an affiliate of the Borrower; (ii) the Pledgor has benefited from the financial accommodations provided by the Secured Party to the Borrower pursuant to the Credit Agreement; (iii) the Pledgor has granted to the Secured Party, as security for all obligations owing by the Pledgor to the Secured Party from time to time pursuant to the Credit Agreement or otherwise (the "**Obligations**"), a security interest in, among other property, the intellectual property of the Pledgor, pursuant to a general security agreement dated as of the date of this IP Security Agreement between the Pledgor and the Secured Party (as it may be amended, restated, modified or supplemented and in effect from time to time, the "**Security Agreement**");

AND WHEREAS the Pledgor has agreed to execute this IP Security Agreement for recording with the Canadian Intellectual Property Office.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

SECTION 1. Grant of Security. The Pledgor hereby grants to the Secured Party a security interest in, and confirms the grant of a security interest by the Pledgor on the terms and conditions of the Security Agreement of, all of the Pledgor's right, title and interest in and to the rights in all of the trademarks that are owned by or licensed to the Pledgor, including but not limited to those set forth in Schedule A hereto, as such schedule may be amended, restated or otherwise modified from time to time (collectively, the "**Collateral**").

SECTION 2. Security for Obligations. The grant of a security interest in the Collateral by the Pledgor under this IP Security Agreement and under the Security Agreement secures the full and prompt payment when due (whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) and performance of the Obligations.

SECTION 3. Recordation. This IP Security Agreement has been executed and delivered by the Pledgor for the purpose of recording the grant of security interest herein and in the Security Agreement with the Canadian Intellectual Property Office. The Pledgor authorizes and requests that the Registrar of Trademarks record this IP Security Agreement.

SECTION 4. Execution in Counterparts. This IP Security Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

SECTION 5. Grants, Rights and Remedies. This IP Security Agreement has been entered into in conjunction with the provisions of the Security Agreement. The Pledgor does hereby acknowledge and confirm that each of the grant of the security interest hereunder and under the Security Agreement and the rights and remedies of the Secured Party with respect to the Collateral, are more fully set forth in the Security Agreement and such other documents as may be entered into in connection therewith from time to time. The terms and provisions of the Security Agreement are incorporated herein by reference as if fully set forth herein.


SECTION 6. Governing Law. This IP Security Agreement shall be governed by, and construed in accordance with, the laws of the Province of Ontario.

SECTION 7. Severability. In case any one or more of the provisions contained in this IP Security Agreement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

[Remainder of page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, this IP Security Agreement has been executed by the parties as of the date first written above.

FINAL BELL CANADA INC.

By:  _____
Name: Greg Boone
Title: President

**CORTLAND CREDIT LENDING CORPORATION, as
Administrative Agent**

By: _____
Name:
Title:

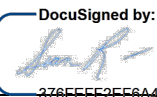
IN WITNESS WHEREOF, this IP Security Agreement has been executed by the parties as of the date first written above.

FINAL BELL CANADA INC.

By: _____
Name:
Title:

**CORTLAND CREDIT LENDING CORPORATION, as
Administrative Agent**

By: _____
Name: Sean Register
Title: CEO

DocuSigned by:

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Schedule A

TRADEMARKS

Owned Intellectual Property

N/A

Licensed Intellectual Property

Mark	Registration / Application #	Jurisdictions	Owner
SHERBINSKIS	1987175	Canada	APHAEA, LLC
MOCHI	1868158	Canada	APHAEA, LLC
COOKIES	1881704	Canada	Cookies Creative Consulting & Promotions, LLC
COOKIES DESIGN	1881708	Canada	Cookies Creative Consulting & Promotions, LLC
C. BITE DESIGN	1881714	Canada	Cookies Creative Consulting & Promotions, LLC
BEURRE BLANC	2098405	Canada	Final Bell Holdings, LLC
FINAL BELL	2098408	Canada	Final Bell Holdings, LLC
PAX	1937404	Canada	Pax Labs, Inc.
PAX DESIGN	2142108	Canada	Pax Labs, Inc.
ERA PRO	1989692	Canada	Pax Labs, Inc.
ANIMAL	N/A	Canada	Final Bell Holdings International
SEV7N	1977922	Canada	Seven Leaf Canada
SOVEREIGN		Canada	Seven Leaf Canada

This is Exhibit "H" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2024/01/04 004 01274
 1793A20240104D

Registration No. (for office use only) / N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

01



Form **3C** 10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne) **PPSA**

31 Reference File Number / N° de dossier de référence: **501696486** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée(C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit) First Given Name / Premier prénom Initial / Initiale Surname / Nom de famille

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit): **FINAL BELL CANADA INC.** Ontario Corporation No. / N° matriculé de la personne morale en Ontario

09/16 Secured Party/Lien Claimant/ Registering Agent / Créancier garanti/ Créancier privilégié/ Agent d'enregistrement Address/Adresse City, etc / Ville, etc. Prov./Prov. Postal Code/Code postal

AIRD & BERLIS LLP (313333)
181 BAY STREET, SUITE 1800
TORONTO ON M5J2T9

Authorized Signature / Signature autorisée
 Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié

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Verification Statement / État de vérification

Form Type / Type de formule	Page / Page	Line / Ligne	*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective. / *La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.	Page / Page	OF / DE	Total Pages / Nombre de pages	*Expiry Date / *Date d'expiration YYYY/AAAA MM/MM DD/JJ
				1		1	2029/01/04

1C 1 00 501696486

1C 1 01 CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 1 MV SCHEDULE

1C 1 01 ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20240104 1034 1793 8900

1C 1 01 REG UNDER/T. ENREG: P REG PERIOD/PERIODE: 5

1C 1 03 FINAL BELL CANADA INC.

1C 1 04 1100 BENNETT ROAD

1C 1 04 BOWMANVILLE ON L1C3K5

1C 1 08 CORTLAND CREDIT LENDING CORPORATION, AS AGENT

1C 1 09 200 BAY ST., SUITE 3230

1C 1 09 TORONTO ON M5J2J2

1C 1 10 CONS GOODS/BIENS CONS: INVTRY/STOCK: X EQUIP/MATER: X

1C 1 10 ACCTS/COMPT: X OTHER/AUTRE: X MV INCL/VA INCLUS: X

1C 1 10 AMOUNT/MONTANT: DATE OF MATURITY/DATE ECHEANCE:

1C 1 10 NO FIXED MAT DATE/D'ECHE PAS DET:

1C 1 16 AIRD & BERLIS LLP (313333)

1C 1 17 181 BAY STREET, SUITE 1800

1C 1 17 TORONTO ON M5J2T9

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

Financing Change Statement / Change Statement
État de modification du financement / État de modification

2024/01/12 012 01386
 9234A20240112A

Registration No. (for office use only) / N° d'enregistrement (usage interne)
 YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence



Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form **3C**
 Formule **3C**

10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne)

31 Reference File Number / N° de dossier de référence: **501696486** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso)

22 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit)
 First Given Name / Premier prénom Initial / Initiale Surname / Nom de famille

23 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit): **HIGH ROAD HOLDING CORP.**
 Ontario Corporation No. / N° matricule de la personne morale en Ontario

08/16 Secured Party / Lien Claimant / Registering Agent / Créancier garanti / Créancier privilégié / Agent d'enregistrement
 Address / Adresse City, etc. / Ville, etc. Prov. / Prov. Postal Code / Code postal

CASSELS BROCK & BLACKWELL LLP
 (057175-00006/HD)
 3200-40 TEMPERANCE ST.
 TORONTO ON M5H 0B4

Authorized Signature / Signature autorisée
 Name and Signature of Secured Party / Lien Claimant OR Name of Secured Party / Lien Claimant AND Name and Signature of Agent of Secured Party / Lien Claimant / Nom et signature du créancier garanti / créancier privilégié OU Nom du créancier garanti / créancier privilégié ET nom et signature de l'agent du créancier garanti / créancier privilégié

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				1		1	2029/01/04

2C 1 01 CAUTION FILING / AVERTIS: PAGE: 1 OF / DE: 1 MV SCHEDULE
 2C 1 01 ATTACHED / LISTE VA: REG NUM / NO ENREGIST: 20240112 0930 9234 1893
 2C 1 01 REG UNDER / T. ENREG:
 2C 1 21 501696486
 2C 1 22 AMEND - PAGE / CORR PAGE: NO PAGE / AUCUNE: X CHANGE / MODIF: A
 2C 1 22 REN YEARS / REN ANNEES: CORR PER / PER EXAC:
 2C 1 24 FINAL BELL CANADA INC.
 2C 1 26 TO AMEND THE NAME OF THE DEBTOR FROM "FINAL BELL CANADA INC." TO
 2C 1 27 "HIGH ROAD HOLDING CORP." PURSUANT TO ARTICLES OF AMENDMENT
 2C 1 28 EFFECTIVE JANUARY 5, 2024.
 2C 1 03 HIGH ROAD HOLDING CORP.
 2C 1 04 1100 BENNETT ROAD
 2C 1 04 BOWMANVILLE ON L1C 3K5
 2C 1 16 CASSELS BROCK & BLACKWELL LLP (057175-00006/HD)
 2C 1 17 3200-40 TEMPERANCE ST.
 2C 1 17 TORONTO ON M5H 0B4

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

GENERAL INSTRUCTIONS

This form is to be used only for renewals and discharges.

For instructions on how to complete this form please refer to the Personal Property Security Registration and Enquiry Guide. A copy of the Guide is available from any Branch Registry Office or by writing to:

Personal Property Registration
Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

A self addressed envelope of minimum size 255mm x 330mm (10" x 13") stamped with sufficient postage to cover weight of 325g, for each Guide must accompany your request.

Typing Instructions

Use capital letters only, 10 or 12 pitch type and black ink of sufficient density to facilitate microfilming.

All characters must be contained within the white areas provided on the form.

Error Correction

If an error is made on line 31, the Form 3C is no longer acceptable for registration purposes. A form 2C will have to be completed and registered. To correct any other error 'X' out the word/number, leave a space and retype.

Line 31

Complete the appropriate box as indicated:

Type B for Renewal
C for Discharge

If renewal (B) type the number of additional years in the next box.

UPON RENEWAL, the additional years indicated will be added to the total registration period.

For PPSA registrations where the collateral is or includes consumer goods, the maximum number of years for renewal is five (5) years. **In this case, the renewal period is calculated from the time this form is registered.**

Note that under the RSLA the total registration period including renewals must not exceed 3 years.

Complete lines 08/16 and 09/17.

Authorized Signature

Mandatory -- See Guide for samples.

Method of Registration

Submit this form with the appropriate fee to any Branch Registry Office (see appendix in Guide) or mail with cheque (made payable to the Minister of Finance) to:

Personal Property Registration
Central Registration Branch
P.O. Box 21100, Station "A"
Toronto, Ontario
M5W 1W6

NOTICE TO REGISTRANT

The Verification Statement is sent to you as a courtesy only and is not a certificate. Verify that the information contained in the statement is accurate.

The courtesy notice brings to your attention a condition (as indicated) of which you may not be aware. If it is your opinion that the condition may affect the validity of the registration, you may wish to take appropriate corrective action.

NOTICE TO DEBTOR

This Verification Statement indicates that a notice has been registered in the Personal Property Security Registration System naming you as the Debtor in a transaction made with the Secured Party/Lien Claimant. (In some instances the Registering Agent of the Secured Party/Lien Claimant may appear on line 08/16 or 16 of this statement).

Please review the information to make certain it is accurate. If it is not or if you require additional information, contact the Secured Party/Lien Claimant.

INSTRUCTIONS GÉNÉRALES

Cette formule ne doit être utilisée que pour les renouvellements ou les mainlevées.

Pour les instructions sur la façon de remplir cette formule, veuillez consulter le Guide pour l'enregistrement et la recherche des sûretés mobilières. Des exemplaires sont disponibles dans tous les bureaux d'enregistrement régionaux ou vous pouvez en faire la demande en écrivant à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

Votre demande doit être accompagnée d'une enveloppe d'un format minimum de 255mm x 330mm (10" x 13") et affranchie pour un poids de 365g pour chaque exemplaire du guide.

Machine à écrire

Taper en lettres majuscules seulement et utiliser un ruban d'encre noire et un espacement de 10 ou 12 points de densité suffisante dans le but de faciliter le transfert sur microfilm.

Les caractères doivent être indiqués dans les espaces prévus à cette fin sur la formule.

Correction des erreurs

Si une erreur est faite sur la ligne 31, la formule 3C ne peut être acceptée aux fins d'enregistrement. Une formule 2C devra être remplie et enregistrée. Pour corriger toute autre erreur, taper un «X» sur les mots ou les chiffres erronés, laisser un espace et retaper.

Ligne 31

Remplir la case appropriée en inscrivant:

B pour un renouvellement
C pour une mainlevée

S'il s'agit d'un renouvellement(B), indiquer le nombre d'années supplémentaires dans la case suivante.

AU MOMENT DU RENOUELEMENT le nombre d'années supplémentaires indiqué sera ajouté à la période totale d'enregistrement

S'il s'agit d'enregistrements effectués aux termes de la Loi sur les sûretés mobilières, lorsque les biens grevés constituent ou comprennent des biens de consommation, le nombre maximal d'années de renouvellement est limité à cinq (5). En ce cas, la période de renouvellement est calculée à partir de la date d'enregistrement de la présente formule.

Veuillez noter qu'aux termes de la Loi sur le privilège des réparateurs et des entrepreneurs, la période d'enregistrement, y compris les renouvellements, ne peut dépasser trois ans.

Remplir les lignes 08/16 et 09/17.

Signature autorisée.

La signature est obligatoire. Consulter les exemples donnés dans le guide.

Méthode d'enregistrement

Présenter cette formule et payer les frais applicables à n'importe quel bureau régional d'enregistrement (consulter l'annexe du guide) ou poster le tout accompagné d'un chèque (à l'ordre du ministre des Finances) à l'adresse suivante:

Enregistrement des sûretés mobilières
Direction de Service central des enregistrements
C.P. 21100, succursale A
Toronto ON M5W 1W6

AVIS AU DÉPOSANT

Cet état de vérification est expédié à titre gracieux seulement et ne constitue pas un certificat. Veuillez vérifier l'exactitude des renseignements qui y apparaissent.

Cet état à titre gracieux peut attirer votre attention sur une situation (telle qu'indiquée) dont vous n'êtes peut-être pas au courant. Si vous croyez que cette situation peut affecter la validité de l'enregistrement, vous pouvez prendre les mesures nécessaires pour y remédier.

AVIS AU DÉBITEUR

Cet état de vérification indique qu'un avis a été enregistré dans le système d'enregistrement des sûretés mobilières en indiquant votre nom comme débiteur en relation avec une transaction effectuée avec le créancier garanti ou la créancier privilégié (Dans certains cas, le nom de l'agent d'enregistrement de la créancier garanti ou la créancier privilégié peut-être indiqué sur la ligne 08/16 ou 16 de l'état.)

Veuillez vérifier l'exactitude des renseignements qui y apparaissent. En cas d'inexactitude, ou pour obtenir des renseignements supplémentaires, veuillez communiquer avec la partie garantie ou le titulaire du privilège.

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2024/01/04 004 01275
 1793A20240104D

Registration No. (for office use only) /N° d'enregistrement (usage interne)
 YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence



Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form **Formule 3C**

10553(03/95)

Registered Under (office use only) / Enregistré aux termes de (usage interne) **PPSA**

31 Reference File Number / N° de dossier de référence **501696513** Renewal (B) OR Discharge (C) / Renouvellement (B) OU Mainlevée (C) _____ Enter Number of Additional Years if Renewal (see reverse) / Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso) _____

32 Individual Debtor (as recorded) / Débiteur particulier (tel qu'inscrit) First Given Name / Premier prénom _____ Initial / Initiale _____ Surname / Nom de famille _____

33 Business Debtor (as recorded) / Débiteur commercial (tel qu'inscrit) **FINAL BELL CORP.** Ontario Corporation No. / N° matricule de la personne morale en Ontario _____

08/16 Secured Party/Lien Claimant/ Registering Agent / Créancier garanti/ Créancier privilégié/ Agent d'enregistrement _____

09/17 Address/Adresse _____ City, etc / Ville, etc. _____ Prov. / Prov. Postal Code / Code postal _____

AIRD & BERLIS LLP (313333)
181 BAY STREET, SUITE 1800
TORONTO ON M5J2T9

Authorized Signature / Signature autorisée
 Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié

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	1	00		1		1	2029/01/04

1C	1	00	501696513				
1C	1	01	CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 1 MV SCHEDULE				
1C	1	01	ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20240104 1034 1793 8901				
1C	1	01	REG UNDER/T. ENREG: P REG PERIOD/PERIODE: 5				
1C	1	03	FINAL BELL CORP.				
1C	1	04	1100 BENNETT ROAD				
1C	1	04	BOWMANVILLE ON L1C3K5				
1C	1	08	CORTLAND CREDIT LENDING CORPORATION, AS AGENT				
1C	1	09	200 BAY ST., SUITE 3230				
1C	1	09	TORONTO ON M5J2J2				
1C	1	10	CONS GOODS/BIENS CONS: INVTRY/STOCK: X EQUIP/MATER: X				
1C	1	10	ACCTS/COMPT: X OTHER/AUTRE: X MV INCL/VA INCLUS: X				
1C	1	10	AMOUNT/MONTANT: DATE OF MATURITY/DATE ECHEANCE:				
1C	1	10	NO FIXED MAT DATE/D ECHE PAS DET:				
1C	1	16	AIRD & BERLIS LLP (313333)				
1C	1	17	181 BAY STREET, SUITE 1800				
1C	1	17	TORONTO ON M5J2T9				

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

This is Exhibit "I" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

DIP FACILITY AGREEMENT

2024. **THIS AGREEMENT** (the "**Agreement**") is made this 28th day of February,

A M O N G:

Cortland Credit Lending Corporation, in its capacity as administrative agent (the "Agent") for and on behalf of the lenders party hereto from time to time (the "Lenders")

-and-

The Green Organic Dutchman Ltd. (the "Borrower")

-and-

BZAM Ltd. ("BZAM")

-and-

BZAM Holdings Inc. ("BZAM Holdings")

-and-

BZAM Management Inc. ("BZAM Management")

-and-

BZAM Cannabis Corp. ("BZAM Cannabis")

-and-

Folium Life Science Inc. ("Folium Life")

-and-

102172093 Saskatchewan Ltd. ("102")

-and-

Medican Organic Inc. ("Medican")

-and-

High Road Holding Corp. (f/k/a Final Bell Canada Inc., "High Road")

-and-

Final Bell Corp. ("**Final Bell**", and, together with BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life, 102, Medican and High Road, collectively, the "**Guarantors**" and the Guarantors, together with the Borrower, collectively, the "**Credit Parties**")

RECITALS:

WHEREAS the Agent and certain of the Credit Parties are either parties to or obligors under, as applicable, a Credit Agreement made as of March 31, 2020, as amended by a first amendment dated May 27, 2020, a second amendment dated October 1, 2020 and a third amendment dated July 30, 2021 (as amended, the "**Original Credit Agreement**");

AND WHEREAS the Agent and certain of the Credit Parties amended and restated the Original Credit Agreement in its entirety by way of an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022, a third amendment dated April 29, 2022, a fourth amendment dated November 3, 2022, a fifth amendment dated June 30, 2023, and a sixth amendment dated August 30, 2023 (as amended, the "**First ARCA**");

AND WHEREAS the Borrower and the Lenders amended and restated the First ARCA in its entirety by way of a second amended and restated credit agreement (the "**Second ARCA**") dated January 8, 2024;

AND WHEREAS to secure the obligations of the applicable Credit Parties to the Agent under the Second ARCA and the other Transaction Documents, the applicable Credit Parties granted Security Agreements in favour of the Agent;

AND WHEREAS the Credit Parties have advised the Agent that they intend to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on a date to be set (the "**Filing Date**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to seek, among other things, the granting of an initial order (the "**Initial Order**") and the appointment of FTI Consulting Canada Inc. as monitor (if appointed, the "**Monitor**");

AND WHEREAS the obligations of certain of the Credit Parties pursuant to or in connection with the Second ARCA (including without limitation, all outstanding Loan Advances and all interest and fees thereon or in connection therewith) are hereinafter referred to collectively as the "**Cortland Pre-Filing Obligations**";

AND WHEREAS commencement of the CCAA Proceedings will constitute an Event of Default (as defined in the Second ARCA) (the "**CCAA Event of Default**") under the Second ARCA;

AND WHEREAS the Credit Parties have requested, and the Agent has agreed, to provide certain debtor-in-possession ("**DIP**") financing to the Credit Parties pursuant to a DIP facility (the "**DIP Facility**") during the CCAA Proceedings on the terms and conditions contained herein;

NOW THEREFORE in consideration of the respective covenants of the parties hereto herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Second ARCA and not otherwise defined herein shall have the respective meanings ascribed to them in the Second ARCA.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into sections and the insertion of headings, articles, sections and clauses are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Transaction Documents and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all of the parties hereto. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all of the parties hereto, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and federal the laws of Canada applicable therein.

1.7 Currency

Unless otherwise stated, all dollar amounts referenced are in Canadian dollars.

1.8 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.9 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Transaction Documents, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict, in any way, the rights and remedies of the Agent under this Agreement, the Transaction Documents, the CCAA, the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the PPSA, other applicable law, or otherwise, other than as may be specifically contemplated herein.

1.10 Discretion and Consent

Any reference herein to the exercise of discretion by the Agent (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

Any consent made or to be given by the Agent hereunder must be made or given expressly in writing. For greater certainty no consent on the part of the Agent shall be implied solely by receipt by the Agent of an updated Budget and/or Variance Report (each as defined below), as applicable.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Each of the Credit Parties hereby represents and warrants to the Agent as follows:

- 2.1** The facts set out in the recitals to this Agreement are true and accurate in substance and in fact.
- 2.2** Each Credit Party is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.
- 2.3** Subject to Court approval, each Credit Party has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business, and (ii) enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party.

- 2.4** The execution and delivery by each Credit Party of this Agreement and each other Transaction Document to which it is a party and the performance by each of them of their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and, other than Court approval, no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge (as defined below).
- 2.5** This Agreement and each of the other Transaction Documents to which it is a party has been duly executed and delivered by it and, subject to Court approval, constitutes a legal, valid and binding obligation of each Credit Party, enforceable against it in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the discretion that a court may exercise in the granting of equitable remedies; (iii) the Initial Order (as may be amended and restated from time to time) and any other Order of the Court.
- 2.6** The Collateral (i) is owned by or licensed to the Credit Parties and is only located at the locations disclosed in writing to the Agent; (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business; and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances and the CCAA Charges (as defined below).
- 2.7** The execution and delivery by each Credit Party of this Agreement and the other Transaction Documents to which it is a party and the performance by each Credit Party of their respective obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; or (ii) subject to Court approval, any applicable law.
- 2.8** The business operations of each Credit Party has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on.
- 2.9** Each Credit Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Credit Parties, threatened to revoke or amend any of such licenses or permits.
- 2.10** Except as set out in Schedule "C", the Collateral is not subject to any Lien except for the Permitted Encumbrances and each Credit Party has made all source deductions required by Applicable Law.
- 2.11** Except as set out in Schedule "D", each Credit Party has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained.

- 2.12** Except as set out in Schedule "E", other than the CCAA Proceedings, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Credit Party, threatened against or affecting any Credit Party.
- 2.13** (i) Each Credit Party is and has been in compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Credit Party is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Credit Party is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Credit Parties, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no Lien in favour of any Governmental Authority securing, in whole or in part, environmental liabilities has attached to any property of the Credit Parties and no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such property, (iv) no Credit Party has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to result in a Material Adverse Change, (v) no Credit Party has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Credit Party has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control.
- 2.14** Each Credit Party maintains insurance policies and coverage which (i) is sufficient for compliance with Applicable Law and all Material Agreements to which a Credit Party is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Credit Parties.
- 2.15** All information provided by or on behalf of the Credit Parties to the Agent for the purposes of or in connection with this Agreement, the other Transaction Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

ARTICLE 3 THE DIP FACILITY

In reliance upon the Acknowledgement and the acknowledgements, representations, warranties, confirmations, covenants and agreements of the Credit Parties contained in this Agreement and

subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Agent agrees to make the DIP Facility available to the Borrower during the CCAA Proceedings on the following terms and conditions.

3.1 The DIP Facility

Notwithstanding any other term or condition of the Second ARCA, and subject to satisfaction of the terms and conditions of this Agreement, the Agent, on behalf of the Lenders, agrees to provide the Borrower with the DIP Facility as set forth in this section:

- (a) The maximum principal amount under the DIP Facility shall not, at any time, exceed the lesser of (i) \$41,000,000 (the "**Facility Limit**"), and (ii) the Revolving Facility Limit plus \$7,000,000; provided that at no point in time will the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed the Facility Limit;
- (b) all amounts advanced by the Agent on behalf of the Lenders following the Filing Date shall be in respect of the DIP Facility;
- (c) all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs (including restructuring expenses and any pre-filing obligations permitted by Court order and approved by the Agent) during the CCAA Proceedings and shall in no circumstances be used to fund any Cortland Pre-Filing Obligations; and
- (d) the Borrower may request advances from time to time under the DIP Facility by delivering an advance request certificate, in the form attached as Schedule "B" (each such request, an "**Advance Request**" and each such certificate, an "**Advance Request Certificate**"), not less than one Business Day before the date of the requested advance; provided that the initial advance request certificate need not be required one Business Day before the date of the requested advance.

Notwithstanding the foregoing, the Borrower hereby authorizes and directs the Agent and the Lenders to make one or more advances under this Agreement (for greater certainty, without the requirement for the Borrower to deliver an Advance Request Certificate) in order to pay or otherwise satisfy any liens or other payables which rank (or are reasonably likely to rank) in priority to the Agent's Liens.

3.2 Interest Rate and Fees

- (a) The applicable Interest Rate on all amounts advanced under the DIP Facility shall be the greater of: (i) the TD Prime Rate plus 8.05% per annum; and (ii) 12% per annum, and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus

calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

- (b) The Borrower shall pay to the Agent a commitment fee equal to \$98,000, which fee shall be payable by the Borrower to the Agent upon issuance of the Initial Order. Such fee will be paid from the initial advance.

3.3 Mandatory Repayments

Following the Filing Date, all Post-Filing Collections (as defined below) will be applied against the Cortland Pre-Filing Obligations of the Credit Parties to the Agent, for and on behalf of the Lenders, unless otherwise directed by the Agent.

Subject to the priority of the Administration Charge, if a Credit Party (a) disposes, transfers or sells any Collateral outside the ordinary course of business, or (b) sells the shares/equity interests of any wholly owned or non-wholly owned subsidiary of a Credit Party, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Credit Parties' indebtedness to the Agent and the Lenders under the DIP Facility and the Second ARCA, shall be paid to the Agent and applied by the Agent against the indebtedness owing to the Lenders under the DIP Facility. Any such repayment by a Credit Party shall constitute a permanent reduction of the availability and commitment under the DIP Facility.

3.4 Conditions Precedent

The obligation of the Lenders to make the DIP Facility available to the Borrower and to fund each advance under the DIP Facility is subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent shall have received a copy of this Agreement executed by each of the Credit Parties;
- (b) the Agent shall have received and be satisfied with the Budget, and all such other information (financial or otherwise) reasonably requested by the Agent;
- (c) no Event of Default (as defined herein) shall exist, and no event or circumstance which could reasonably be expected to result in a Material Adverse Change shall have occurred;
- (d) there shall not be pending any litigation or other proceeding, other than the CCAA Proceedings, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Change or form the basis for an appeal of the Initial Order;

- (e) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, including any service list shall be in form and substance satisfactory to the Agent;
- (f) the Initial Order shall be in form and substance satisfactory to the Agent;
- (g) the Initial Order (or any amended and restated Initial Order) approving the DIP Facility, the granting of the DIP Charge, and all related transactions shall have been issued and entered and be in full force and effect and shall not have been reversed, vacated, or stayed, subject to appeal or modified or superseded or negatively impacted in any way without the Agent's prior written consent, and all necessary consents and approvals to the transaction contemplated in this Agreement and in the Initial Order shall have been obtained to the satisfaction of the Agent;
- (h) payment by the Credit Parties to the Agent of all reasonable and documented expenses incurred by the Agent or the Lenders in connection with the DIP Facility (including the negotiation, ongoing monitoring and any costs of enforcement);
- (i) the Agent shall have received a Borrowing Base Certificate;
- (j) in connection with an Advance Request, the Agent shall have received an Advance Request Certificate accompanied by a Borrowing Base Certificate;
- (k) each of the representations and warranties made by the Credit Parties to the Agent in this Agreement shall be true and correct in all material respects; and
- (l) approval by the Agent of the Credit Parties' most recent cash flow forecast, prepared in the form of the Budget.

3.5 Terms of Initial Order

The Initial Order shall be in form and substance satisfactory to the Agent, including provisions addressing (among other things) the following:

- (a) approval of the financing provided for in this Agreement (including the DIP Facility);
- (b) the continuation of the Credit Parties' existing cash management arrangements;
- (c) authorization and direction for the Borrower and the other Credit Parties to make all payments of principal, interest, fees, and expenses under this Agreement to the Agent for and on behalf of the Lenders;
- (d) the DIP Charge;
- (e) an administration charge in the amount of \$500,000 (which shall increase to \$1,000,000 under the amended and restated Initial Order) which ranks prior to the

DIP Charge and the Agent's security pursuant to the Transaction Documents (the "**Administration Charge**");

- (f) a directors' and officers' charge in the amount of \$5,300,000 (which shall increase to \$12,900,000 under the amended and restated Initial Order) which ranks subsequent to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations (the "**D&O Charge**"); and
- (g) that the Agent shall be treated as unaffected in any plan of arrangement or compromise filed by or in respect of the Credit Parties under the CCAA, or under any proposal filed by or in respect of the Credit Parties under the BIA, with respect to any Post-Filing Obligations (as defined below).

3.6 Budget

The Borrower shall provide the Agent with a thirteen (13) week cash-flow forecast reviewed by the Monitor and in form and substance satisfactory to the Agent (the "**Initial Budget**"). The Initial Budget shall reflect on a line-item basis, among other things, a borrowing base calculation reflecting the amount of availability, anticipated cash flow, cash receipts and disbursements, and sales. The Initial Budget and the proposed use of funds provided for therein shall be in substance satisfactory to the Agent. The Initial Budget and any subsequent Budget may only be amended and modified with the prior written consent of the Agent (the Initial Budget, as so amended and modified from time to time with the prior written consent of the Agent, is referred to herein as the "**Budget**"). The Initial Budget to May 25, 2024 is attached hereto as Schedule "A".

3.7 DIP Charge

- (a) All advances made by the Agent and the Lenders to the Borrower under the DIP Facility, and all obligations, indebtedness, fees (including professional fees), costs, and expenses of the Agent and the Lenders under this Agreement and the DIP Facility (collectively, the "**Post-Filing Obligations**") shall constitute obligations and shall be secured by:
 - (i) a super-priority DIP charge (the "**DIP Charge**") on all of the existing and after-acquired real and personal property of the Credit Parties as provided for herein and in the Initial Order; and
 - (ii) the existing security and guarantees in favour of the Agent under the Transaction Documents;

provided that with respect to the BZAM Edmonton Property, the DIP Charge shall rank subordinate to the Existing BZAM Edmonton Property Charge.

- (b) For certainty, the DIP Charge shall not secure any Cortland Pre-Filing Obligations.

3.8 Existing Cash Management System/Cash Receipts to the Agent

The Initial Order shall, among other things, authorize and direct the Credit Parties to continue to use the central cash management system currently in place or replace it with another substantially similar central cash management system. Each of the Credit Parties will provide evidence to the Agent that it has directed each financial institution with which it maintains a deposit account into which payments are received from its Account Debtors (collectively, "**Post-Filing Collections**") to transfer on a weekly basis, at the Credit Parties' cost and expense, all such Post-Filing Collections to an account maintained by the Agent. The Agent shall apply the Post-Filing Collections to repay the Cortland Pre-Filing Obligations.

3.9 Additional Reporting

In addition to all other existing reporting requirements set out in the Second ARCA (to the extent not otherwise dealt with in this Agreement), the Borrower shall provide to the Agent:

- (a) on a weekly basis within four (4) Business Days after the end of each week during the CCAA Proceedings an executed Borrowing Base Certificate duly completed in all material respects consistent with past practice, plus all backup information requested by the Agent; and
- (b) on a bi-weekly basis within six (6) Business Days after the end of each bi-weekly period during the CCAA Proceedings:
 - (i) a report comparing the Credit Parties' actual performance to that projected in the Budget for the given bi-weekly period (each, a "**Variance Report**"), specifically identifying any negative variances in excess of ten percent (10%), with a minimum floor variance of \$500,000 (unless otherwise agreed to by the Agent), in respect of the actual cumulative net cash flow against the forecasted cumulative net cash flow in the Budget (an "**Adverse Negative Variance**") and providing a detailed explanation for same; provided, however, that the calculation of an Adverse Negative Variance shall not take into account Professional Expenses in excess of what is forecasted in the Initial Budget or the Budget, as applicable.
 - (ii) updating the Budget to account for actual performance by the Credit Parties for the previous week and rolling forward by two (2) additional weeks cash flow projections set forth in the last updated Budget; and
 - (iii) such other information as the Agent may reasonably request.

3.10 Status Calls

During the CCAA Proceedings, upon request from the Agent from time to time, the Borrower shall arrange and participate in conference calls with the Agent and the Monitor to discuss the performance of the Borrower and the other Credit Parties, any updated Budgets, Variance Reports

(including any Adverse Negative Variances), updates for future weeks, and any other matters the Agent may reasonably raise.

3.11 CCAA Proceedings and Other Materials to be Provided to Agent

The Borrower shall deliver to the Agent drafts of all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, and shall provide the Agent with a reasonable opportunity to comment thereon prior to filing and ensure the same are acceptable to the Agent, acting reasonably.

3.12 Compliance with Transaction Documents

Each of the Credit Parties shall strictly adhere to all of the terms, conditions and covenants of this Agreement and the Transaction Documents (to the extent not otherwise dealt with in this Agreement), including, without limitation, terms requiring prompt payment of principal, interest, fees, and other amounts when due.

3.13 Covenants

Each Credit Party covenants and agrees with the Agent that it shall:

- (a) pay all sums of money when due under the terms of this Agreement;
- (b) immediately advise the Agent of any event which constitutes an Event of Default;
- (c) file all tax returns which are or will be required to be filed by it;
- (d) pay or make provision for the payment of all taxes and source deductions (including interest and penalties) which will become due and payable after the commencement of the CCAA Proceedings;
- (e) comply in all respects with all Applicable Laws, including all environmental laws;
- (f) immediately advise the Agent of any material action requests or material violation notices and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existing now or in the future with respect to it;
- (g) immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- (h) keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent (including any potential assignee, participant or

lender) is permitted to do the following at any time and without notice, subject to the Initial Order) permit the Agent (including any potential assignee, participant or lender) or its representatives, during normal business hours, subject to any Applicable Laws governing the Credit Parties' business, (i) to visit and inspect a Credit Party's premises, properties and assets and examine and obtain copies of such Credit Party's records or other information, and (ii) to discuss such Credit Party's affairs with the auditors (if any) of such Credit Party (in the presence of such Credit Party's representatives as it may designate). Each Credit Party hereby authorizes and directs any such third party to provide to the Agent (including any potential assignee, participant or lender) or its representatives all such information, records or documentation reasonably requested by the Agent;

- (j) except for Permitted Encumbrances and the CCAA Charges, not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any Lien or other encumbrance affecting any of its properties, assets or other rights;
- (k) not incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings other than in the ordinary course of business and on arm's-length, commercially reasonable terms; provided that, for greater certainty, no Credit Party shall enter into any sale (or similar) transaction pursuant to a sale and investment solicitation process or otherwise without that prior written consent of the Agent, save and except for a transaction that provides for payment in cash on closing of the Cortland Pre-Filing Obligations and the Post-Filing Obligations in full;
- (m) not, without the prior written consent of the Agent, sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of any Credit Party;
- (n) not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, other than Permitted Indebtedness;
- (o) not, without giving the Agent fifteen (15) days' prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person. In the event the Agent gives its consent, it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require;
- (p) not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, or make any disbursement of any kind other than as contemplated by the Budget;
- (q) not acquire or move any Collateral to any jurisdiction outside the Province of Ontario or any other jurisdiction where the Agent has perfected its security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in

favour of the Agent a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;

- (r) notify the Agent within three (3) Business Days of any Account Debtor notifying such Credit Party that they are contesting any invoice;
- (s) fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all reasonable and documented costs associated with any appraisals;
- (t) pay only those expenditures set out in the Budget, or such other expenditures the Agent and Monitor consent to in writing;
- (u) provide to the Agent, on a weekly basis, a list of payments, disbursements and transfers of money proposed to be made by each of the Credit Parties during the following week and will make only those payments, disbursements and transfers that are set out in the Budget or otherwise consented to by the Agent;
- (v) not create or grant any security (other than the DIP Charge, the Administration Charge, the D&O Charge and any charge (which shall rank subordinate to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations) to secure a break fee and expense reimbursement in favour of a stalking horse bidder in any sale and investment solicitation process approved by the Court (collectively, the "**CCAA Charges**") over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the DIP Charge, without the prior consent of the Agent;
- (w) provide the Agent with any financial or other information reasonably requested by the Agent;
- (x) within two (2) Business Days of the receipt by any Credit Party of the same, deliver to the Agent a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge; and
- (y) prevent the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, from exceeding the Facility Limit

3.14 Events of Default

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (collectively, the "**Events of Default**"):

- (a) Any Credit Party fails to make payment of any amount, whether on account of principal, interest or otherwise, when due pursuant to the terms of this Agreement;

- (b) without the consent of the Agent, the occurrence of any Adverse Negative Variance;
- (c) entry of an order which stays, modifies (other than extensions of the Initial Order), or reverses the Initial Order or which otherwise materially adversely affects the effectiveness of the Initial Order without the express written consent of the Agent;
- (d) the entry of any order without the prior written consent of the Agent which provides relief from the automatic stay made under the Initial Order or the CCAA which permits any creditor to realize upon, or to exercise any right or remedy with respect to, any asset of any Credit Party or to terminate any license, franchise, or similar agreement, where the exercise of such right or remedy or such realization or termination would reasonably be likely to result in a Material Adverse Change as determined by the Agent;
- (e) the filing of any application, motion or other request by any Credit Party without the express prior written consent of the Agent for the approval of any super-priority claim or debtor in possession financing in the CCAA Proceedings which is *pari passu* with or senior to the priority of the DIP Charge (other than the Administration Charge and the D&O Charge), or there shall arise any such super-priority claim under the CCAA;
- (f) the payment or other discharge by any Credit Party of any pre-filing indebtedness, except as expressly permitted hereunder, or generally permitted within the category and range in the Budget or by order in the CCAA Proceedings, to which payment or discharge the Agent has not provided its written prior consent;
- (g) the failure of any Credit Party (i) to materially comply with each and all of the terms and conditions of the Initial Order, or (ii) to materially comply with any other order entered in the CCAA Proceedings, if such failure would reasonably likely result in a Material Adverse Change as determined by the Agent;
- (h) (i) the filing of any motion by any Credit Party or the entry of any order in the CCAA Proceedings: (A) permitting any financing (other than ordinary course trade credit or unsecured debt) for any Credit Party from any Person other than the Agent, (B) granting a Lien on, or security interest in any of the Collateral of any Credit Party equal or superior status to that of the DIP Charge, other than with respect to this Agreement or as otherwise permitted herein, or (C) dismissing the CCAA Proceedings, or (ii) the filing of any motion by any Person (other than a Credit Party) regarding matters specified in the foregoing clause (i) that is not immediately stayed and dismissed or denied within thirty (30) days of the date of the filing of such motion, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a “**Claim**”) that is not being contested by any Credit Party, the purpose of which is to seek or the result of which would be to

obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of any Credit Party under this agreement, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the Agent, the Lender or the Collateral, or (iii) preventing, hindering or otherwise delaying the exercise by the Agent of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Agent against any of its collateral, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;

- (j) the filing of any proposal, plan of arrangement, plan of reorganization or other similar document (a “**Plan**”) or the acceptance of any transaction (a “**Transaction**”), or the filing of a motion seeking approval of the Court to accept any such Transaction or Plan, unless the total Cortland Pre-Filing Obligations and the Post-Filing Obligations hereunder are to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Plan or Transaction or if the terms of the Plan or the Transaction have otherwise been approved by the Agent;
- (k) the breach of any term, covenant or agreement by any Credit Party in this Agreement;
- (l) any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower, any other Credit Party herein, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made;
- (m) if any material contract or license (including, for greater certainty, any contract or license entered into in connection with the use of any intellectual property or the production, cultivation and/or manufacturing of cannabis and/or cannabis-related products) is terminated or amended in any manner without the prior consent of the Agent;
- (n) without the consent of the Agent, the occurrence of a Change of Control; and
- (o) the occurrence of a default or an event of default under the Second ARCA (other than the CCAA Event of Default).

3.15 Cooperation

Each of the Credit Parties shall cooperate fully with the Agent and its respective agents and employees by providing all information requested by the Agent, and by providing access to its books, records, property, assets, and personnel as requested by the Agent wherever they may be situated in whatever medium they may be recorded, except for confidential or privileged information, at the request of and at times convenient to the Agent, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

3.16 Professional Expenses

Each of the Credit Parties hereby covenants and agrees with the Agent to reimburse the Agent for all reasonable and documented expenses incurred in connection with this Agreement and the CCAA Proceedings, including, without limitation, legal fees, financial advisor fees and other professional expenses that the Agent has incurred or will incur arising out of its dealings with the Credit Parties in the CCAA Proceedings (collectively, the "**Professional Expenses**"). The Borrower shall ensure that the Professional Expenses are provided for in the Budget. Nothing in this Agreement, shall derogate from the Credit Parties' obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses. Notwithstanding the foregoing, the Agent shall add all of the Professional Expenses to the Post-Filing Obligations if the same are not paid when due. Each of the Credit Parties hereby acknowledges, confirms and agrees that the Professional Expenses which are added to the Post-Filing Obligations shall be secured and covered by the Transaction Documents and the DIP Charge.

3.17 Remedies Upon Event of Default and on Termination Date

If any Event of Default occurs and is continuing, or upon the Termination Date, the Agent may take any or all of the following actions, subject to the terms of the Initial Order:

- (a) declare the DIP Facility to be terminated, whereupon the DIP Facility shall be terminated;
- (b) declare the Post-Filing Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Credit Parties; and
- (c) exercise any or all of its rights and remedies available to it under this Agreement, the other Transaction Documents, the BIA, the PPSA, other applicable law, or otherwise.

3.18 Termination

The term of the DIP Facility will be the earlier of (a) July 15, 2024 (the "**Maturity Date**"), and (b) any other Termination Date.

The Agent shall have the right to terminate the DIP Facility upon the occurrence of an Event of Default in accordance with the terms of this Agreement, subject to the terms of the Initial Order.

The DIP Facility may be terminated with the consent of both the Agent and the Borrower, at which time, all accrued interest, principal, fees and expenses owing shall be paid in cash to the Agent on such Termination Date.

The date on which all outstanding principal and interest under the DIP Facility shall become due and payable will be termed the "**Termination Date**" and will be the date which is the earliest to occur of the following:

- (a) the Maturity Date;

- (b) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and
- (c) the date of a sale of all or substantially all of the Collateral.

ARTICLE 4 GENERAL PROVISIONS

4.1 Effect of this Agreement

Except as expressly modified pursuant hereto, no other changes or modifications to the terms of the Transaction Documents are intended or implied.

4.2 Transaction Document

This Agreement is a Transaction Document.

4.3 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable by the Agent to give effect to the provisions and purposes of this Agreement and the DIP Charge all at the sole expense of the Credit Parties.

4.4 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

4.5 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Agent or any closing shall affect the representations and warranties or the rights of the Agent to rely upon such representations and warranties.

4.6 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Transaction Documents but the same shall remain in full force and effect save to the extent amended by this Agreement.

4.7 Assignments

The Agent may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder or act as an agent for one or more lenders hereunder at any time and from time to time, on the condition that the Monitor is satisfied that the potential

assignee or party granted or to be granted a participation right has the financial wherewithal to, and is an appropriate party to participate in, the Agreement.

Each of the Credit Parties acknowledges and agrees that, in accordance with Applicable Laws, the Agent may, in its discretion, provide any potential assignee, participant or lender with, on a confidential basis, all such information required by such assignee, participant or lender to complete its financial and legal due diligence in connection with assessing such assignment, participation or lending.

Neither this Agreement nor any right hereunder may be assigned by any of the Credit Parties.

4.8 Amendments

This Agreement may not be amended nor waived except by an instrument in writing signed by each of the Credit Parties and the Agent.

4.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or portable document format ("**PDF**") form and the parties adopt any signatures received by a receiving fax machine or by emailed PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so faxed or emailed.


[REMINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.


CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

By: _____
Name:
Title:

102172093 SASKATCHEWAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM HOLDINGS INC.

By:  _____
Name: Matt Milich
Title: President

BZAM MANAGEMENT INC.

By:  _____
Name: Matt Milich
Title: CEO

BZAM CANNABIS CORP.

By:  _____
Name: Matt Milich
Title: President


FOLIUM LIFE SCIENCE INC.

By:  _____
Name: Matt Milich
Title: President


THE GREEN ORGANIC DUTCHMAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


MEDICAN ORGANIC INC.

By:  _____
Name: Matt Milich
Title: CEO

HIGH ROAD HOLDING CORP.


By:  _____
Name: Matt Milich
Title: Director

FINAL BELL CORP.

By:  _____
Name: Matt Milich
Title: President

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

Signed by:
By: 
Name: Sean Register
Title: CEO

102172093 SASKATCHEWAN LTD.

By: _____
Name: _____
Title: _____

BZAM LTD.

By: _____
Name: _____
Title: _____

BZAM HOLDINGS INC.

By: _____
Name: _____
Title: _____

BZAM MANAGEMENT INC.

By: _____
Name: _____
Title: _____

BZAM CANNABIS CORP.

By: _____
Name: _____
Title: _____

FOLIUM LIFE SCIENCE INC.

By: _____
Name: _____
Title: _____

THE GREEN ORGANIC DUTCHMAN LTD.

By: _____
Name: _____
Title: _____

MEDICAN ORGANIC INC.

By: _____
Name: _____
Title: _____

HIGH ROAD HOLDING CORP.

By: _____
Name: _____
Title: _____

FINAL BELL CORP.

By: _____
Name: _____
Title: _____

SCHEDULE "A"
INITIAL BUDGET

BZAM Ltd.**Consolidated Cash Flow Forecast**

(\$CAD in thousands)

Forecast Week Starting (Sunday)		25-Feb-24	03-Mar-24	10-Mar-24	17-Mar-24	24-Mar-24	31-Mar-24	07-Apr-24	14-Apr-24	21-Apr-24	28-Apr-24	05-May-24	12-May-24	19-May-24	13 Week
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Receipts															
Receipts from Operations	[2]	\$ 694	\$ 2,521	\$ 1,973	\$ 1,578	\$ 2,351	\$ 3,492	\$ 2,440	\$ 2,476	\$ 3,996	\$ 3,508	\$ 3,933	\$ 2,686	\$ 3,179	\$ 34,827
Total Receipts		\$ 694	\$ 2,521	\$ 1,973	\$ 1,578	\$ 2,351	\$ 3,492	\$ 2,440	\$ 2,476	\$ 3,996	\$ 3,508	\$ 3,933	\$ 2,686	\$ 3,179	\$ 34,827
Disbursements															
<i>Operating Disbursements</i>															
Production Costs	[3]	(779)	(1,005)	(1,160)	(1,005)	(1,340)	(774)	(505)	(405)	(535)	(584)	(874)	(535)	(535)	(10,036)
Insurance		(175)	-	-	-	(134)	-	-	-	-	(134)	-	-	-	(443)
Payroll	[4]	(690)	(1,520)	(458)	(1,035)	(1,222)	(1,090)	(518)	(1,153)	(458)	(1,090)	(518)	(1,153)	(458)	(11,363)
Rent	[5]	(301)	-	-	-	-	(301)	-	-	-	(301)	-	-	-	(903)
Taxes	[6]	(574)	-	-	-	(1,018)	(340)	-	-	-	(4,220)	(550)	-	-	(6,702)
Other Operating Expenses	[7]	(659)	(408)	(836)	(217)	(368)	(264)	(787)	(337)	(311)	(383)	(304)	(373)	(346)	(5,593)
Total Operating Disbursements		\$ (3,178)	\$ (2,933)	\$ (2,454)	\$ (2,257)	\$ (4,082)	\$ (2,769)	\$ (1,810)	\$ (1,895)	\$ (1,304)	\$ (6,712)	\$ (2,246)	\$ (2,061)	\$ (1,339)	\$ (35,040)
Net Cash from Operations		\$ (2,484)	\$ (412)	\$ (481)	\$ (679)	\$ (1,731)	\$ 723	\$ 630	\$ 581	\$ 2,692	\$ (3,204)	\$ 1,687	\$ 625	\$ 1,840	\$ (213)
<i>Financing Disbursements</i>															
Loan Advances (Repayments)	[8]	2,165	(2,521)	(1,973)	(1,578)	(2,351)	(3,492)	(2,440)	(2,476)	(3,996)	(3,508)	(3,933)	(2,686)	(1,472)	(30,261)
Interest Expenses & Fees	[9]	(42)	-	-	-	-	(42)	-	-	-	(42)	-	-	-	(126)
<i>Restructuring Disbursements</i>															
Restructuring Legal and Professional Costs	[10]	(605)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(2,825)
Net Cash Flows		\$ (966)	\$ (3,118)	\$ (2,639)	\$ (2,442)	\$ (4,267)	\$ (2,996)	\$ (1,995)	\$ (2,080)	\$ (1,489)	\$ (6,939)	\$ (2,431)	\$ (2,246)	\$ 183	\$ (33,425)
Cash															
Beginning Balance		\$ 2,814	\$ 1,848	\$ 999	\$ 999	\$ 998	\$ 998	\$ 997	\$ 997	\$ 998	\$ 998	\$ 998	\$ 997	\$ 997	\$ 2,814
Net Receipts/ (Disbursements)		(966)	(3,118)	(2,639)	(2,442)	(4,267)	(2,996)	(1,995)	(2,080)	(1,489)	(6,939)	(2,431)	(2,246)	183	(33,425)
DIP Advances/ (Repayments)	[11]	-	2,367	2,639	2,441	4,267	3,072	1,995	2,081	1,489	7,136	2,440	2,246	(184)	31,989
DIP Fees & Interest Payment	[12]	-	(98)	-	-	-	(77)	-	-	-	(207)	-	-	-	(382)
Ending Balance		\$ 1,848	\$ 999	\$ 999	\$ 998	\$ 998	\$ 997	\$ 997	\$ 998	\$ 998	\$ 998	\$ 997	\$ 997	\$ 996	\$ 996

Notes to the Consolidated Cash Flow Forecast:

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of BZAM Ltd. and its subsidiaries ("BZAM" or the "Company"). The forecast above is presented in Canadian Dollars. The forecast 13-week Cash Flow Forecast is on a cash-basis only and does not include timing differences for cash in transit.

[2] Receipts from Operations are based on management's current expectations regarding sales and collections. Receipts from operations have been forecast based on current payment terms, historical trends in collections, and expected demand.

[3] Production Costs includes the cost of operating the growing facilities as well as the purchase of cannabis from other Licensed Producers ("LPs").

[4] Forecast Payroll is based on historical payroll amounts and future forecast amounts based on planned headcount reductions.

[5] Forecast Rent includes payments to landlords in various provinces for leased cultivation facilities and office spaces.

[6] Forecast Taxes include payments for sales tax (GST, HST, and QST) to various taxing authorities across Canada as well as the post-filing Excise Tax in accordance with the Excise Tax Act.

[7] Forecast Other Operating Expenses include selling, general, and administrative payments.

[8] Forecast Loan Advances (Repayments) reflect the repayment of the Cortland Secured Pre-Filing Obligations from post-filing receipts in accordance with the DIP Term Sheet.

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

[10] Forecast Restructuring Legal and Professional Costs include legal and professional fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

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

[12] Forecast DIP Accrued Interest reflects interest of 15.25% accrued on the DIP Advances under the DIP Facility during the forecast period. Interest is payable on the first of the month. A \$0.1M commitment fee is payable upon the initial DIP advance.

SCHEDULE "B"
FORM OF ADVANCE CERTIFICATE

We refer to the provisions of the DIP facility agreement dated February 28, 2024 (as it may be amended, restated, supplemented or otherwise modified from time to time, the “**DIP Facility Agreement**”) between, *inter alia*, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, as administrative agent for certain lenders (the “**Agent**”). Capitalized terms used herein have the same meaning as in the DIP Facility Agreement. The undersigned, being an officer or director of the Borrower hereby represents, warrants and certifies in such capacity, and not in her or his personal capacity, as follows:

1. **Representations and Warranties.** The representations and warranties of the Borrower and the other Obligors set forth in the DIP Facility Agreement, or which are contained in any certificate, document or financial or other written statement furnished pursuant to or in connection therewith are accurate and complete in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except to the extent specified in the DIP Facility Agreement to be made as of a specific date.
2. **No Material Adverse Change.** Since the date of the Initial Order, no Material Adverse Change has occurred.
3. **No Default.** There exists no Default or Event of Default on the date hereof and no Default or Event of Default will occur as a result of the Advance Request made pursuant to this Advance Request Certificate.
4. **Conditions Precedent.** The conditions precedent to this Advance Request in accordance with the DIP Facility Agreement have been satisfied.
5. **Loan Advance.** The Borrower hereby requests, authorizes, and instructs the Agent to fulfill this Advance Request in the amount of \$[●] by initiating a wire to the Borrower on _____, 2024 at the particulars noted below and this will be the Agent’s irrevocable authority to do so
 - (a) [●]

SCHEDULE "C"
LIENS (OTHER THAN PERMITTED ENCUMBRANCES)

SCHEDULE "D"
TAX RETURNS

- a. Total Excise Tax Arrears: \$9,083,289.33 (as of February 15, 2024)
- b. Total Deposits for Excise Tax: \$2,500,000 (\$2,150,000 with Intact + \$350,000 with CRA)
(as of Feb 28, 2024)
- c. Total Surety Bond: \$4,300,000
- d. Total Sales Tax Arrears: \$2,635,180.64 (as of February 15, 2024)
- e. Total Withholding Tax Arrears: N/A

SCHEDULE "E"
ACTIONS, SUITS AND/OR PROCEEDINGS

1. *1613240 Ontario Ltd. and Amy Stephenson v. The Green Organic Dutchman Holdings Ltd.* (the prior name of BZAM), Ontario Superior Court of Justice File No. CV-18- 605781.

2. BZAM Cannabis Corp. commenced a claim, by arbitration, against GO Drywall Ltd. for breach of a construction contract for failure to provide services. BZAM Cannabis Corp.'s claim is for \$248,936.25. Go Drywall Ltd. commenced a cross claim for wrongful termination of the contract seeking \$746,805.89. A final arbitration was awarded in favor of BZAM Cannabis Corp.'s for the full amount of the claim, plus legal costs.

3. BZAM Management Inc. has filed an appeal from the assessments by the BC Ministry of Finance's tax appeals division to recover approximately \$1.05 Million in BC property transfer taxes paid by it in connection with its acquisition of three properties in British Columbia.

4. On February 1, 2021, a former BZAM Cannabis Corp. employee filed a human rights complaint with the Alberta Human Rights Commission with respect to their termination for refusal to be vaccinated for Covid-19 pursuant to BZAM's Vaccination Policy.

5. *Jason Glenn c.o.b.a Frostmec Services v BZAM Management Inc.* – British Columbia Small Claims Court. Former employee filed a Notice of Claim alleging non-payment of invoices and seeking \$28,082.00.

6. *Freyja Jorgensen v. Final Bell Canada*, HRTO File No. 2023-53071, commenced May 31, 2023. Freyja Jorgensen, a former employee of Final Bell Corp., commenced a proceeding at the Human Rights Tribunal of Canada in the amount of CAD \$123,201.

7. *Thanasi Tambakos, Silvia Vassileva, Christian Tambakos, by his Litigation Guardian, Silvia Vassileva, and Gabriella Tambakos by her Litigation Guardian Silvia Vassileva v. Spectrum Cannabis Canada Ltd. (F.K.A. Mettrum Ltd.), Final Bell Corp. (F.K.A. Starseed Medicinal Inc., and Mettrum (Bennett North) Ltd.), Agripharm Corp., and Canopy Growth Corporation*, CV-23-00695168-0000, issued February 23, 2023. This action claims that the defendants were negligent in the cultivation, production, testing, processing, manufacture, distribution, marketing and sale of the medical marijuana products affected by a recall of products produced, marketed and sold by the defendant, Mettrum Ltd. The claim is for approximately CAD \$475,000.

This is Exhibit "J" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

Court File No.: _____

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

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

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

Applicants

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

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

1. This affidavit is made in support of an Application by BZAM Ltd. ("**BZAM**"), BZAM Holdings Inc. ("**BZAM Holdings**"), BZAM Management Inc. ("**BZAM Management**"), BZAM Cannabis Corp. ("**BZAM Cannabis**"), Folium Life Science Inc. ("**Folium Life Science**"), 102172093 Saskatchewan Ltd. ("**102 Saskatchewan**"), The Green Organic Dutchman Ltd. ("**TGOD**"), Medican Organic Inc. ("**Medican Organic**"), High Road Holding Corp. ("**High Road Holding**"), and Final Bell Corp. doing business as BZAM Labs ("**BZAM Labs**") (each individually, an "**Applicant**", and collectively, the "**Applicants**").

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

non-Applicant 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.

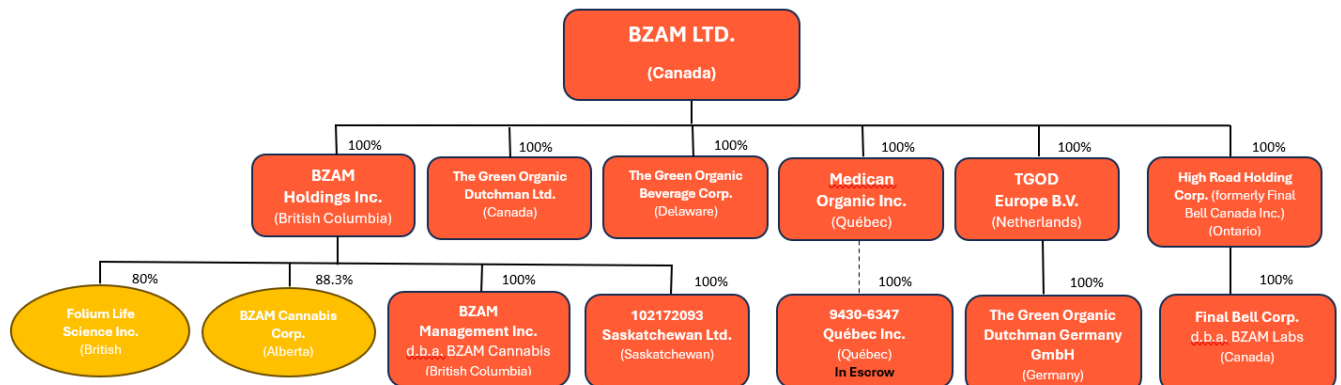
11. The CCAA filing and the proposed SISP are intended to benefit all of the Company's stakeholders in Canada and internationally, including the Company's many employees, customers, suppliers, secured creditors, other contracting parties, Health Canada, and the relevant provincial cannabis regulators.

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 Bovingdon, will be leaving his position concurrently with the filing of these CCAA Proceedings to take on a consultant role with BZAM until May 31, 2024 and he is anticipated to receive additional remuneration under a payment plan following his departure; and
- (c) 103 of salaried employees are eligible to receive an annual bonus for 2023 under a corporate incentive program as certain objective metrics, both at an individual and corporate level, were met last year. These bonuses are due to be paid at the end of March 2024 and total approximately \$702,000.

4. Intercompany Loans

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

VI. THE PROPOSED INTERIM FINANCING

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

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

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

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

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

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

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

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

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

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

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

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

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

VII. RELIEF SOUGHT AT THE INITIAL HEARING

A. Stay of Proceedings

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

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

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

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

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

B. Proposed Monitor

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

C. Ability to Pay Certain Pre-Filing Amounts

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

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

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

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

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

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

D. Administration Charge

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

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

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

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

E. DIP Lender's Charge

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

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

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

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

F. Directors' Charge

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

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

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

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

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

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

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

G. Cash Flow Forecast

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

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

H. Additional Relief

1. Relief from Reporting and Filing Obligations

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

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

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

2. Relief in respect of the Licenses

142. The Subsidiaries listed above that hold licenses with Health Canada and cannabis licenses with CRA seek to have their licenses and their ability to receive cannabis excise stamps preserved and maintained during the Stay Period, including their ability to sell cannabis inventory in the ordinary course under those licenses. There is no immediate concern that any of the licenses with Health Canada will expire during the Stay Period, but the term of these licenses must continue for the duration of the Stay Period to ensure these Subsidiaries operate as a going concern. On the other hand, BZAM Management's cannabis license with the CRA will soon expire on February 29, 2024. If that license is allowed to expire, or to be cancelled or revoked, BZAM Management would not be able to use its existing stock of cannabis excise stamps or continue obtaining an ongoing supply of cannabis excise stamps, which would destroy its ability to operate as a going concern. The Company has included the CRA on the service list to ensure that it receives notice of these CCAA Proceedings.

VIII. RELIEF TO BE SOUGHT AT THE COMEBACK HEARING

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

A. ARIO

1. Stay Extension

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

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

2. Increases to Charges

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

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

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

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

B. SISP Approval Order

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

1. Stalking Horse Purchase Agreement

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

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

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

2. SISP

152. The proposed SISP will provide for the Applicants, the Non-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:

 265A8C7A10A1495...

JAMIE ERNST

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

DocuSigned by:

 ED78A780251C4ED...

MATTHEW MILICH

This is Exhibit "K" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

Court File No. _____

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.

PRE-FILING REPORT OF FTI CONSULTING CANADA INC., AS PROPOSED MONITOR

February 28, 2024

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Court File No.: _____

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

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

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

Applicants

**PRE-FILING REPORT TO THE COURT
SUBMITTED BY FTI CONSULTING CANADA INC.,
IN ITS CAPACITY AS PROPOSED MONITOR**

A. INTRODUCTION

1. FTI Consulting Canada Inc. (“**FTI**” or the “**Proposed Monitor**”) understands that 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**” and collectively, the “**Applicants**” or the “**BZAM Group**” intend to make an application (the “**Initial Application**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) for an initial order (the “**Proposed Initial Order**”) granting certain relief, including, *inter alia*, a stay of proceedings (the “**Stay of Proceedings**”) against the Applicants and the Non-Applicant Stay Parties (collectively, the “**Company**”) until and including March 8, 2024, and appointing FTI as the monitor (in such capacity, the “**Monitor**”). The proceedings to be commenced by the Applicants will be referred to herein as the “**CCAA Proceedings**”.

2. The purpose of this pre-filing report of the Proposed Monitor (the “**Pre-Filing Report**”) is to inform the Court of the following:
- (a) FTI’s qualifications to act as Monitor, if appointed;
 - (b) the activities of FTI and its counsel, Stikeman Elliott LLP (“**Stikeman**”) to date;
 - (c) FTI’s comments regarding the BZAM Group’s cash management system;
 - (d) FTI’s comments regarding the BZAM Group’s proposed stakeholder communication plan (the “**Communication Plan**”);
 - (e) BZAM Group’s proposed treatment of certain pre-filing payables in the Proposed Initial Order;
 - (f) BZAM Group’s consolidated 13-week cash flow projections of its receipts and disbursements to May 25, 2024 (the “**Cash Flow Projection**”) and the reasonableness thereof, in accordance with section 23(1)(b) of the CCAA;
 - (g) BZAM Group’s request for the approval of a debtor-in-possession (“**DIP**”) credit facility (the “**DIP Facility**”), pursuant to which the Company’s post-filing receipts are swept and applied against the existing debt under the Credit Facility with their existing senior secured creditor, in the existing cash management system, of which a maximum initial amount of \$2.4 million will be advanced during the initial 10-day Stay of Proceedings, and a corresponding charge in respect thereof (the “**DIP Lender’s Charge**”);
 - (h) BZAM Group’s proposed administration charge (the “**Administration Charge**”) and proposed directors’ and officers’ charge (the “**Directors’ Charge**”);
 - (i) A discussion of the BZAM Group’s intended next steps in the CCAA Proceedings, including relief that the Proposed Monitor understands the BZAM Group intends to seek at a proposed comeback hearing (the “**Comeback Hearing**”) if the requested Proposed Initial Order is granted, including:

- (i) approval of BZAM’s execution of a share subscription agreement (the “**Stalking Horse Agreement**”) with a corporation related to BZAM’s largest shareholder and current Chairman, who also ultimately controls Stone Pine (in its capacity as purchaser under the Stalking Horse Agreement, the “**Stalking Horse Bidder**”);
- (ii) a “**Bid Protections Charge**” (together with the DIP Lender’s Charge, the Administration Charge, and the Directors’ Charge, the “**Proposed CCAA Charges**”) over the Property in favour of the Proposed Stalking Horse Bidder;
- (iii) a sale and investment solicitation process (the “**Proposed SISP**”) in which the Stalking Horse Agreement will serve as the “**Stalking Horse Bid**”;
- (iv) an increase in the amounts that may be borrowed by the BZAM Group under the DIP Facility to the maximum principal amount of \$41.0 million and a corresponding increase to the DIP Lender’s Charge;
- (v) amendments to the amounts and rankings of the Proposed CCAA Charges;
and
- (vi) an extension to the Stay of Proceedings until and including May 25, 2024;
and
- (j) FTI’s views with respect to the proposed CCAA Proceedings and certain of the relief sought in the Proposed Initial Order.

B. TERMS OF REFERENCE

3. In preparing this Pre-Filing Report, the Proposed Monitor has relied upon audited and unaudited financial information of the BZAM Group’s books and records, certain financial information and forecasts prepared by the BZAM Group, and discussions with various parties, including senior management (“**Management**”) of, and advisors to, the BZAM Group (collectively, the “**Information**”).

4. Except as otherwise described in this Pre-Filing Report:
 - (a) the Proposed Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
 - (b) the Proposed Monitor has not examined or reviewed the financial forecasts or projections referred to in this Pre-Filing Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
5. Future-oriented financial information reported in, or relied on, in preparing this Pre-Filing Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
6. The Proposed Monitor has prepared this Pre-Filing Report in connection with the Initial Application. The Pre-Filing Report should not be relied on for any other purpose.
7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.
8. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the affidavit of Matthew Milich, the Chief Executive Officer of the BZAM Group, filed in support of the Initial Application (the "**Milich Affidavit**").

C. FTI'S QUALIFICATIONS TO ACT AS MONITOR

9. On February 6, 2024, the BZAM Group engaged FTI to assist it in understanding its strategic options and to prepare, on a contingency basis, for the possibility of commencing insolvency proceedings in which FTI would act as Monitor (subject to Court approval). Jeffrey Rosenberg, a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, leads the FTI team with carriage of this matter.

10. Since being engaged by the BZAM Group, FTI has acquired knowledge of the business and operations of the BZAM Group, including its personnel, stakeholders and the key issues in the proposed CCAA Proceedings. As a result, FTI is in a position to immediately act as Monitor in the CCAA Proceedings if appointed by this Court.
11. Neither FTI, nor any of its representatives or affiliates, has been at any time in the past two years:
 - (a) a director, officer or employee of any member of the BZAM Group;
 - (b) related to any member of the BZAM Group, or to any director or officer of any member of the BZAM Group; or
 - (c) the auditor, accountant or legal counsel, or a partner or an employee of the auditor, accountant or legal counsel, of any member of the BZAM Group.
12. The BZAM Group had conversations with FTI in Fall 2023 with respect to a potential engagement. However, FTI ultimately did not conduct any work for the BZAM Group at that time and had limited involvement with the BZAM Group until it was formally retained on February 6, 2024. An aggregate retainer of \$75,000 has been paid by the BZAM Group to the Proposed Monitor and the Proposed Monitor's counsel.
13. FTI has consented to act as Monitor should this Court grant the Proposed Initial Order.

D. FTI'S INVOLVEMENT TO DATE

Proposed Monitor's Activities

14. The Proposed Monitor has been involved in a number of activities leading up to the commencement of the CCAA Proceedings, including:
 - (a) participating in discussions with Management, counsel to the BZAM Group, and certain of the Directors and Officers (as defined below). These discussions have been carried out in connection with the business and affairs of the BZAM Group, as well as the Initial Application;

- (b) participating in discussions with Cortland Credit Lending Corporation (“**Cortland**”), the Company’s existing senior secured creditor and proposed DIP Lender to the Applicants, its financial advisor KSV Restructuring Inc., and legal advisor Cassels, Brock & Blackwell LLP;
- (c) reviewing and commenting on the Cash Flow Projection;
- (d) reviewing and considering various information in connection with the BZAM Group’s business, operations and the CCAA Proceedings including, but not limited to:
 - (i) BZAM Group’s cash management system;
 - (ii) BZAM Group’s Communication Plan in respect of these CCAA Proceedings;
 - (iii) the Proposed SISP and commenced preparing marketing materials in order to launch the Proposed SISP process;
 - (iv) the proposed Stalking Horse Agreement;
 - (v) the DIP Facility; and
 - (vi) the quantum and nature of the Proposed CCAA Charges;
- (e) engaging with Stikeman as its legal counsel to consider issues with respect to the foregoing; and
- (f) preparing this Pre-Filing Report.

E. OVERVIEW OF THE BZAM GROUP’S BUSINESS AND AFFAIRS

15. The Milich Affidavit sets out detailed information with respect to the Company’s business and operations, as well as the causes of its ongoing financial distress. The information contained in this Pre-Filing Report is intended to provide context for, and to facilitate an understanding of, the issues addressed in this Pre-Filing Report and is not intended to be

an exhaustive summary of all matters relating to the business of the Company. The Proposed Monitor recommends that readers carefully review all of the materials filed by the BZAM Group in connection with the Initial Application, including the Milich Affidavit.

16. The Company engages in the production, cultivation, processing and distribution of cannabis and cannabis-related products.
17. 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.
18. The Company collectively employs approximately 441 employees in Canada, approximately 256 of which are employed in Ontario. In addition, the Company also employs approximately 80-90 individuals on a contract basis.
19. The *Cannabis Act* and applicable provincial and municipal legislation regulates the operations of the BZAM Group. Through the Subsidiaries, the BZAM Group holds the applicable licenses allowing them to produce, cultivate, process, and distribute cannabis. The Proposed Monitor has been advised that the BZAM Group is compliant with the applicable licensing requirements allowing it to operate.

The Applicants

BZAM

20. BZAM is a company incorporated under the *Canada Business Corporations Act* (the “CBCA”) and having its registered office located in Pitt Meadows, British Columbia. 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”.
21. BZAM wholly-owns five of the other Applicants: BZAM Holdings, BZAM Management, TGOD, Medican Organic and High Road Holding.

BZAM Holdings

22. BZAM Holdings is a company incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and acts 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.

BZAM Management

23. BZAM Management is a company incorporated under the BCBCA and currently does business as "BZAM Cannabis". BZAM Management is a licensed entity with Health Canada that operates out of a leased facility located in Pitt Meadows, British Columbia (the "**Pitt Meadows Facility**").

BZAM Cannabis

24. BZAM Cannabis is a company incorporated under the *Business Corporations Act* (Alberta). BZAM Cannabis is a licensed entity with Health Canada that operated out of a facility that it owns located in Sherwood Park, Alberta (the "**Edmonton Facility**"). The Edmonton Facility is currently listed for sale. There is some cultivation equipment on the grounds of the Edmonton Facility, but BZAM Cannabis does not have any active operations or inventory at the Edmonton Facility.

Folium Life Science

25. Folium Life Science is a company incorporated under the BCBCA. Folium Life Science is a licensed entity with Health Canada that operates out of a leased facility located in Sean Heights, Saanichton, British Columbia (the "**Saanichton Facility**"). The Saanichton Facility currently holds various cultivation equipment and inventory.

102 Saskatchewan

26. 102 Saskatchewan is a company incorporated under the *The Business Corporations Act* (Saskatchewan) and sells the Company's cannabis products direct to customers under

a retail sales license through a leased store located in Emerald Park, Saskatchewan (the "**Regina Store**").

TGOD

27. TGOD is a company incorporated under the CBCA. TGOD is a licensed entity with Health Canada that operates out of a facility that it owns located in Jerseyville, Ontario (the "**Hamilton Facility**").

Medican Organic

28. Medican Organic is a company incorporated under the *Business Corporations Act* (Quebec) (the "**QCBCA**") 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).

High Road Holding

29. High Road Holding is a company incorporated under the *Business Corporations Act*, RSO 1990, c B.16 (the "**OBCA**"). High Road Holding wholly-owns BZAM Labs.

BZAM Labs

30. BZAM Labs is a company incorporated under the CBCA. BZAM Labs is a licensed entity with Health Canada that currently does business as "BZAM Labs" and operates out of a leased facility located in Bowmanville, Ontario.

The Non-Applicant Stay Parties

943 Québec

31. 943 Québec is a company incorporated under the QCBCA and is a licensed entity with Health Canada that operates out of a leased facility located in Vaudreuil-Dorion, Québec (the "**Québec Facility**"). On November 11, 2022, Medican Organic entered into a Share Purchase Agreement, Lease Agreement and Letter of Intent to acquire 943 Québec.

32. Medican Organic's acquisition of 943 Québec has not yet closed as it is a condition precedent to the acquisition that the landlord for the Québec Facility obtain municipal approval over certain improvements to the building. Medican Organic currently holds all the issued and outstanding shares in 943 Québec in escrow until that condition precedent is met and the Company anticipates that the municipal approval will be obtained in the near future, at which point the acquisition will close.

TGOD Europe and TGOD Germany

33. TGOD Europe B.V. (“**TGOD Europe**”) is a company based in the Netherlands and wholly-owns The Green Organic Dutchman Germany GmbH (“**TGOD Germany**”), a dormant company based in Germany.
34. Neither company has any material assets or operations. However, both companies may have tax attributes which may be valuable to a potentially interested party in the Company’s business. The Applicants intend to market TGOD Europe and TGOD Germany in the Proposed SISP.

TGOB

35. The Green Organic Beverage Corp. (“**TGOB**”) is a dormant company based in Delaware and does not have any assets or operations.
36. TGOB also has tax attributes which the Applicants intend to market in the Proposed SISP.

Secured Creditors

Cortland

37. As referenced above, Cortland is the Company’s senior secured creditor. Pursuant to the terms of the Credit Agreement, Cortland provided the BZAM Group with a secured, interest-bearing term and revolving credit facility totalling the principal amount of \$34.0 million. As of February 28, 2024, the balance outstanding on the credit facility is approximately \$31.9 million (plus accrued interest of \$0.4 million) comprised of approximately \$20.6 million in term loan and \$11.3 million drawn on the revolving facility.

38. Cortland holds a first-ranking security interest over all the present and after-acquired Property of the BZAM Group, with the exception of: (a) 102 Saskatchewan, who is not a party to the Credit Agreement; and (b) the Edmonton Facility, which is described below.

Stone Pine

39. BZAM entered into a series of promissory notes with Stone Pine in the aggregate principal amount of \$8,515,000. Stone Pine is a company ultimately controlled by the BZAM's largest shareholder and current Chairman.
40. Under the Stone Pine Promissory Notes, Stone Pine has a second-ranking security interest over all the present and after-acquired Property of BZAM. No interest has been paid to-date in respect of the Stone Pine Promissory Notes.

Mortgage Lenders

41. At the time BZAM Cannabis was acquired by BZAM Holdings, it owed approximately \$5.0 million under the Mortgage Loan secured against the Edmonton Facility pursuant to a commitment letter dated May 19, 2021.
42. The lenders under the Mortgage Loan appear to have a first-ranking security interest over the Edmonton Facility by way of its first-ranking mortgage over the Edmonton Facility (the "**Edmonton Facility Charge**").

Unsecured Creditors

CRA

43. As described in greater detail below, the Applicants have approximately \$9.1 million pre-filing excise tax arrears with monthly excise tax obligations estimated to be approximately \$4.0 million.

FBHI

44. BZAM acquired High Road Holding from FBHI on January 8, 2024, and 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.

45. High Road Holding also provided an unsecured promissory note dated January 5, 2024 to FBHI in the amount of \$8.0 million.

F. THE BZAM GROUP'S CASH MANAGEMENT SYSTEM

46. The Proposed Monitor has reviewed the description of the Company's cash management system (the "**Cash Management System**") as described in Milich Affidavit and believes it to be accurate.
47. The BZAM Group maintains 19 operating accounts to collect receipts and process disbursements. The bank accounts are held with the Bank of Montreal ("**BMO**") and Alterna Bank ("**Alterna**"). Two of these accounts are sweep accounts used to transfer funds as part of the Credit Agreement with Cortland. The chart below provides a summary of the BZAM Group's operating banking facilities across the two banking institutions:

Entity	BMO	Alterna	Type	Sweep [Y/N]
The Green Organic Dutchman Ltd.	2	-	R&D	N
The Green Organic Dutchman Ltd.	3	-	I	N
The Green Organic Dutchman Ltd.	1	-	R	Y
Medican Organic Inc.	2	-	I	N
Medican Organic Inc.	1	-	D	N
BZAM Ltd.	2	-	R&D	N
BZAM Management Inc.	1	-	R&D	N
BZAM Management Inc.	1	-	R	Y
BZAM Management Inc.	1	-	D	N
102172093 Saskatchewan Ltd.	1	-	R&D	N
BZAM Cannabis Corp.	1	-	R&D	N
Folium Life Science Inc.	1	-	R&D	N
BZAM Holdings Inc.	1	-	R&D	N
Final Bell Corp.	-	1	R&D	N
Total	18	1		

*R = Receipts; D = Disbursements; R&D = Receipts & Disbursements; I = Inactive

48. The Company also holds 3 deposit accounts for Letters of Credit issued by Alterna and 1 deposit account as collateral for its business credit card with BMO.

49. The Cash Management System is primarily managed out of Toronto, Ontario. The Cash Management System allows for separate tracking of receipts and disbursements of the BZAM Group.
50. The BZAM Group currently tracks all intercompany transactions and will continue to monitor and record all intercompany transactions in its accounting system post-filing.
51. This Cash Management System is critical to the ongoing management of the Company's business and affairs. It is also a requirement under the DIP Term Sheet that the Cash Management System be either maintained or replaced only with another substantially similar cash management system. Replacement of the Cash Management System would be costly and time consuming. Accordingly, the Proposed Monitor supports the BZAM Group's request to continue to operate the Cash Management Systems on existing terms throughout the CCAA Proceedings.

G. COMMUNICATION PLAN

52. The BZAM Group and the Proposed Monitor, with input from their respective counsel, have prepared the detailed Communication Plan to inform stakeholders of the CCAA Proceedings following in order to ensure seamless continuation of the operations of the Company.
53. Individual, targeted communications are proposed to be sent to employees, suppliers, landlords, and customers, which communications include frequently asked questions (the "FAQs") explaining the general nature of the Initial Application and the CCAA Proceedings, the role of the Court and the Monitor, as well as the immediate implications of the Proposed Initial Order for each particular stakeholder group.
54. The Communication Plan is comprehensive and is consistent with the scope of other communication plans employed at the outset of similar CCAA proceedings.
55. The Communication Plan and Proposed Initial Order contemplate that the Monitor is to post materials in connection with the CCAA Proceedings on the Monitor's website at

<http://cfcanada.fticonsulting.com/bzam/> (the “**Monitor’s Website**”). If appointed as Monitor, FTI will also post the FAQs on the Monitor’s Website.

56. FTI will also make available a dedicated email address (b zam@fticonsulting.com) and hotline telephone numbers (1-833-446-7441 or 416-649-8065) to stakeholders who may have additional questions in respect of the CCAA Proceedings.

H. PAYMENT OF PRE-FILING AMOUNTS

57. The Proposed Initial Order provides the Applicants with the authority (but not the obligation) to pay certain expenses whether incurred prior to or following the commencement of the CCAA Proceedings. Specifically, the Applicants would retain the authority to pay, among other things, outstanding and future wages, salaries, and certain other employee-related payments.
58. The Proposed Monitor understands that the Applicants rely on certain vendors and third-party service providers to provide ongoing services in order to ensure operations continue as a going concern.
59. The Proposed Monitor also understands that certain of these suppliers are critical to the Applicants’ business and are either small, medium or very specialized product enterprises, which are dependent on continuous payment from the Applicants, such that it may be difficult to require them to comply with the terms of the Proposed Initial Order. 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 Applicants, may prevent the Applicants from operating in the ordinary course and continuing to provide uninterrupted services to its customers.
60. In order to ensure the continuous supply of products and services and to avoid disruption to the business, the Applicants are requesting the authority (but not the obligation) to pay, partially or entirely, 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 Proposed Initial Order.

61. The Monitor intends to work closely with the Applicants to ensure only the most critical suppliers receive any payments in respect of their pre-filing amounts.

I. CASH FLOW PROJECTION

62. The Cash Flow Projection, together with Management's report on the cash-flow statement as required by section 10(2)(b) of the CCAA, is attached hereto as **Appendix "A"**. The Cash Flow Projection covers the 13-week period ending May 25, 2024.

63. The Cash Flow Projection shows operating receipts of approximately \$34.8 million, and operational disbursements of approximately \$35.0 million, resulting in net cash outflow from operations of \$0.2 million, and professional fees of \$2.8 million for that period. The Cash Flow Projection is summarized below:

(SCAD in thousands)

Forecast Week Starting (Sunday)	13 Week
Forecast Week	Total
Receipts	
Receipts from Operations	\$ 34,827
Miscellaneous Receipts	-
<i>Total Receipts</i>	\$ 34,827
Disbursements	
<i>Operating Disbursements</i>	
Production Costs	(10,036)
Insurance	(443)
Payroll	(11,363)
Rent	(903)
Taxes	(6,702)
Other Operating Expenses	(5,593)
<i>Total Operating Disbursements</i>	\$ (35,040)
Net Cash from Operations	\$ (213)
<i>Financing Disbursements</i>	
Loan Advances (Repayments)	(30,261)
Interest Expenses & Fees	(126)
<i>Restructuring Disbursements</i>	
Restructuring Legal and Professional Costs	(2,825)
Net Cash Flows	\$ (33,425)
Cash	
Beginning Balance	\$ 2,814
Net Receipts/ (Disbursements)	(33,425)
DIP Advances/ (Repayments)	31,989
DIP Fees & Interest Payment	(382)
Ending Cash Balance	\$ 996

DIP Facility	
Opening Balance	\$ -
Advances	31,989
Accrued Interest	641
DIP Fees & Interest Payment	(382)
Closing Balance (DIP & Interest)	\$ 32,248

64. As shown in the Cash Flow Projection, the BZAM Group will require additional funding totalling approximately \$32.0 million during the 13-week period ending May 25, 2024.
65. As described further below, pursuant to the DIP Facility and Cash Management System:
 - (a) all post-filing receipts of the Applicants will be applied to repay pre-filing obligations owing to Cortland; and
 - (b) all operating and other costs of the Company post-filing are to be funded as required by advances from the DIP Facility.
66. The Cash Flow Projection reflects that the forecasted balance under the DIP Facility at the end of the 13-week period is approximately \$32.3 million. The pre-filing obligations owing to Cortland are expected to be fully repaid by the end of the forecasted period.
67. The Cash Flow Forecast during the initial 10-day Stay of Proceedings expects post-filing receipts of \$3.2 million to be applied against the pre-filing obligations owed to Cortland. With proposed availability under the DIP Facility, the Company anticipates having adequate liquidity to make all required payments during the 10-day period.
68. The DIP Facility is described in greater detail below.
69. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Proposed Monitor hereby reports to the Court as follows:
 - (a) the Proposed Monitor has reviewed the Cash Flow Projection, which was prepared by Management for the purpose described in notes to the Cash Flow Projection (the “**Projection Notes**”), using the Probable Assumptions and Hypothetical Assumptions set out therein;
 - (b) the review consisted of inquiries, analytical procedures and discussion related to information provided by certain members of Management and employees of the BZAM Group. Since Hypothetical Assumptions need not be supported, the Proposed Monitor’s procedures with respect to the Hypothetical Assumptions were limited to evaluating whether the Hypothetical Assumptions were consistent with the purpose of the Cash Flow Projection. The Proposed Monitor has also reviewed

the support provided by Management for the Probable Assumptions and the preparation and presentation of the Cash Flow Projection;

- (c) based on that review, and as at the date of this Pre-Filing Report, nothing has come to the attention of the Proposed Monitor that causes it to believe that:
 - (i) the Hypothetical Assumptions are inconsistent with the purpose of the Cash Flow Projection;
 - (ii) the Probable Assumptions are not suitably supported or consistent with the plans of the BZAM Group or do not provide a reasonable basis for the Cash Flow Projection, given the Hypothetical Assumptions; or
 - (iii) the Cash Flow Projection does not reflect the Probable and Hypothetical Assumptions.
- (d) since the Cash Flow Projection is based on assumptions regarding future events, actual results will vary from the projection even if the Hypothetical Assumptions occur. Those variations may be material. Accordingly, the Proposed Monitor expresses no assurance as to whether the Cash Flow Projection will be achieved. The Proposed Monitor also expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Pre-Filing Report, or relied upon by the Proposed Monitor in preparing this Pre-Filing Report; and
- (e) the Cash Flow Projection has been prepared solely for the purpose described in the Projection Notes. The Cash Flow Projection should not be relied upon for any other purpose.

J. DIP FINANCING

70. Pursuant to the Proposed Initial Order, the Applicants are seeking authorization from this Court to enter into the DIP Facility on the terms set out in the DIP Term Sheet, a copy of which (without Schedules) is attached hereto as **Appendix “B”**. A copy of the full version of the DIP Term Sheet (with Schedules) is included as an Exhibit to the Milich Affidavit.

71. The terms of the DIP Facility are summarized below, which is not intended to be exhaustive. The Proposed Monitor recommends that readers carefully review the terms of the DIP Term Sheet. Capitalized terms not otherwise defined in this section have the meanings ascribed to them in the DIP Term Sheet.
72. The Proposed Monitor and Stikeman have reviewed the terms of the DIP Term Sheet. The DIP Term Sheet is the result of extensive negotiations between the Applicants, the DIP Lender, and their respective counsel and financial advisor, with input from the Proposed Monitor.
73. The Proposed Monitor makes the following observations in respect of certain terms of the DIP Term Sheet:
- (a) **DIP Facility:** non-revolving loan up to the maximum principal amount to not exceed, at any time, the lesser of (i) \$41.0 million; and (ii) the Revolving Facility Limit plus \$7.0 million, provided that at no point in time will be Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed \$41.0 million;
 - (b) **Use of Proceeds:** all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs and shall in no circumstances be used to fund any Pre-Filing Obligations;
 - (c) **Mandatory Repayments:** as set out above, all of the Company's post-filing receipts are swept and applied to the existing debt under the Credit Facility with Cortland. Subject to the priority of the Administration Charge, if any Credit Party sells any Collateral outside the ordinary course of business or sells the equity interests of any subsidiary of a Credit Party, the proceeds of sale, up to the total amount of the Borrower's indebtedness to the Lenders under the DIP Facility, is required to be applied against the indebtedness under the DIP Facility;

- (d) **Interest Rate and Fees:**
- (i) interest shall be the greater of: (A) the TD Prime Rate plus 8.05% per annum; and (B) 12% per annum and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Interest is calculated daily and not in advance on the basis of a 365-day year; and
 - (ii) a commitment fee of \$98,000 (the “**Commitment Fee**”);
- (e) **Maturity Date:** the earlier of (i) July 15, 2024; (ii) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and (iii) the date of a sale of all or substantially all of the Collateral.
- (f) **Conditions Precedent:** the obligation of the Lenders to fund each advance under the DIP Facility is subject to and conditional upon, among other things:
- (i) the Agent’s approval and satisfaction with the Budget;
 - (ii) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings must be in form and substance satisfactory to the Agent;
 - (iii) the Initial Order, in form and substance satisfactory to the Agent, approving the DIP Facility, the granting of the DIP Charge, and all related transactions must be obtained; and
 - (iv) no Event of Default shall exist;
- (g) **Cash Flow Covenant:** without the consent of the Agent, a negative variance in excess of 10%, with a minimum floor of \$0.5 million unless increased with the consent of the Agent, in respect of each of the actual cumulative net cash flow, cash receipts and disbursements, net sales and net excess availability compared to the forecasted amount in the Budget shall constitute an Event of Default;

(h) **Agent’s Remedies:** upon the occurrence and continuation of an Event of Default, the Agent shall be entitled to, among other things, terminate the DIP Facility and exercise any or all rights and remedies available to it.

74. Attached as **Appendix “C”** is a chart of the observed interest rates of DIP loans ranging in size from approximately \$9.8 million to \$36.3 million, for the period between May 2022 and December 2023 (the **“DIP Comparison Period”**), which are summarized in the table below:

	Interest	DIP Fees as a % of DIP Loan
Maximum	13.0%	6.0%
Average	10.3%	2.5%
Minimum	7.95%	0.5%

75. The Proposed Monitor notes that the proposed DIP Facility has an interest rate of approximately 15.25% based on the current TD Prime Rate and contains a Commitment Fee of \$98,000 (or 0.3% as a percentage of the maximum principal amount that may be borrowed under the DIP Facility).

76. Based on the experience of the Proposed Monitor and on the information available to it, the Proposed Monitor is of the view that while the interest rate under the DIP Facility is at the upper range of the market, the Commitment Fee as a percentage of the DIP Facility is significantly below-market. The Proposed Monitor notes that the interest rate charged is the same interest rate charged under the existing Credit Agreement with Cortland.

77. In the Proposed Monitor’s view, the financial terms of the DIP Facility are reasonable in the circumstances and represents the only current available alternative to the Applicants which will allow the Applicants the ability to continue their operations.

78. In advance of these proceedings, the Proposed Monitor instructed its legal counsel, Stikeman, to provide an opinion on the validity and enforceability of Cortland’s security. Stikeman’s opinions dated February 28, 2024 (collectively, the **“Security Opinion”**), which addresses the laws of Ontario, British Columbia, Alberta and Quebec, provides that, subject to the customary assumptions and qualifications contained therein, the personal

property security granted to Cortland is valid and enforceable and ranks in priority to other claims with respect to the personal property secured, against the Applicants or a trustee-in-bankruptcy in respect thereof.

79. The Security Opinion also provides that, based solely on Stikeman's review of the subsearch of registered title only in respect of the Hamilton Facility and the debenture granted by TGOD in favour of Cortland (the "**Hamilton Mortgage**"), subject to the customary assumptions and qualifications contained therein, the Hamilton Mortgage constitutes a first-ranking good and valid charge of the Hamilton Facility.
80. The Security Opinion also provides that, based solely on Stikeman's review of the title search of registered title only in respect of the Edmonton Facility and the general security agreement granted by BZAM Cannabis in favour of Cortland (the "**Edmonton GSA**"), Cortland has a floating charge over all of BZAM's present and after-acquired real and immovable property, leasehold real and immovable property, and all easements, rights of way, road allowances, and other real property interests, which floating charge has not been registered against title to the Edmonton Facility. However, a "land charge" registration has been made by Cortland against BZAM Cannabis in the Personal Property Registry (Alberta).
81. The Security Opinion was prepared prior to the commencement of the CCAA Proceedings as the DIP Facility requires that the Company's post-filing receipts are swept and applied against the existing debt under the Credit Facility with Cortland, in the Cash Management System or another substantially similar cash management system.
82. A copy of the Security Opinion can be made available to the Court upon request.
83. The Proposed Monitor notes that, due to the required timing of the commencement of these CCAA Proceedings, the Applicants' liquidity situation, and the difficult financing conditions in the cannabis market, the Company's options for alternative financing were limited. The DIP Term Sheet was heavily negotiated by the Applicants in an effort to obtain the best possible terms in the circumstances.

84. While the DIP Facility provides for the maximum amount of \$41.0 million of additional financing, the Proposed Monitor understands that the DIP Facility effectively provides for approximately \$7.0 million of new incremental liquidity in addition to the existing Credit Agreement with Cortland. Additional amounts to be drawn under the DIP Facility are needed given the requirement under the DIP Facility that all post-filing receipts be swept and applied against the existing debt under the Credit Agreement.
85. The Proposed Monitor notes that, while 102 Saskatchewan is not a party to the Credit Agreement, there are no meaningful post-filing receipts for this entity.

K. DIP LENDER'S CHARGE

86. The Proposed Initial Order seeks the granting of the DIP Lender's Charge with respect to the obligations under the DIP Facility.
87. The Applicants are not requesting this Court to prime any of the Applicants' existing secured creditors who were not served with the Applicants' materials in support of the Proposed Initial Order. However, the Proposed Monitor understands that it is the intention of the BZAM Group and the DIP Lender that after the Comeback Hearing, the DIP Lender's Charge (and the other Proposed CCAA Charges) be granted priority over all existing security interests, charges, and claims, including deemed trusts, in the assets of the Applicants, other than the Edmonton Facility Charge, which will rank in priority to all CCAA Charges over the Edmonton Facility except for the Administration Charge
88. The Proposed Monitor understands that counsel to the Applicants will be providing notice of the Comeback Hearing, upon issuance of the Proposed Initial Order (if issued), to those parties with lien filings against the assets of the Applicants with a view to giving those parties as much notice as reasonably possible of the Comeback Hearing.
89. The Proposed Monitor supports the Applicants' request for authority to enter into the DIP Term Sheet and the granting of the DIP Lender's Charge. The DIP Facility will provide the Applicants with access to financing within the necessary timeframe. The Proposed Monitor is of the view that there is likely no other viable alternative source of financing

available to the Applicants at this time due to the immediate nature of the financing required.

90. The Applicants' financial forecasts have identified a need for continued financing to maintain minimum cash balances and preserve ongoing business operations within the BZAM Group. The DIP Facility will, subject to the terms thereof, provide sufficient liquidity to the BZAM Group. The provision of the DIP financing will provide assurance to the BZAM Group's employees, suppliers and customers that there is sufficient liquidity to maintain ordinary course business operations while the Applicants pursue restructuring alternatives.
91. While the DIP Term Sheet contemplates a "creeping roll-up" structure wherein the Company's post-filing receipts are swept and applied against the existing debt under the Credit Facility, the BZAM Group would still require additional financing. As noted above, the DIP Facility effectively provides for approximately \$7.0 million of additional liquidity beyond the existing Credit Agreement. Moreover, as Cortland is the senior secured creditor of the Applicants, the Proposed Monitor is of the view that this structure will not materially prejudice the Applicants' creditors.
92. The DIP Lender's Charge is proposed to rank subordinate to the Administration Charge (and the Edmonton Facility Charge with respect to the Edmonton Facility) and ahead of the Directors' Charge in the Proposed Initial Order.
93. The Proposed Monitor has also considered the facts and circumstances giving rise to the CCAA Proceedings and section 11.2(4) of the CCAA. In particular:
 - (a) the term of the DIP Facility is sufficient to be available for the duration of the BZAM Group's intended restructuring process at this time;
 - (b) the financing to be provided is consistent with the forecast liquidity needs of the BZAM Group during that period;

- (c) the proposed restructuring process cannot move forward without the DIP Facility and, as a result, the DIP Facility enhances the prospects of a viable restructuring in the Proposed Monitor's view; and
- (d) any creditor of the BZAM Group that believes it may be prejudiced by the DIP Facility will have an opportunity to raise any objections at the Comeback Hearing to be scheduled by the Court.

L. ADMINISTRATION CHARGE

94. The Proposed Initial Order provides for an Administration Charge in the amount of \$500,000 on the BZAM Group's assets to secure the fees and disbursements incurred in connection with services provided to the BZAM Group both before and after the commencement of the CCAA Proceedings. The Administration Charge will secure services provided to the BZAM Group by:
- (a) counsel to the BZAM Group (Bennett Jones LLP); and
 - (b) the Monitor and its counsel.
95. The Administration Charge is proposed to rank in priority to the Directors' Charge, the Edmonton Facility Charge and the DIP Lender's Charge in the Proposed Initial Order.
96. The Proposed Monitor has worked with the beneficiaries of the Administration Charge to estimate their fees and costs, and the quantum of the proposed Administration Charge.
97. Given the anticipated amount of time it will take to complete the CCAA Proceedings, the Proposed Monitor is of the view that the size and scope of the Administration Charge is reasonable in the circumstances. The Proposed Monitor therefore supports the BZAM Group's request that the Court approve the Administration Charge.

M. DIRECTORS' CHARGE

98. As described in the Milich Affidavit, the BZAM Group maintains directors and officers' liability insurance policies (the "**D&O Insurance Policies**") for the benefit of the BZAM Group's directors and officers (the "**Directors and Officers**").
99. The Proposed Monitor has worked with the BZAM Group to estimate the potential liabilities that the Directors and Officers may be exposed to in their capacities as directors and officers during the CCAA Proceedings.
100. The Proposed Initial Order provides for a Directors' Charge in the amount of \$5.3 million over the assets of the BZAM Group to secure the indemnity provided to the Directors and Officers in respect of liabilities that may be incurred after the filing date with respect to any failure to pay wages and source deductions, vacation pay, other employee-related obligations, sales tax, and excise tax. The Directors' Charge is proposed to rank subordinate to the Administration Charge and the DIP Lender's Charge in the Proposed Initial Order.
101. The continued support and service of the Directors and Officers will be critical during the CCAA Proceedings and will enable the BZAM Group to preserve value and maximize recoveries for stakeholders.
102. In arriving at the quantum for the Directors' Charge, the Proposed Monitor, the BZAM Group and counsel to the BZAM Group, have taken into account (a) the scope and quantum of coverage provided by the D&O Insurance Policies; (b) the Directors and Officers' potential statutory liabilities for wages, vacation pay, unremitted source deductions, the jurisdictions in which the BZAM Group carries on business and the number of its employees in each jurisdiction; and (c) and tax obligations in light of the jurisdictions in which the BZAM Group carries on business and the number of its employees in each jurisdiction.
103. The quantum of the Directors' Charge is due, in part, to the significant sales and excise tax obligations of the Applicants. Each of the provinces and territories have signed a Coordinated Cannabis Taxation Agreement ("**CTTA**") for the imposition of excise

cannabis duty. The terms under all of the agreements with respect to the calculation of excise duties, with the exception of Manitoba (which the Company does not operate in), are:

- (a) the combined rate of all federal, provincial, and territorial cannabis-specific duties and taxes will not exceed the higher of \$1 per gram, or 10% of a producer's selling price; and
- (b) revenues from the excise duties on cannabis products will be shared as follows: (i) 75% to provincial and territorial governments; and (ii) 25% to the Federal Government.

104. The quantum of the Directors' Charge in the Proposed Initial Order reflects ten days worth of post-filing obligations, including \$1,361,290 in excise tax obligations during this time period. The Applicants' monthly excise tax obligations are estimated to be approximately \$4 million.
105. As of February 15, 2024, TGOD, BZAM Management, and BZAM Labs collectively have approximately \$9.1 million in excise tax arrears. For clarity, the D&O Charge is not proposed to secure any of the excise tax arrears.
106. The Proposed Monitor understands that the Directors' and Officers' continued involvement in the CCAA Proceedings is conditional on the Directors' Charge is granted. Accordingly, the Proposed Monitor is of the view that the granting of the Directors' Charge is necessary in the circumstances and that the quantum and scope of the charge is both fair and reasonable.

N. OTHER RELIEF

Securities Filings

107. BZAM seeks to relieve itself from incurring further expenses in relation to the Securities Filings required by any federal, provincial or other law respecting securities or capital markets in Canada, and declaring that the directors, officers, employees and other

representatives of the Applicants or the Proposed Monitor shall not have any personal liability for failure to make any Securities Filings.

108. Further, BZAM seeks to relieve itself of any obligations to call and hold an annual meeting of its shareholders until further Order of the Court.
109. The Proposed Monitor understands that the Applicants intend to serve and provide notice to the relevant government authorities whose rights may be impacted by such relief.
110. In the circumstances, the Proposed Monitor is of the view that the relief with respect to the Securities Filings is reasonable and ought to be granted by the Court.

Preservation of Licenses

111. The Applicants seek to have their licenses with Health Canada and cannabis excise stamps with the CRA preserved and maintained during the Stay of Proceedings, including their ability to sell cannabis inventory in the ordinary course under those licenses and stamps.
112. Certain entities in the BZAM Group hold licenses with Health Canada which permit them to undertake, among other things: (a) standard cultivation activities; (b) standard processing activities; (c) activities relating to the sale of cannabis; and (d) research activities on possession and production of cannabis.
113. As noted above, each of the provinces and territories have signed a CTTA for the imposition of excise cannabis duty. Cannabis producers in Canada who are packaging cannabis products for sale are required to affix a cannabis excise stamp issued by the CRA prior to delivery to a purchaser. The cannabis excise stamp indicates that the cannabis product was intended for the excise duty-paid market and that the excise duty has been paid.
114. While there is no immediate concern that any of the licenses will expire during the Stay of Proceedings, the term of these licenses must continue for the duration of the Stay of Proceedings to ensure these entities continue to operate as a going concern.

115. On the other hand, BZAM Management’s cannabis license with the CRA with respect to excise stamps is set to expire imminently on February 29, 2024. If this license is permitted 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.
116. The Proposed Monitor understands that the Applicants intend to serve and provide notice to the CRA of the relief sought in the Proposed Initial Order.
117. In the circumstances, the Proposed Monitor is of the view that such relief is reasonable and ought to be granted by the Court.

Binding Non-Applicant Stay Parties to Proposed Initial Order

118. The Proposed Monitor understands that the Applicants are seeking to extend the Stay of Proceedings and other benefits provided for in the Proposed Initial Order, to the Non-Applicant Stay Parties.
119. As set out above, the acquisition of 943 Québec is expected to close in the near future. 943 Québec has an active business, holds a license with Health Canada for its operations at the Québec Facility, and will be highly integrated with the Company’s business and operations.
120. The Proposed Monitor understands that courts have, on several occasions, found it just and reasonable to extend the benefit of a stay of proceedings to non-applicants who were deeply integrated with a CCAA debtor’s business and operations.
121. While TGOD Europe, TGOD Germany, and TGOB do not have any material assets or ongoing operations, each of these Non-Applicant Stay Parties may have tax attributes which may be valuable to a potentially interested party in the Company’s business. As a result, the Applicants intend to market these companies in the Proposed SISP.
122. The Proposed Monitor is of the view that the relief sought by the Applicants is appropriate in the circumstances, as the Non-Applicant Stay Parties are highly integrated with the Applicants and a stay in respect of them will likely maximize value and certainty for the entire Company.

O. ANTICIPATED NEXT STEPS IN THE CCAA PROCEEDINGS*Comeback Hearing*

123. The Proposed Monitor understands that the BZAM Group will be requesting the Comeback Hearing to be scheduled on March 8, 2024, which is the last business day before the expiration of the initial 10-day stay period. At the Comeback Hearing, it is expected that the BZAM Group will request:
- (a) amendments to the amounts of the Proposed CCAA Charges;
 - (b) approval of the Proposed SISP in which the Stalking Horse Agreement will serve as the Stalking Horse Bid;
 - (c) an increase in the amount that may be borrowed under the DIP Facility; and
 - (d) an extension of the Stay of Proceedings.
124. The Proposed Monitor understands that, if the Initial Order is granted, the BZAM Group intends to immediately engage with its key stakeholders, including Cortland, Stone Pine, the lenders under the Mortgage Loan, Health Canada, the CRA, and the Company's employees and customers, to discuss and obtain their input on the restructuring steps the Applicants need to undertake to maximize value for all stakeholders.
125. If appointed, FTI as Monitor intends to file a further report prior to the Comeback Hearing providing recommendations in respect of such relief.

The Proposed Stalking Horse Agreement

126. The Proposed Monitor understands that the BZAM Group intends at the Comeback Hearing to seek this Court's approval of the Stalking Horse Agreement to serve as the Stalking Horse Bid in the Proposed SISP.
127. The Stalking Horse Agreement will provide certainty for the BZAM Group and its stakeholders during the CCAA Proceedings. Approval of the Stalking Horse Agreement would be solely for the purposes of constituting the Stalking Horse Bid in the SISP.

The Proposed SISP

128. The Proposed Monitor understands that the BZAM Group intends at the Comeback Hearing to seek this Court's approval of the Proposed SISP to be conducted by the Proposed Monitor (if appointed).
129. In order to provide as much time as possible for interested parties to evaluate the Company's business, the Proposed Monitor (if appointed) intends, prior to the Comeback Hearing, to assist the Applicants in commencing solicitation of interest in preparation for the approval of the Proposed SISP. The Proposed Monitor anticipates this will include preparation of a non-disclosure agreement, teaser letter, confidential information package, data room, and a list of potential bidders, sending the teaser letter to potential bidders and facilitating access to confidential information for interested parties.

P. RECOMMENDATIONS

130. The Proposed Monitor is of the view that the Applicants are insolvent and believes it is appropriate for the Applicants to be granted protection under the CCAA and respectfully requests that this Court grant the Proposed Initial Order.

All of which is respectfully submitted this 28th day of February, 2024.

FTI Consulting Canada Inc.

In its capacity as Proposed Monitor of

BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc. BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd., Medican Organic Inc., High Road Holding Corp., and Final Bell Corp.



Jeffrey Rosenberg
Senior Managing Director

APPENDIX "A"

[ATTACHED]

BZAM Ltd.**Consolidated Cash Flow Forecast**

(\$CAD in thousands)

Forecast Week Starting (Sunday)		25-Feb-24	03-Mar-24	10-Mar-24	17-Mar-24	24-Mar-24	31-Mar-24	07-Apr-24	14-Apr-24	21-Apr-24	28-Apr-24	05-May-24	12-May-24	19-May-24	13 Week
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Receipts															
Receipts from Operations	[2]	\$ 694	\$ 2,521	\$ 1,973	\$ 1,578	\$ 2,351	\$ 3,492	\$ 2,440	\$ 2,476	\$ 3,996	\$ 3,508	\$ 3,933	\$ 2,686	\$ 3,179	\$ 34,827
Total Receipts		\$ 694	\$ 2,521	\$ 1,973	\$ 1,578	\$ 2,351	\$ 3,492	\$ 2,440	\$ 2,476	\$ 3,996	\$ 3,508	\$ 3,933	\$ 2,686	\$ 3,179	\$ 34,827
Disbursements															
<i>Operating Disbursements</i>															
Production Costs	[3]	(779)	(1,005)	(1,160)	(1,005)	(1,340)	(774)	(505)	(405)	(535)	(584)	(874)	(535)	(535)	(10,036)
Insurance		(175)	-	-	-	(134)	-	-	-	-	(134)	-	-	-	(443)
Payroll	[4]	(690)	(1,520)	(458)	(1,035)	(1,222)	(1,090)	(518)	(1,153)	(458)	(1,090)	(518)	(1,153)	(458)	(11,363)
Rent	[5]	(301)	-	-	-	-	(301)	-	-	-	(301)	-	-	-	(903)
Taxes	[6]	(574)	-	-	-	(1,018)	(340)	-	-	-	(4,220)	(550)	-	-	(6,702)
Other Operating Expenses	[7]	(659)	(408)	(836)	(217)	(368)	(264)	(787)	(337)	(311)	(383)	(304)	(373)	(346)	(5,593)
Total Operating Disbursements		\$ (3,178)	\$ (2,933)	\$ (2,454)	\$ (2,257)	\$ (4,082)	\$ (2,769)	\$ (1,810)	\$ (1,895)	\$ (1,304)	\$ (6,712)	\$ (2,246)	\$ (2,061)	\$ (1,339)	\$ (35,040)
Net Cash from Operations		\$ (2,484)	\$ (412)	\$ (481)	\$ (679)	\$ (1,731)	\$ 723	\$ 630	\$ 581	\$ 2,692	\$ (3,204)	\$ 1,687	\$ 625	\$ 1,840	\$ (213)
<i>Financing Disbursements</i>															
Loan Advances (Repayments)	[8]	2,165	(2,521)	(1,973)	(1,578)	(2,351)	(3,492)	(2,440)	(2,476)	(3,996)	(3,508)	(3,933)	(2,686)	(1,472)	(30,261)
Interest Expenses & Fees	[9]	(42)	-	-	-	-	(42)	-	-	-	(42)	-	-	-	(126)
<i>Restructuring Disbursements</i>															
Restructuring Legal and Professional Costs	[10]	(605)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(185)	(2,825)
Net Cash Flows		\$ (966)	\$ (3,118)	\$ (2,639)	\$ (2,442)	\$ (4,267)	\$ (2,996)	\$ (1,995)	\$ (2,080)	\$ (1,489)	\$ (6,939)	\$ (2,431)	\$ (2,246)	\$ 183	\$ (33,425)
Cash															
Beginning Balance		\$ 2,814	\$ 1,848	\$ 999	\$ 999	\$ 998	\$ 998	\$ 997	\$ 997	\$ 998	\$ 998	\$ 998	\$ 997	\$ 997	\$ 2,814
Net Receipts/ (Disbursements)		(966)	(3,118)	(2,639)	(2,442)	(4,267)	(2,996)	(1,995)	(2,080)	(1,489)	(6,939)	(2,431)	(2,246)	183	(33,425)
DIP Advances/ (Repayments)	[11]	-	2,367	2,639	2,441	4,267	3,072	1,995	2,081	1,489	7,136	2,440	2,246	(184)	31,989
DIP Fees & Interest Payment	[12]	-	(98)	-	-	-	(77)	-	-	-	(207)	-	-	-	(382)
Ending Balance		\$ 1,848	\$ 999	\$ 999	\$ 998	\$ 998	\$ 997	\$ 997	\$ 998	\$ 998	\$ 998	\$ 997	\$ 997	\$ 996	\$ 996

Notes to the Consolidated Cash Flow Forecast:

[1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of BZAM Ltd. and its subsidiaries ("BZAM" or the "Company"). The forecast above is presented in Canadian Dollars. The forecast 13-week Cash Flow Forecast is on a cash-basis only and does not include timing differences for cash in transit.

[2] Receipts from Operations are based on management's current expectations regarding sales and collections. Receipts from operations have been forecast based on current payment terms, historical trends in collections, and expected demand.

[3] Production Costs includes the cost of operating the growing facilities as well as the purchase of cannabis from other Licensed Producers ("LPs").

[4] Forecast Payroll is based on historical payroll amounts and future forecast amounts based on planned headcount reductions.

[5] Forecast Rent includes payments to landlords in various provinces for leased cultivation facilities and office spaces.

[6] Forecast Taxes include payments for sales tax (GST, HST, and QST) to various taxing authorities across Canada as well as the post-filing Excise Tax in accordance with the Excise Tax Act.

[7] Forecast Other Operating Expenses include selling, general, and administrative payments.

[8] Forecast Loan Advances (Repayments) reflect the repayment of the Cortland Secured Pre-Filing Obligations from post-filing receipts in accordance with the DIP Term Sheet.

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

[10] Forecast Restructuring Legal and Professional Costs include legal and professional fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

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

[12] Forecast DIP Accrued Interest reflects interest of 15.25% accrued on the DIP Advances under the DIP Facility during the forecast period. Interest is payable on the first of the month. A \$0.1M commitment fee is payable upon the initial DIP advance.

APPENDIX “B”

[ATTACHED]

DIP FACILITY AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made this 28th day of February, 2024.

A M O N G:

Cortland Credit Lending Corporation, in its capacity as administrative agent (the "Agent") for and on behalf of the lenders party hereto from time to time (the "Lenders")

-and-

The Green Organic Dutchman Ltd. (the "Borrower")

-and-

BZAM Ltd. ("BZAM")

-and-

BZAM Holdings Inc. ("BZAM Holdings")

-and-

BZAM Management Inc. ("BZAM Management")

-and-

BZAM Cannabis Corp. ("BZAM Cannabis")

-and-

Folium Life Science Inc. ("Folium Life")

-and-

102172093 Saskatchewan Ltd. ("102")

-and-

Medican Organic Inc. ("Medican")

-and-

High Road Holding Corp. (f/k/a Final Bell Canada Inc., "High Road")

-and-

Final Bell Corp. ("**Final Bell**", and, together with BZAM, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life, 102, Medican and High Road, collectively, the "**Guarantors**" and the Guarantors, together with the Borrower, collectively, the "**Credit Parties**")

RECITALS:

WHEREAS the Agent and certain of the Credit Parties are either parties to or obligors under, as applicable, a Credit Agreement made as of March 31, 2020, as amended by a first amendment dated May 27, 2020, a second amendment dated October 1, 2020 and a third amendment dated July 30, 2021 (as amended, the "**Original Credit Agreement**");

AND WHEREAS the Agent and certain of the Credit Parties amended and restated the Original Credit Agreement in its entirety by way of an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021, a second amendment dated March 9, 2022, a third amendment dated April 29, 2022, a fourth amendment dated November 3, 2022, a fifth amendment dated June 30, 2023, and a sixth amendment dated August 30, 2023 (as amended, the "**First ARCA**");

AND WHEREAS the Borrower and the Lenders amended and restated the First ARCA in its entirety by way of a second amended and restated credit agreement (the "**Second ARCA**") dated January 8, 2024;

AND WHEREAS to secure the obligations of the applicable Credit Parties to the Agent under the Second ARCA and the other Transaction Documents, the applicable Credit Parties granted Security Agreements in favour of the Agent;

AND WHEREAS the Credit Parties have advised the Agent that they intend to commence proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") on a date to be set (the "**Filing Date**") by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to seek, among other things, the granting of an initial order (the "**Initial Order**") and the appointment of FTI Consulting Canada Inc. as monitor (if appointed, the "**Monitor**");

AND WHEREAS the obligations of certain of the Credit Parties pursuant to or in connection with the Second ARCA (including without limitation, all outstanding Loan Advances and all interest and fees thereon or in connection therewith) are hereinafter referred to collectively as the "**Cortland Pre-Filing Obligations**";

AND WHEREAS commencement of the CCAA Proceedings will constitute an Event of Default (as defined in the Second ARCA) (the "**CCAA Event of Default**") under the Second ARCA;

AND WHEREAS the Credit Parties have requested, and the Agent has agreed, to provide certain debtor-in-possession ("**DIP**") financing to the Credit Parties pursuant to a DIP facility (the "**DIP Facility**") during the CCAA Proceedings on the terms and conditions contained herein;

NOW THEREFORE in consideration of the respective covenants of the parties hereto herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires, all terms defined in the Second ARCA and not otherwise defined herein shall have the respective meanings ascribed to them in the Second ARCA.

1.2 Gender and Number

Words importing the singular include the plural and vice versa and importing gender include all genders.

1.3 Severability

Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 Headings

The division of this Agreement into sections and the insertion of headings, articles, sections and clauses are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 Entire Agreement

Except for the Transaction Documents and the additional documents provided for herein, this Agreement constitutes the entire agreement of the parties and supersedes all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, relating to the subject matter hereof. This Agreement may not be amended or modified except by written consent executed by all of the parties hereto. No provision of this Agreement will be deemed waived by any course of conduct unless such waiver is in writing and signed by all of the parties hereto, specifically stating that it is intended to modify this Agreement.

1.6 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and federal the laws of Canada applicable therein.

1.7 Currency

Unless otherwise stated, all dollar amounts referenced are in Canadian dollars.

1.8 Attornment

The parties hereto irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario for all matters arising out of or in connection with this Agreement.

1.9 Conflicts

If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Transaction Documents, the provisions of this Agreement shall prevail to the extent of the inconsistency, but the foregoing shall not apply to limit or restrict, in any way, the rights and remedies of the Agent under this Agreement, the Transaction Documents, the CCAA, the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the PPSA, other applicable law, or otherwise, other than as may be specifically contemplated herein.

1.10 Discretion and Consent

Any reference herein to the exercise of discretion by the Agent (including phrases such as "in the discretion of", "in the opinion of", "to the satisfaction of" and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein.

Any consent made or to be given by the Agent hereunder must be made or given expressly in writing. For greater certainty no consent on the part of the Agent shall be implied solely by receipt by the Agent of an updated Budget and/or Variance Report (each as defined below), as applicable.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

Each of the Credit Parties hereby represents and warrants to the Agent as follows:

- 2.1** The facts set out in the recitals to this Agreement are true and accurate in substance and in fact.
- 2.2** Each Credit Party is a corporation duly incorporated and validly existing under the laws of its jurisdiction of incorporation and is duly qualified, licensed or registered to carry on business under the laws applicable to it in all jurisdictions in which the nature of its assets or business makes such qualification necessary.
- 2.3** Subject to Court approval, each Credit Party has all requisite corporate power and authority to (i) own and operate its properties and assets and to develop, own and operate its business, and (ii) enter into and perform its obligations under this Agreement and each other Transaction Document to which it is a party.

- 2.4** The execution and delivery by each Credit Party of this Agreement and each other Transaction Document to which it is a party and the performance by each of them of their respective obligations hereunder and thereunder have been duly authorized by all necessary corporate action and, other than Court approval, no authorization under any applicable law, and no registration, qualification, designation, declaration or filing with any governmental authority, is or was necessary therefor, other than filings which may be made to register or otherwise record the DIP Charge (as defined below).
- 2.5** This Agreement and each of the other Transaction Documents to which it is a party has been duly executed and delivered by it and, subject to Court approval, constitutes a legal, valid and binding obligation of each Credit Party, enforceable against it in accordance with its terms, subject only to any limitation under Applicable Laws relating to (i) bankruptcy, insolvency, reorganization, moratorium or creditors' rights generally; (ii) the discretion that a court may exercise in the granting of equitable remedies; (iii) the Initial Order (as may be amended and restated from time to time) and any other Order of the Court.
- 2.6** The Collateral (i) is owned by or licensed to the Credit Parties and is only located at the locations disclosed in writing to the Agent; (ii) has not been sold, leased or otherwise disposed of other than inventory in the ordinary course of business; and (iii) is not subject to any rights of any person or entity other than Permitted Encumbrances and the CCAA Charges (as defined below).
- 2.7** The execution and delivery by each Credit Party of this Agreement and the other Transaction Documents to which it is a party and the performance by each Credit Party of their respective obligations hereunder and thereunder and compliance with the terms, conditions and provisions hereof and thereof, will not conflict with or result in a breach of (i) its constating documents or by-laws; or (ii) subject to Court approval, any applicable law.
- 2.8** The business operations of each Credit Party has been and will continue to be conducted in compliance with all laws of each jurisdiction in which business has been or is being carried on.
- 2.9** Each Credit Party has obtained all licenses and permits required for the operation of its business, which licenses and permits remain in full force and effect. No proceedings have been commenced or, to the knowledge of the Credit Parties, threatened to revoke or amend any of such licenses or permits.
- 2.10** Except as set out in Schedule "C", the Collateral is not subject to any Lien except for the Permitted Encumbrances and each Credit Party has made all source deductions required by Applicable Law.
- 2.11** Except as set out in Schedule "D", each Credit Party has filed or caused to be filed all tax returns and reports which are required to have been filed and has paid or caused to be paid all taxes required to have been paid by it, except taxes that are being contested in good faith by appropriate proceedings and for which adequate cash reserves are being maintained.

- 2.12** Except as set out in Schedule "E", other than the CCAA Proceedings, there are no actions, suits or proceedings (including any tax-related matter) by or before any arbitrator or governmental authority or by any other person pending against or, to the knowledge of each Credit Party, threatened against or affecting any Credit Party.
- 2.13** (i) Each Credit Party is and has been in compliance with all applicable environmental laws, including obtaining, maintaining and complying with all permits required by any applicable environmental law, (ii) no Credit Party is party to, and no real property currently or previously owned, leased or otherwise occupied by or for any Credit Party is subject to or the subject of, any contractual obligation or any pending or, to the knowledge of the Credit Parties, threatened order, action, investigation, suit, proceeding, audit, claim, demand, dispute or notice of violation or of potential liability or similar notice under or pursuant to any environmental law which could reasonably be expected to result in a remedial obligation having a Material Adverse Change, (iii) no Lien in favour of any Governmental Authority securing, in whole or in part, environmental liabilities has attached to any property of the Credit Parties and no facts, circumstances or conditions exist that could reasonably be expected to result in any such Lien attaching to any such property, (iv) no Credit Party has caused or suffered to occur a release of any hazardous substances or conditions creating any potential for such a release at, to or from any real property other than in compliance with environmental laws and except when failure to do so could not reasonably be expected to result in a Material Adverse Change, (v) no Credit Party has engaged in operations that, and no facts, circumstances or conditions exist that, in the aggregate, would have a reasonable likelihood of resulting in material environmental liabilities, and (vi) each Credit Party has made available to the Agent copies of all existing environmental reports, reviews and audits and all documents pertaining to actual or potential environmental liabilities, in each case to the extent such reports, reviews, audits and documents are in its possession, custody or control.
- 2.14** Each Credit Party maintains insurance policies and coverage which (i) is sufficient for compliance with Applicable Law and all Material Agreements to which a Credit Party is a party and (ii) provide adequate insurance coverage in at least such amounts and against at least such risks as are usually insured against in the same general area by persons engaged in the same or similar business to the assets and operations of the Credit Parties.
- 2.15** All information provided by or on behalf of the Credit Parties to the Agent for the purposes of or in connection with this Agreement, the other Transaction Documents or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and remains true as of the date provided and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

ARTICLE 3 THE DIP FACILITY

In reliance upon the Acknowledgement and the acknowledgements, representations, warranties, confirmations, covenants and agreements of the Credit Parties contained in this Agreement and

subject to the terms and conditions of this Agreement and any documents executed in connection herewith, the Agent agrees to make the DIP Facility available to the Borrower during the CCAA Proceedings on the following terms and conditions.

3.1 The DIP Facility

Notwithstanding any other term or condition of the Second ARCA, and subject to satisfaction of the terms and conditions of this Agreement, the Agent, on behalf of the Lenders, agrees to provide the Borrower with the DIP Facility as set forth in this section:

- (a) The maximum principal amount under the DIP Facility shall not, at any time, exceed the lesser of (i) \$41,000,000 (the "**Facility Limit**"), and (ii) the Revolving Facility Limit plus \$7,000,000; provided that at no point in time will the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, exceed the Facility Limit;
- (b) all amounts advanced by the Agent on behalf of the Lenders following the Filing Date shall be in respect of the DIP Facility;
- (c) all amounts advanced under the DIP Facility shall be used by the Borrower to fund its working capital needs (including restructuring expenses and any pre-filing obligations permitted by Court order and approved by the Agent) during the CCAA Proceedings and shall in no circumstances be used to fund any Cortland Pre-Filing Obligations; and
- (d) the Borrower may request advances from time to time under the DIP Facility by delivering an advance request certificate, in the form attached as Schedule "B" (each such request, an "**Advance Request**" and each such certificate, an "**Advance Request Certificate**"), not less than one Business Day before the date of the requested advance; provided that the initial advance request certificate need not be required one Business Day before the date of the requested advance.

Notwithstanding the foregoing, the Borrower hereby authorizes and directs the Agent and the Lenders to make one or more advances under this Agreement (for greater certainty, without the requirement for the Borrower to deliver an Advance Request Certificate) in order to pay or otherwise satisfy any liens or other payables which rank (or are reasonably likely to rank) in priority to the Agent's Liens.

3.2 Interest Rate and Fees

- (a) The applicable Interest Rate on all amounts advanced under the DIP Facility shall be the greater of: (i) the TD Prime Rate plus 8.05% per annum; and (ii) 12% per annum, and will be due and payable in cash on the first Business Day of each month covering interest accrued over the past calendar month. Unless otherwise provided for herein, interest on any amount due hereunder shall be calculated daily and not in advance on the basis of a 365-day year. For the purposes of the *Interest Act* (Canada) in the case of a leap year, the annual interest rate corresponding to the interest calculated on the basis of a 365-day year is equal to the interest rate thus

calculated multiplied by 366 and divided by 365. Any amount of principal, interest commission, discount, or any other nature remaining unpaid at maturity, shall bear interest at the rate provided for herein, being understood that the said interest rate on arrears shall not exceed the maximum rate provided by law. Interest on arrears shall be compounded monthly and payable on demand.

- (b) The Borrower shall pay to the Agent a commitment fee equal to \$98,000, which fee shall be payable by the Borrower to the Agent upon issuance of the Initial Order. Such fee will be paid from the initial advance.

3.3 Mandatory Repayments

Following the Filing Date, all Post-Filing Collections (as defined below) will be applied against the Cortland Pre-Filing Obligations of the Credit Parties to the Agent, for and on behalf of the Lenders, unless otherwise directed by the Agent.

Subject to the priority of the Administration Charge, if a Credit Party (a) disposes, transfers or sells any Collateral outside the ordinary course of business, or (b) sells the shares/equity interests of any wholly owned or non-wholly owned subsidiary of a Credit Party, the proceeds of sale (net only of usual closing adjustments), up to the total amount of the Credit Parties' indebtedness to the Agent and the Lenders under the DIP Facility and the Second ARCA, shall be paid to the Agent and applied by the Agent against the indebtedness owing to the Lenders under the DIP Facility. Any such repayment by a Credit Party shall constitute a permanent reduction of the availability and commitment under the DIP Facility.

3.4 Conditions Precedent

The obligation of the Lenders to make the DIP Facility available to the Borrower and to fund each advance under the DIP Facility is subject to and conditional upon satisfaction (or waiver by the Agent) of the following conditions precedent:

- (a) the Agent shall have received a copy of this Agreement executed by each of the Credit Parties;
- (b) the Agent shall have received and be satisfied with the Budget, and all such other information (financial or otherwise) reasonably requested by the Agent;
- (c) no Event of Default (as defined herein) shall exist, and no event or circumstance which could reasonably be expected to result in a Material Adverse Change shall have occurred;
- (d) there shall not be pending any litigation or other proceeding, other than the CCAA Proceedings, the result of which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Change or form the basis for an appeal of the Initial Order;

- (e) all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, including any service list shall be in form and substance satisfactory to the Agent;
- (f) the Initial Order shall be in form and substance satisfactory to the Agent;
- (g) the Initial Order (or any amended and restated Initial Order) approving the DIP Facility, the granting of the DIP Charge, and all related transactions shall have been issued and entered and be in full force and effect and shall not have been reversed, vacated, or stayed, subject to appeal or modified or superseded or negatively impacted in any way without the Agent's prior written consent, and all necessary consents and approvals to the transaction contemplated in this Agreement and in the Initial Order shall have been obtained to the satisfaction of the Agent;
- (h) payment by the Credit Parties to the Agent of all reasonable and documented expenses incurred by the Agent or the Lenders in connection with the DIP Facility (including the negotiation, ongoing monitoring and any costs of enforcement);
- (i) the Agent shall have received a Borrowing Base Certificate;
- (j) in connection with an Advance Request, the Agent shall have received an Advance Request Certificate accompanied by a Borrowing Base Certificate;
- (k) each of the representations and warranties made by the Credit Parties to the Agent in this Agreement shall be true and correct in all material respects; and
- (l) approval by the Agent of the Credit Parties' most recent cash flow forecast, prepared in the form of the Budget.

3.5 Terms of Initial Order

The Initial Order shall be in form and substance satisfactory to the Agent, including provisions addressing (among other things) the following:

- (a) approval of the financing provided for in this Agreement (including the DIP Facility);
- (b) the continuation of the Credit Parties' existing cash management arrangements;
- (c) authorization and direction for the Borrower and the other Credit Parties to make all payments of principal, interest, fees, and expenses under this Agreement to the Agent for and on behalf of the Lenders;
- (d) the DIP Charge;
- (e) an administration charge in the amount of \$500,000 (which shall increase to \$1,000,000 under the amended and restated Initial Order) which ranks prior to the

DIP Charge and the Agent's security pursuant to the Transaction Documents (the "**Administration Charge**");

- (f) a directors' and officers' charge in the amount of \$5,300,000 (which shall increase to \$12,900,000 under the amended and restated Initial Order) which ranks subsequent to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations (the "**D&O Charge**"); and
- (g) that the Agent shall be treated as unaffected in any plan of arrangement or compromise filed by or in respect of the Credit Parties under the CCAA, or under any proposal filed by or in respect of the Credit Parties under the BIA, with respect to any Post-Filing Obligations (as defined below).

3.6 Budget

The Borrower shall provide the Agent with a thirteen (13) week cash-flow forecast reviewed by the Monitor and in form and substance satisfactory to the Agent (the "**Initial Budget**"). The Initial Budget shall reflect on a line-item basis, among other things, a borrowing base calculation reflecting the amount of availability, anticipated cash flow, cash receipts and disbursements, and sales. The Initial Budget and the proposed use of funds provided for therein shall be in substance satisfactory to the Agent. The Initial Budget and any subsequent Budget may only be amended and modified with the prior written consent of the Agent (the Initial Budget, as so amended and modified from time to time with the prior written consent of the Agent, is referred to herein as the "**Budget**"). The Initial Budget to May 25, 2024 is attached hereto as Schedule "A".

3.7 DIP Charge

- (a) All advances made by the Agent and the Lenders to the Borrower under the DIP Facility, and all obligations, indebtedness, fees (including professional fees), costs, and expenses of the Agent and the Lenders under this Agreement and the DIP Facility (collectively, the "**Post-Filing Obligations**") shall constitute obligations and shall be secured by:
 - (i) a super-priority DIP charge (the "**DIP Charge**") on all of the existing and after-acquired real and personal property of the Credit Parties as provided for herein and in the Initial Order; and
 - (ii) the existing security and guarantees in favour of the Agent under the Transaction Documents;

provided that with respect to the BZAM Edmonton Property, the DIP Charge shall rank subordinate to the Existing BZAM Edmonton Property Charge.

- (b) For certainty, the DIP Charge shall not secure any Cortland Pre-Filing Obligations.

3.8 Existing Cash Management System/Cash Receipts to the Agent

The Initial Order shall, among other things, authorize and direct the Credit Parties to continue to use the central cash management system currently in place or replace it with another substantially similar central cash management system. Each of the Credit Parties will provide evidence to the Agent that it has directed each financial institution with which it maintains a deposit account into which payments are received from its Account Debtors (collectively, "**Post-Filing Collections**") to transfer on a weekly basis, at the Credit Parties' cost and expense, all such Post-Filing Collections to an account maintained by the Agent. The Agent shall apply the Post-Filing Collections to repay the Cortland Pre-Filing Obligations.

3.9 Additional Reporting

In addition to all other existing reporting requirements set out in the Second ARCA (to the extent not otherwise dealt with in this Agreement), the Borrower shall provide to the Agent:

- (a) on a weekly basis within four (4) Business Days after the end of each week during the CCAA Proceedings an executed Borrowing Base Certificate duly completed in all material respects consistent with past practice, plus all backup information requested by the Agent; and
- (b) on a bi-weekly basis within six (6) Business Days after the end of each bi-weekly period during the CCAA Proceedings:
 - (i) a report comparing the Credit Parties' actual performance to that projected in the Budget for the given bi-weekly period (each, a "**Variance Report**"), specifically identifying any negative variances in excess of ten percent (10%), with a minimum floor variance of \$500,000 (unless otherwise agreed to by the Agent), in respect of the actual cumulative net cash flow against the forecasted cumulative net cash flow in the Budget (an "**Adverse Negative Variance**") and providing a detailed explanation for same; provided, however, that the calculation of an Adverse Negative Variance shall not take into account Professional Expenses in excess of what is forecasted in the Initial Budget or the Budget, as applicable.
 - (ii) updating the Budget to account for actual performance by the Credit Parties for the previous week and rolling forward by two (2) additional weeks cash flow projections set forth in the last updated Budget; and
 - (iii) such other information as the Agent may reasonably request.

3.10 Status Calls

During the CCAA Proceedings, upon request from the Agent from time to time, the Borrower shall arrange and participate in conference calls with the Agent and the Monitor to discuss the performance of the Borrower and the other Credit Parties, any updated Budgets, Variance Reports

(including any Adverse Negative Variances), updates for future weeks, and any other matters the Agent may reasonably raise.

3.11 CCAA Proceedings and Other Materials to be Provided to Agent

The Borrower shall deliver to the Agent drafts of all Court materials and documents prepared by the Credit Parties in connection with the CCAA Proceedings, and shall provide the Agent with a reasonable opportunity to comment thereon prior to filing and ensure the same are acceptable to the Agent, acting reasonably.

3.12 Compliance with Transaction Documents

Each of the Credit Parties shall strictly adhere to all of the terms, conditions and covenants of this Agreement and the Transaction Documents (to the extent not otherwise dealt with in this Agreement), including, without limitation, terms requiring prompt payment of principal, interest, fees, and other amounts when due.

3.13 Covenants

Each Credit Party covenants and agrees with the Agent that it shall:

- (a) pay all sums of money when due under the terms of this Agreement;
- (b) immediately advise the Agent of any event which constitutes an Event of Default;
- (c) file all tax returns which are or will be required to be filed by it;
- (d) pay or make provision for the payment of all taxes and source deductions (including interest and penalties) which will become due and payable after the commencement of the CCAA Proceedings;
- (e) comply in all respects with all Applicable Laws, including all environmental laws;
- (f) immediately advise the Agent of any material action requests or material violation notices and hold the Agent harmless from and against any losses, costs or expenses which the Agent may suffer or incur for any environment related liabilities existing now or in the future with respect to it;
- (g) immediately advise the Agent of any unfavourable change in its financial position which may adversely affect its ability to pay or perform its obligations in accordance with the terms of this Agreement;
- (h) keep its assets fully insured against such perils and in such manner as would be customarily insured by Persons carrying on a similar business or owning similar assets and, in addition, for any buildings located in areas prone to flood and/or earthquake, will insure and keep fully insured such buildings against such perils;
- (i) at reasonable times and upon reasonable notice (provided that upon the occurrence of an Event of Default, the Agent (including any potential assignee, participant or

lender) is permitted to do the following at any time and without notice, subject to the Initial Order) permit the Agent (including any potential assignee, participant or lender) or its representatives, during normal business hours, subject to any Applicable Laws governing the Credit Parties' business, (i) to visit and inspect a Credit Party's premises, properties and assets and examine and obtain copies of such Credit Party's records or other information, and (ii) to discuss such Credit Party's affairs with the auditors (if any) of such Credit Party (in the presence of such Credit Party's representatives as it may designate). Each Credit Party hereby authorizes and directs any such third party to provide to the Agent (including any potential assignee, participant or lender) or its representatives all such information, records or documentation reasonably requested by the Agent;

- (j) except for Permitted Encumbrances and the CCAA Charges, not, without the prior written consent of the Agent, grant, create, assume or suffer to exist any Lien or other encumbrance affecting any of its properties, assets or other rights;
- (k) not incur any borrowings or other indebtedness, obligations or liabilities, other than Permitted Indebtedness;
- (l) not, without the prior written consent of the Agent, sell, transfer, convey, lease or otherwise dispose of any of its assets, properties or undertakings other than in the ordinary course of business and on arm's-length, commercially reasonable terms; provided that, for greater certainty, no Credit Party shall enter into any sale (or similar) transaction pursuant to a sale and investment solicitation process or otherwise without that prior written consent of the Agent, save and except for a transaction that provides for payment in cash on closing of the Cortland Pre-Filing Obligations and the Post-Filing Obligations in full;
- (m) not, without the prior written consent of the Agent, sell the shares/equity interests of any wholly owned or non-wholly owned subsidiaries of any Credit Party;
- (n) not, without the prior written consent of the Agent, provide any guarantees, financial assistance or otherwise provide for, on a direct, indirect or contingent basis, the payment of any monies or performance of any obligations by any other Person, other than Permitted Indebtedness;
- (o) not, without giving the Agent fifteen (15) days' prior notice in writing and obtaining the Agent's written consent, merge, amalgamate, or otherwise enter into any other form of business combination with any other Person. In the event the Agent gives its consent, it will cause any such resulting Person to become a borrower or guarantor, as applicable, hereunder and to grant such security and enter into such agreements as the Agent may require;
- (p) not pay any dividends, other corporate distributions, interest or principal on any secured or unsecured debt, or make any disbursement of any kind other than as contemplated by the Budget;
- (q) not acquire or move any Collateral to any jurisdiction outside the Province of Ontario or any other jurisdiction where the Agent has perfected its security over such Collateral without first executing and delivering all such security and other documentation and completing all registrations, recordings and filings to grant in

favour of the Agent a first-ranking security interest in such Collateral and to render effective the security interest granted thereby, all in form and substance satisfactory to the Agent;

- (r) notify the Agent within three (3) Business Days of any Account Debtor notifying such Credit Party that they are contesting any invoice;
- (s) fully cooperate with each party conducting any field exam or due diligence on behalf of the Agent and will permit and reimburse the Agent for all reasonable and documented costs associated with any appraisals;
- (t) pay only those expenditures set out in the Budget, or such other expenditures the Agent and Monitor consent to in writing;
- (u) provide to the Agent, on a weekly basis, a list of payments, disbursements and transfers of money proposed to be made by each of the Credit Parties during the following week and will make only those payments, disbursements and transfers that are set out in the Budget or otherwise consented to by the Agent;
- (v) not create or grant any security (other than the DIP Charge, the Administration Charge, the D&O Charge and any charge (which shall rank subordinate to the DIP Charge and the Agent's security pursuant to the Transaction Documents, including for greater certainty, the Cortland Pre-Filing Obligations) to secure a break fee and expense reimbursement in favour of a stalking horse bidder in any sale and investment solicitation process approved by the Court (collectively, the "**CCAA Charges**") over any of the Collateral, whether ranking in priority to, *pari passu* or subordinate to the DIP Charge, without the prior consent of the Agent;
- (w) provide the Agent with any financial or other information reasonably requested by the Agent;
- (x) within two (2) Business Days of the receipt by any Credit Party of the same, deliver to the Agent a copy of any notice of motion, pleading or application to vary, supplement, revoke, terminate or discharge the Initial Order including (without limitation) any application to the Court for the granting of security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge; and
- (y) prevent the Cortland Pre-Filing Obligations and Post-Filing Obligations, either individually or in the aggregate, from exceeding the Facility Limit

3.14 Events of Default

The occurrence of any one or more of the following events shall constitute an event of default under this Agreement (collectively, the "**Events of Default**"):

- (a) Any Credit Party fails to make payment of any amount, whether on account of principal, interest or otherwise, when due pursuant to the terms of this Agreement;

- (b) without the consent of the Agent, the occurrence of any Adverse Negative Variance;
- (c) entry of an order which stays, modifies (other than extensions of the Initial Order), or reverses the Initial Order or which otherwise materially adversely affects the effectiveness of the Initial Order without the express written consent of the Agent;
- (d) the entry of any order without the prior written consent of the Agent which provides relief from the automatic stay made under the Initial Order or the CCAA which permits any creditor to realize upon, or to exercise any right or remedy with respect to, any asset of any Credit Party or to terminate any license, franchise, or similar agreement, where the exercise of such right or remedy or such realization or termination would reasonably be likely to result in a Material Adverse Change as determined by the Agent;
- (e) the filing of any application, motion or other request by any Credit Party without the express prior written consent of the Agent for the approval of any super-priority claim or debtor in possession financing in the CCAA Proceedings which is *pari passu* with or senior to the priority of the DIP Charge (other than the Administration Charge and the D&O Charge), or there shall arise any such super-priority claim under the CCAA;
- (f) the payment or other discharge by any Credit Party of any pre-filing indebtedness, except as expressly permitted hereunder, or generally permitted within the category and range in the Budget or by order in the CCAA Proceedings, to which payment or discharge the Agent has not provided its written prior consent;
- (g) the failure of any Credit Party (i) to materially comply with each and all of the terms and conditions of the Initial Order, or (ii) to materially comply with any other order entered in the CCAA Proceedings, if such failure would reasonably likely result in a Material Adverse Change as determined by the Agent;
- (h) (i) the filing of any motion by any Credit Party or the entry of any order in the CCAA Proceedings: (A) permitting any financing (other than ordinary course trade credit or unsecured debt) for any Credit Party from any Person other than the Agent, (B) granting a Lien on, or security interest in any of the Collateral of any Credit Party equal or superior status to that of the DIP Charge, other than with respect to this Agreement or as otherwise permitted herein, or (C) dismissing the CCAA Proceedings, or (ii) the filing of any motion by any Person (other than a Credit Party) regarding matters specified in the foregoing clause (i) that is not immediately stayed and dismissed or denied within thirty (30) days of the date of the filing of such motion, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;
- (i) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a “**Claim**”) that is not being contested by any Credit Party, the purpose of which is to seek or the result of which would be to

obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of any Credit Party under this agreement, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the Agent, the Lender or the Collateral, or (iii) preventing, hindering or otherwise delaying the exercise by the Agent of any of its rights and remedies hereunder, pursuant to the Initial Order or under applicable law, or the enforcement or realization by the Agent against any of its collateral, provided that if any Credit Party is unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default;

- (j) the filing of any proposal, plan of arrangement, plan of reorganization or other similar document (a “**Plan**”) or the acceptance of any transaction (a “**Transaction**”), or the filing of a motion seeking approval of the Court to accept any such Transaction or Plan, unless the total Cortland Pre-Filing Obligations and the Post-Filing Obligations hereunder are to be permanently and indefeasibly paid in full in cash or other immediately available funds upon completion of the Plan or Transaction or if the terms of the Plan or the Transaction have otherwise been approved by the Agent;
- (k) the breach of any term, covenant or agreement by any Credit Party in this Agreement;
- (l) any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower, any other Credit Party herein, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect when made or deemed made;
- (m) if any material contract or license (including, for greater certainty, any contract or license entered into in connection with the use of any intellectual property or the production, cultivation and/or manufacturing of cannabis and/or cannabis-related products) is terminated or amended in any manner without the prior consent of the Agent;
- (n) without the consent of the Agent, the occurrence of a Change of Control; and
- (o) the occurrence of a default or an event of default under the Second ARCA (other than the CCAA Event of Default).

3.15 Cooperation

Each of the Credit Parties shall cooperate fully with the Agent and its respective agents and employees by providing all information requested by the Agent, and by providing access to its books, records, property, assets, and personnel as requested by the Agent wherever they may be situated in whatever medium they may be recorded, except for confidential or privileged information, at the request of and at times convenient to the Agent, acting reasonably, which right of access shall include the right to inspect and appraise such property and assets.

3.16 Professional Expenses

Each of the Credit Parties hereby covenants and agrees with the Agent to reimburse the Agent for all reasonable and documented expenses incurred in connection with this Agreement and the CCAA Proceedings, including, without limitation, legal fees, financial advisor fees and other professional expenses that the Agent has incurred or will incur arising out of its dealings with the Credit Parties in the CCAA Proceedings (collectively, the "**Professional Expenses**"). The Borrower shall ensure that the Professional Expenses are provided for in the Budget. Nothing in this Agreement, shall derogate from the Credit Parties' obligation to pay for all of the Professional Expenses or shall constitute a cap on Professional Expenses. Notwithstanding the foregoing, the Agent shall add all of the Professional Expenses to the Post-Filing Obligations if the same are not paid when due. Each of the Credit Parties hereby acknowledges, confirms and agrees that the Professional Expenses which are added to the Post-Filing Obligations shall be secured and covered by the Transaction Documents and the DIP Charge.

3.17 Remedies Upon Event of Default and on Termination Date

If any Event of Default occurs and is continuing, or upon the Termination Date, the Agent may take any or all of the following actions, subject to the terms of the Initial Order:

- (a) declare the DIP Facility to be terminated, whereupon the DIP Facility shall be terminated;
- (b) declare the Post-Filing Obligations to be immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Credit Parties; and
- (c) exercise any or all of its rights and remedies available to it under this Agreement, the other Transaction Documents, the BIA, the PPSA, other applicable law, or otherwise.

3.18 Termination

The term of the DIP Facility will be the earlier of (a) July 15, 2024 (the "**Maturity Date**"), and (b) any other Termination Date.

The Agent shall have the right to terminate the DIP Facility upon the occurrence of an Event of Default in accordance with the terms of this Agreement, subject to the terms of the Initial Order.

The DIP Facility may be terminated with the consent of both the Agent and the Borrower, at which time, all accrued interest, principal, fees and expenses owing shall be paid in cash to the Agent on such Termination Date.

The date on which all outstanding principal and interest under the DIP Facility shall become due and payable will be termed the "**Termination Date**" and will be the date which is the earliest to occur of the following:

- (a) the Maturity Date;

- (b) the date on which any Event of Default occurs or is discovered to have occurred in the past, unless waived or otherwise consented to by the Agent; and
- (c) the date of a sale of all or substantially all of the Collateral.

ARTICLE 4 GENERAL PROVISIONS

4.1 Effect of this Agreement

Except as expressly modified pursuant hereto, no other changes or modifications to the terms of the Transaction Documents are intended or implied.

4.2 Transaction Document

This Agreement is a Transaction Document.

4.3 Further Assurances

The parties hereto shall execute and deliver such supplemental documents and take such supplemental action as may be necessary or desirable by the Agent to give effect to the provisions and purposes of this Agreement and the DIP Charge all at the sole expense of the Credit Parties.

4.4 Binding Effect

This Agreement shall be binding upon and enure to the benefit of each of the parties hereto and their respective successors, heirs, executors, administrators, permitted assigns and legal representatives.

4.5 Survival of Representations and Warranties

All representations and warranties made in this Agreement or any other document furnished in connection herewith shall survive the execution and delivery of this Agreement and such other document delivered in connection herewith, and no investigation by the Agent or any closing shall affect the representations and warranties or the rights of the Agent to rely upon such representations and warranties.

4.6 No Novation

This Agreement will not discharge or constitute novation of any debt, obligation, covenant or agreement contained in the Transaction Documents but the same shall remain in full force and effect save to the extent amended by this Agreement.

4.7 Assignments

The Agent may assign this Agreement and its rights and obligations hereunder, in whole or in part, or grant a participation in its rights hereunder or act as an agent for one or more lenders hereunder at any time and from time to time, on the condition that the Monitor is satisfied that the potential

assignee or party granted or to be granted a participation right has the financial wherewithal to, and is an appropriate party to participate in, the Agreement.

Each of the Credit Parties acknowledges and agrees that, in accordance with Applicable Laws, the Agent may, in its discretion, provide any potential assignee, participant or lender with, on a confidential basis, all such information required by such assignee, participant or lender to complete its financial and legal due diligence in connection with assessing such assignment, participation or lending.

Neither this Agreement nor any right hereunder may be assigned by any of the Credit Parties.

4.8 Amendments

This Agreement may not be amended nor waived except by an instrument in writing signed by each of the Credit Parties and the Agent.

4.9 Execution in Counterparts

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and which taken together will be deemed to constitute one and the same instrument. Counterparts may be executed either in original, faxed or portable document format ("**PDF**") form and the parties adopt any signatures received by a receiving fax machine or by emailed PDF as original signatures of the parties; provided, however, that any party providing its signature in such manner will promptly forward to the other party an original of the signed copy of the Agreement which was so faxed or emailed.


[REMINDER OF PAGE DELIBERATELY LEFT BLANK]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.


CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

By: _____
Name:
Title:

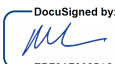
102172093 SASKATCHEWAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM LTD.

By:  _____
Name: Matt Milich
Title: CEO


BZAM HOLDINGS INC.

By:  _____
Name: Matt Milich
Title: President

BZAM MANAGEMENT INC.

By:  _____
Name: Matt Milich
Title: CEO

BZAM CANNABIS CORP.

By:  _____
Name: Matt Milich
Title: President


FOLIUM LIFE SCIENCE INC.

By:  _____
Name: Matt Milich
Title: President


THE GREEN ORGANIC DUTCHMAN LTD.

By:  _____
Name: Matt Milich
Title: CEO


MEDICAN ORGANIC INC.

By:  _____
Name: Matt Milich
Title: CEO

HIGH ROAD HOLDING CORP.


By:  _____
Name: Matt Milich
Title: Director

FINAL BELL CORP.

By:  _____
Name: Matt Milich
Title: President

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above mentioned.

CORTLAND CREDIT LENDING CORPORATION, as Agent for and on behalf of the Lenders

Signed by: 
By: _____
Name: Sean Register
Title: CEO

102172093 SASKATCHEWAN LTD.

By: _____
Name: _____
Title: _____

BZAM LTD.

By: _____
Name: _____
Title: _____

BZAM HOLDINGS INC.

By: _____
Name: _____
Title: _____

BZAM MANAGEMENT INC.

By: _____
Name: _____
Title: _____

BZAM CANNABIS CORP.

By: _____
Name: _____
Title: _____

FOLIUM LIFE SCIENCE INC.

By: _____
Name: _____
Title: _____

THE GREEN ORGANIC DUTCHMAN LTD.

By: _____
Name: _____
Title: _____

MEDICAN ORGANIC INC.

By: _____
Name: _____
Title: _____

HIGH ROAD HOLDING CORP.

By: _____
Name: _____
Title: _____

FINAL BELL CORP.

By: _____
Name: _____
Title: _____

APPENDIX “C”

Overview of Comparable DIP Facilities Granted in Canada During the DIP Comparison Period

Debtor	DIP Lender	Filing Date	Jurisdiction	Industry	DIP Loan (C\$MM)	DIP Interest	DIP Fees as a % of DIP Loan
Duvaltex Inc.	Wells Fargo	14-Dec-23	Quebec	Manufacturing	\$14	9.7%	0.5%
Mastermind GP Inc.	CIBC	23-Nov-23	Ontario	Retail	\$36.25	7.95%	N/A
Simply Green Home Services Inc.	Peoples Trust Company	9-Nov-23	Ontario	Professional Services	\$15	9.5%	1.0%
South Shore Seafoods Ltd. et al.	TD Bank	21-Sep-23	New Brunswick	Distribution	\$10	8.2%	N/A
NextPoint Financial	BP Commercial Funding Trust and Drake Enterprises	25-Jul-23	British Columbia	Financial Services	\$25	11.8%	1%

Fire & Flower Holdings Corp.	2707031 Ontario Inc.	5-Jun-23	Ontario	Cannabis	\$9.8	12.0%	4.1%
Groupe Selection Inc.	National Bank, CIBC, Desjardins, TD, BMO, HSBC, Briva Finance, and Fiera	21-Nov-22	Quebec	Food & Accommodation	\$20	N/A	N/A
Freshlocal Solutions Inc.	Third Eye Asset Management	16-May-22	British Columbia	Retail	\$10	12.7%	6.0%

This is Exhibit "L" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH



Court File No.: _____

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY, THE 28th
JUSTICE OSBORNE)
DAY OF FEBRUARY, 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**")

INITIAL ORDER

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

ON READING the affidavit of Matthew Milich sworn February 28, 2024, and the Exhibits thereto (the "**Milich Affidavit**"), and the Pre-Filing Report of FTI Consulting Canada Inc. ("**FTI**") as the proposed monitor dated February 28, 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 FTI, counsel for Cortland Credit Lending Corporation (the "**DIP Lender**"), and such other counsel that were present, and on reading the consent of FTI to act as the Monitor (as defined below),

SERVICE

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

APPLICATION

2. **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.

POSSESSION OF PROPERTY AND OPERATIONS

3. **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.

4. **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 any plan of compromise or arrangement with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **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.

6. **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.

7. **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.

8. **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.

9. **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

10. **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) sell inventory in the ordinary course of business consistent with past practice, or otherwise with the consent of the Monitor and the DIP Lender; and
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate,

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

NO PROCEEDINGS AGAINST THE BZAM ENTITIES OR THEIR RESPECTIVE PROPERTY

11. **THIS COURT ORDERS** that until and including March 8, 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

12. **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

13. **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

14. **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

15. **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

16. **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

17. **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.

18. **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 \$5,300,000, unless permitted by further Order of this Court, as security for the indemnity provided in paragraph 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs 35 and 37 herein.

19. **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 17 of this Order.

APPOINTMENT OF MONITOR

20. **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.

21. **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) monitor all payments, obligations and transfers as between the BZAM Entities;
- (f) 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;
- (g) 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
- (h) perform such other duties as are required by this Order or by this Court from time to time.

22. **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.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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.

28. **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 \$500,000, 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 35 and 37 hereof.

DIP FINANCING

29. **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 \$2,400,000, unless permitted by further Order of this Court.

30. **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.

31. **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.

32. **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 \$2,400,000 plus interest, fees, costs or 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 35 and 37 hereof.

33. **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.

34. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise 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

35. **THIS COURT ORDERS** that the priorities of the Administration Charge, the Edmonton Property Charge (as defined in the Milich Affidavit), the Directors' Charge and the DIP Lender's Charge (collectively, the "**Charges**"), as among them, shall be as follows:

With respect to all Property other than the Edmonton Property (as defined in the Milich Affidavit):

First – Administration Charge (to the maximum amount of \$500,000);

Second – DIP Lender's Charge (to the maximum amount of \$2,400,000), plus interest, fees, costs or other charges under the DIP Agreement); and

Third – Directors' Charge (to the maximum amount of \$5,300,000).

With respect to the Edmonton Property:

First – Administration Charge (to the maximum amount of \$500,000);

Second – Edmonton Property Charge;

Third – DIP Lender's Charge (to the maximum amount of \$2,400,000), plus interest, fees, costs or other charges under the DIP Agreement); and

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

36. **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.

37. **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; provided that the Charges shall rank behind Encumbrances in favour of any Persons that have not been served with notice of the application for this Order. The Applicants and the beneficiaries of the Charges shall be entitled to seek priority of the Charges ahead of such Encumbrances on a subsequent motion including, without limitation, on the Comeback Date (as defined below), on notice to those Persons likely to be affected thereby.

38. **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.

39. **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.

40. **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

41. **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

42. **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.

43. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of BZAM Ltd. nor the Monitor shall have any personal liability for any failure by BZAM Ltd. to make any Securities Filings required by the Securities Provisions.

"STATUS QUO" OF APPLICANTS' LICENSES

44. **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

45. **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.

46. **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>.

47. **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.

48. **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

49. **THIS COURT ORDERS** that any interested party that wishes to amend or vary this Order shall be entitled to appear or bring a motion before this Court on March 8, 2024 (the "**Comeback Date**"), and any such interested party shall give not less than two (2) business days' notice to the Service List and any other party or parties likely to be affected by the Order sought in advance of the Comeback Date; provided, however, that the Chargees shall be entitled to rely on this Order as granted and on the Charges and priorities set forth in paragraphs 35 and 37 hereof with respect to any fees, expenses and disbursements incurred, as applicable, until the date this Order may be amended, varied or stayed.

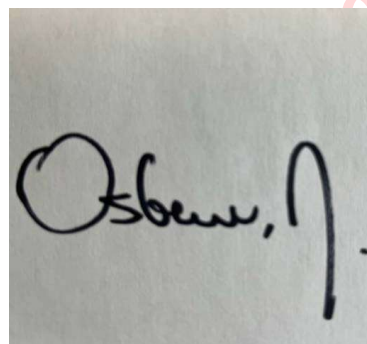
50. **THIS COURT ORDERS** that, notwithstanding paragraph 49 of this Order, each of the Applicants, the Monitor or the DIP Lender may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder or in the interpretation of this Order.

51. **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.

52. **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.

53. **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.

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



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SCHEDULE "A"
NON - APPLICANT STAY PARTIES

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

R.S.C. 1985, c. C-36, AS AMENDED

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicants



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ENDORSEMENT

COURT FILE NO.:

DATE: February 28, 2024

NO. ON LIST: 1 (4:30pm)

TITLE OF PROCEEDING:

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.

BEFORE: JUSTICE OSBORNE

PARTICIPANT INFORMATION

For Plaintiff, Applicant:

Name of Person Appearing	Name of Party	Contact Info
ZWEIG, SEAN SHAKRA, MIKE FROH, ANDREW ERNST, JAMIE	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. FINAL BELL CORP.	zweigs@bennettjones.com shakram@bennettjones.com froha@bennettjones.com ernstj@bennettjones.com

For Plaintiff, Respondent:

Name of Person Appearing	Name of Party	Contact Info
CHAITON, HARVEY	STONE PINE CAPITAL	Harvey@chaitons.com
BELLISSIMO, JOSEPH LEVINE, NATALIE	CORTLAND CREDIT LENDING CORPORATION	jbellissimo@cassels.com nlevine@cassels.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
YANG, PHILIP KONYUKHOVA, MARIA ROSENBERG, JEFF HAMIDI, KAMRAN	FTI AS PROPOSED MONITOR	pyang@stikeman.com mkonyukhova@stikeman.com Jeffrey.rosenberg@fticonsulting.com Kamran.hamidi@fticonsulting.com

ENDORSEMENT OF JUSTICE OSBORNE:

1. This is an Application for relief under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (the "CCAA") 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. (collectively, the "Applicants" or the "Companies").
2. Following the hearing, I granted the initial order with reasons to follow. These are those reasons.
3. In particular, the Applicants seek:
 - a. a declaration that they are companies to which the CCAA applies;
 - b. the appointment of FTI Consulting Canada Inc. ("FTI") as Monitor;
 - c. the approval for TGOD to borrow up to a principal amount of \$2,400,000 by way of a debtor-in-possession ("DIP") credit facility (the "DIP Loan") to finance critical working capital requirements for the Applicants over the next 10 days;
 - d. a stay in effect for an initial period of not more than 10 days;
 - e. the extension of the benefit of the stay to the Non-Applicant Stay Parties (as defined in the materials) and their respective directors and officers;
 - f. relief from certain securities reporting obligations until further order of this Court; and

- g. approval of the Administration Charge, the DIP Lender's Charge, the Edmonton Property Charge and the Directors' Charge (each as defined in the motion materials) in the priorities as set out in the motion materials.
4. BZAM is the ultimate parent company to several entities in the cannabis industry in Canada (collectively, the "Company"). It is a reporting issuer listed on the Canadian Securities Exchange, and its shares trade in the United States on the OTCQX.
 5. The Company engages in the production, cultivation, processing and distribution of cannabis and cannabis related products.
 6. The Applicants are insolvent. One of their cannabis licences is set to expire imminently. Absent protection under the CCAA, as well as access to the proposed DIP financing, the Applicants lack sufficient cash to meet their obligations as they come due, their liabilities exceed the value of their assets, and they will be forced to immediately cease operations.
 7. The Applicants seek protection from their creditors while they continue as a going concern to allow time to explore various restructuring options and possibilities for the benefit of stakeholders. Those options will likely include, it is submitted, a Court-supervised sale and investor solicitation process ("SISP").
 8. The relief sought by the Applicants today is fully supported by the senior secured creditor, the subordinate creditor, and is recommended by the Proposed Monitor. The Applicants submit that it is also limited to what is reasonably necessary to allow them to maintain the status quo and continue operations during the initial 10 day stay of proceedings.
 9. With this context in mind, the issues on this Application are:
 - a. does the Court have jurisdiction to grant the relief requested under the CCAA and should a stay of proceedings be granted?
 - b. should the Court approve the DIP Loan?
 - c. should FTI be appointed as Monitor?
 - d. should the benefit of the stay be extended to the Non-Applicant Stay Parties?
 - e. should relief from the securities reporting obligation be granted? and
 - f. should the Charges be approved, and approved in the proposed priority?

Jurisdiction

10. The Applicants rely on the Affidavit of Matthew Milich sworn February 28, 2024 together with the exhibits thereto, and the Pre-filing Report of the Proposed Monitor dated February 28, 2024. Defined terms in this Endorsement have the meaning given to them in the Application materials unless otherwise indicated.
11. Each of the Applicants is incorporated under Canadian corporate statute. All of the non-BZAM Applicants are wholly-owned, directly or indirectly, by BZAM except for Folium Life and BZAM Cannabis, in respect of which BZAM Holdings is the majority shareholder as to 80% and 80.3%, respectively.
12. Five of the Applicants are licenced with Health Canada and operate cannabis facilities in Ontario, Alberta and British Columbia. 102 Saskatchewan leases a retail store in Saskatchewan.

13. The majority of the Company's business is conducted out of Ontario. Two cannabis facilities of the Applicants, including its largest facility, are located in Ontario and approximately 256 of the 441 employees of the Applicants are employed in Ontario.
14. The Company's senior secured creditor, Cortland Credit Lending Corp. ("Cortland") is also headquartered in Toronto.
15. The majority of BZAM's directors reside in Ontario, and its Chief Financial Officer and Chief Executive Officer divide their time between the Company's offices in Ontario and British Columbia.
16. The Non-Applicant Stay Parties include four directly or indirectly wholly-owned subsidiaries of BZAM: 9430-6347 Québec Inc. ("943 Québec"), a company incorporated under the QBCA; (ii) The Green Organic Beverage Corp. ("Green Organic"), a company based in Delaware; (iii) TGOD Europe B.V. ("TGOD Europe"), a company based in the Netherlands; and (iv) The Green Organic Dutchman Germany GmbH ("TGOD Germany"), a company based in Germany.
17. 943 Québec is a licensed entity with Health Canada operating out of a leased facility in Québec.
18. The evidence satisfies me that the Applicants are unable to meet their obligations as they become due. They have accrued payables in the ordinary course of business that they cannot meet and are unable to pay amounts owed to secured parties.
19. As at January 1, 2024, the Company had total consolidated assets with a book value of approximately \$95,711,080 and liabilities with a book value of approximately \$112,873,839. The Applicants anticipate having on hand only approximately \$1,848,000 in cash at the close of business today, with the result that they face an urgent liquidity crisis.
20. Secured financing has been provided by Cortland pursuant to a credit agreement entered into on March 31, 2020 between Cortland as Agent for the Lenders and TGOD as borrower. It has been amended and restated including as recently as January 8, 2024 (as amended, the "Credit Agreement").
21. Pursuant to the Credit Agreement, Cortland provided TGOD with an interest-bearing revolving credit facility totaling \$34 million. The guarantors under the Credit Agreement are TGOD, BZAM, Medican Organic, BZAM Holdings, BZAM Management, BZAM Cannabis, Folium Life, High Road and BZAM Labs (together, in such capacity, the "Cortland Obligor").
22. As of February 28, 2024, approximately \$31,919,208.84 of principal is owing together with interest of an additional \$362,916.21.
23. In addition, BZAM has entered into six (6) promissory notes (the "Stone Pine Promissory Notes") with Stone Pine Capital Ltd. ("Stone Pine"), an entity controlled by BZAM's largest shareholder and current Chairman. 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 a demand until the later of either: (i) the maturity date of the Cortland Credit Agreement; and (ii) March 31, 2025.
24. Contemporaneously with the execution of the Stone Pine Promissory Notes, BZAM and Stone Pine entered into general security agreements (the "Stone Pine GSAs") under which Stone Pine was granted security over all present and after-acquired property, assets and undertakings of BZAM. Additionally, BZAM, Stone Pine and Cortland entered into subordination and postponement agreements to subordinate the amounts loaned under the Stone Pine Promissory Notes to the amounts loaned under the Credit Agreement with Cortland.
25. As of February 28, 2024, approximately \$8,515,000 of principal is owing to Stone Pine, and approximately an additional \$509,755 of interest accrued month-to-date for a total amount owing of

- with interest being calculated monthly and payable on the last day of each month. No interest has ever been paid on the Stone Pine Promissory Notes.
26. BZAM Cannabis entered into a \$5 million loan from for private lenders that is secured against the Edmonton Facility pursuant to a commitment letter dated May 19, 2021 as well as a general security agreement over all of the property of BZAM Cannabis and a corporate guarantee from BZAM Management.
 27. In addition to the above, the Applicants have a number of unsecured obligations including a promissory note issued by BZAM to Final Bell Holdings International Inc. dated January 5, 2024 in the amount of \$8 million and employee liabilities including monthly aggregate payroll obligations of approximately \$2,344,764 related to both salaried and hourly employees. The Applicants also owe \$1,103,860 and accrued and unpaid vacation pay and another \$702,000 in unpaid bonuses.
 28. The Applicants had accounts payable and accrued liabilities as at January 31, 2024 of approximately \$28,211,004, and CRA liabilities as at February 15, 2024 of approximately \$4,440,000 in excise tax arrears, \$2,650,000 in sales tax arrears, and a modest amount in respect of unremitted payroll deductions. BZAM Management and TGOD have entered into payment plans with the CRA in respect of their excise and/or sales tax arrears.
 29. It is clear that the current cash position of the Applicants is not sufficient to meet their obligations as they come due, particularly relating to ongoing and future payroll obligations and the cash required to maintain business operations while preventing the expiry of valuable (and required) cannabis licences.
 30. The CCAA applies in respect of a “debtor company or affiliated debtor companies” whose liabilities exceed \$5 million. The term “debtor company” is defined as “any company that: (a) is bankrupt or insolvent [...]”, and the term “company” is defined as “any company, corporation or legal person incorporated by or under an Act of Parliament or of the legislature of a province [...]”.
 31. The CCAA also specifies companies are affiliated companies if one of them is the subsidiary of the other or both are subsidiaries of the same company. Each of the Applicants is a “company” within the meaning of the CCAA as each was incorporated under Canadian provincial or federal laws. All of the Applicants other than BZAM are direct or indirect subsidiaries of BZAM. Accordingly, the Applicants are all affiliated companies.
 32. Each of the Applicants is a “debtor company” as defined in the CCAA. The insolvency of a debtor company is assessed as of the time of filing the CCAA application. Courts have taken guidance from the definition of “insolvent person” in subsection 2(1) of the *Bankruptcy and Insolvency Act*, which, in relevant part, provides that an “insolvent person” is a person:
 - a. who is for any reason unable to meet his obligations as they generally become due;
 - b. who has ceased paying his current obligations in the ordinary course of business as they generally become due; or
 - c. the aggregate of whose property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would not be sufficient to enable payment of all his obligations, due and accruing due.
 33. A company is also insolvent for the purposes of the CCAA “if it is reasonably expected to run out of liquidity within reasonable proximity of time as compared with the time reasonably required to implement a restructuring”.

35. The Applicants collectively have over \$55,000,000 in debt and only approximately \$1,070,000 of cash on hand. Absent the Stay of Proceedings and the approval of the DIP Loan, the Applicants will be unable to meet their obligations as they come due. As such, the Applicants are affiliated debtor companies to which the CCAA applies.

35. I am also satisfied that Ontario is the chief place of business of the Applicants, and as such this Application is properly made to this Court.

36. Section 9(1) of the CCAA provides that an application for a stay under the CCAA may be made to the court that has jurisdiction in the province in which the head office or chief place of business of the company in Canada is situated.

37. In *Nordstrom Canada Retail, Inc.*, this Court found that the company's "chief place of business" was Ontario despite the fact that Nordstrom Canada Retail was incorporated and had significant business operations in British Columbia. In determining whether the court had jurisdiction over the proceedings, this Court considered multiple factors, including the location of the company's assets, employees and sales.

38. The Court found that there was sufficient evidence establishing Ontario as the proper jurisdiction based on the following: 8 of the 13 Nordstrom Canada retail stores are located in Ontario, while approximately 1,450 out of Nordstrom Canada's 2,500 full and part-time employees work in Ontario. Further, during fiscal year 2022, store sales in Ontario totalled \$220 million, compared to \$148 million in British Columbia and \$77 million in Alberta.

39. The same analysis can be applied here. Approximately 58% of the employees of the Applicants are situated in Ontario. While the Applicants have two cannabis facilities in each of Ontario and British Columbia, the largest facility of the Company is in Hamilton, Ontario. The Company maintains corporate offices in both Ontario and British Columbia and a majority of the BZAM directors reside in Ontario. In addition, the principal place of business of the senior secured lender, Cortland, is Ontario.

Stay of Proceedings

40. Section 11.02(1) of the CCAA provides that the Court may order a stay of proceedings on an initial CCAA application for a period of not more than 10 days. Section 11.001 of the CCAA provides that relief granted on an initial CCAA application shall be limited to relief that is reasonably necessary for the continued operations of the debtor company in the ordinary course of business during that initial 10-day period.

41. A stay of proceedings is clearly necessary here if any form of restructuring process is to be successful. The relief sought today is limited to what is reasonably necessary.

Non-Applicant Stay Parties

42. I am also satisfied that the stay should apply to the Non-Applicant Stay Parties. The Court has authority to extend the stay to non-parties pursuant to sections 11 and 11.02(1) of the CCAA, which permits the Court to make an initial order on any terms imposed. In determining whether a stay should be extended to non-parties, courts have considered numerous factors, including whether the subsidiaries of applicants had guaranteed secured loans of the applicants, whether the non-applicants were deeply integrated into the business operations of the applicants, and whether the claims against the non-applicants were derivative of the primary liability of the applicants: See *MPX International Corporation*, 2022 ONSC 4348 ("MPX") at para 52, *Lydian International Limited, (Re)*, 2019 ONSC 7473 at para 39; *Sino-Forest Corporation (Re)*, 2012 ONSC 2063 at paras 5, 18, and 31; at paras 28-29; and *Target Canada Co.*, 2015 ONSC 303 ("Target") at paras 49-50.

75. All of the Non-Applicant Stay Parties here are highly integrated into the business as wholly-owned subsidiaries (direct or indirect) of BZAM, or in the case of 943 Québec, as a soon to be acquired company. None carry on active business. The three entities other than 943 Québec also have tax attributes which could be beneficial to the objective of maximizing value for stakeholders.

44. I am satisfied that the stay should be extended to these parties to prevent uncoordinated realization and enforcement attempts from being made in different jurisdictions all of which would be counterproductive to the maximization and protection of value for stakeholders of the Applicants.

45. Moreover, the Applicants advise that they intend to seek approval of a SISF in this proceeding which will include the Non-Applicant Stay Parties with the result that the stay should apply to them to give comfort to potential bidders that enforcement actions against those parties will be stayed while a sales process is being conducted.

Regulatory Stay of Licences

46. CCAA courts have granted regulatory stays over licences where, absent such a stay, the applicable regulators were likely to suspend or cancel licences due to the commencement of the CCAA proceeding. Other courts have observed that permitting the immediate termination of the licenses of a debtor company would not avoid social and economic losses but rather would amplify them. See: *Re Just Energy Corp.*, at para 87; *Abbey Resources Corp., Re*, (29 July 2021) *Saskatoon Q.B. No. 733 of 2021 (SKQB)*; *Original Traders Energy Ltd. et al.*, (30 January 2023) *Toronto, Ont Sup Ct [Commercial List] CV-23-00693758-00CL* (Initial Order) at para 19.

47. Canadian courts have also granted stays to prevent the Canada Revenue Agency from seeking to enforce its rights through regulatory actions related to an excise licence for a cannabis company during the period in which it was under protection in an insolvency regime: *Tantalus Labs Ltd., Re*, 2023 BCSC 1450 (“*Tantalus*”) and *Aleafa Health Inc.* SISF Approval Order August 22, 2023 [CV-23-00703350-00CL].

48. In *Tantalus*, the British Columbia Supreme Court granted an order as part of the BIA proposal maintaining the status quo of a cannabis excise licence during the course of the proposal proceeding. It did so, rejecting the submission of the CRA, which had submitted that a ministerial decision to not renew a licence could not be the subject of a stay under the *BIA*. The same principles apply to a CCAA proceeding.

49. The cannabis licences of the Applicants are among their most valuable assets. Just as importantly, they are required to permit the Applicants to continue operating their underlying business. The expiry or cancellation of licences will suspend or terminate completely the operation and delivery of products by the Applicants with the result that the ability of the Applicants to restructure or continue as a going concern business will in all probability be eliminated.

Appointment of FTI as Monitor

50. The Applicants propose to have FTI appointed as the Monitor. FTI is a “trustee” within the meaning of subsection 2(1) of the *BIA*, is established and qualified, and has consented to act as Monitor. The involvement of FTI as the court-appointed Monitor will lend stability and assurance to the Applicants’ stakeholders. FTI is not subject to any of the restrictions set out in s. 11.7(2) of the *CCAA*.

51. I am satisfied that FTI should be appointed as Monitor in these CCAA Proceedings.

The DIP

52. Pursuant to a DIP facility agreement dated February 28, 2024 (the “DIP Agreement”), Cortland as proposed DIP Lender, has agreed to provide TGOD as borrower with a super priority, non-revolving

credit facility up to a maximum principal amount not to exceed the lesser of \$71 million and the Revolving Facility Limit (as defined in the Second ARCA) plus \$7 million, subject to certain conditions. Each of the Applicants is a guarantor under the DIP Agreement.

53. The DIP Loan has a commitment fee of \$98,000 and bears interest at the greater of the Toronto-Dominion Bank's floating annual rate of interest plus 8.05% per annum and 12% per annum (an interest rate that I observe is the same as that set out in the Second ARCA).
54. The DIP Loan is conditional on the granting of the DIP Charge.
55. The amount of the DIP Loan to be funded during the initial stay period of 10 days (up to \$2,400,000) is only that portion necessary to ensure the continued operation of the business of the Applicants in the ordinary course for that period of time such that I am satisfied it is appropriate that it be approved at this time pursuant to section 11.2(5) of the CCAA, as was approved in *Mjardin Group, Inc., (Re)*, 2022 ONSC 3338 at para. 31.
56. While the DIP Agreement contemplates what the Applicants describe as 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, it is important to note that the DIP Charge does not secure any obligation that existed prior to the granting of the Initial Order. This Court has previously approved DIP facilities that use receipts from operations post-filing to repay pre-filing amounts, pursuant to the jurisdiction found in section 11.2(1). The emphasis is on preserving the pre-filing status quo, so as to uphold the relative pre-stay priority position of each secured creditor: *Comark Inc., (Re)*, 2015 ONSC 2010 at paras. 40-41; and *Performance Sports Group Ltd.*, 2016 ONSC 6800 at para. 22.
57. Moreover, and in accordance with section 11.2(1), notice has been provided to the secured creditors proposed to be primed by the DIP, and as noted above, the proposed DIP Charge does not secure any pre-filing obligations of the Applicants. Cortland, the proposed DIP Lender, is already in first position as the senior secured creditor in respect of all of the property of the Applicants save and except for the Edmonton Facility which is not proposed to be primed by the DIP in any event. Stone Pine Capital is supportive of the proposed DIP Loan.
58. Section 11.2(4) of the CCAA sets out a non-exhaustive list of criteria that the Court must consider in deciding whether to grant a DIP lender's charge. Those criteria include the period during which the Applicants are expected to be subject to CCAA proceedings, how the Applicants' business and financial affairs are to be managed during the proceedings, whether the Applicants' management has the confidence of its major creditors, whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the Applicants, the nature and value of the Applicants' property, whether any creditor would be materially prejudiced as a result of the security or charge, and whether the monitor supports the charge.
59. DIP financing may be approved even if it potentially prejudices some creditors, as long as the prejudice is outweighed by the benefit to all stakeholders.
60. It is important that an applicant meet the criteria in section 11.2(1) as well as those in section 11.2(4). (See *CanWest Publishing Inc., Re*, 2010 ONSC 222 ("*CanWest*") at paras. 42-44).
61. I am satisfied that the Applicants are facing a liquidity crisis and the Cash Flow Statement shows that financing even on an interim basis is required to fund these proceedings.
62. I am also satisfied that the terms of the proposed DIP Loan are appropriate. I recognize that the interest rate is at the very high end of the range within which DIP loans have been approved by this Court. However, I am satisfied that it is appropriate here. First, the rate is exactly the same as the rate applicable to the existing credit facilities of the senior secured creditor, Cortland, who is the proposed DIP Lender,

SO THERE IS NO INCREASE IN THE COST OF BORROWING RELATIVE TO THE CURRENT FACILITIES. SECOND, THE COMMITMENT fee is relatively modest as against the total funding to be made available. The cost of borrowing necessarily involves a consideration of the commitment fee together with the applicable interest rate. Third, interest rates generally have increased materially over the last year, so one must proceed with caution in considering a previously established range of interest rates. Fourth, the cannabis sector generally has faced and continues to face significant challenges and risks, with the result that the cost of borrowing within the sector generally is expensive.

63. Finally, the Proposed Monitor is supportive of the DIP Loan and corresponding charge, and is further in agreement that those amounts proposed to be advanced during the initial 10 day period are required in order to preserve the status quo and the going concern operations of the Applicants.

Administration Charge

64. The Court has jurisdiction to grant an administration charge under s. 11.52 of the CCAA. It is to consider: the size and complexity of the business being restructured, the proposed role of the beneficiaries of the charge, whether there is an unwarranted duplication of roles, whether the quantum of the proposed charge appears to be fair and reasonable, the position of the secured creditors likely to be affected by the charge, and the position of the Monitor. (See *CanWest*, at para. 54).

65. The administration charge of \$500,000 is appropriate. It is supported by the Proposed Monitor and the senior creditors.

Directors' Charge

66. The Court has jurisdiction to grant a directors' charge under section 11.51 of the CCAA, provided notice is given to the secured creditors who are likely to be affected by it. To ensure the stability of the business during the restructuring period, the Applicants need the ongoing assistance of their directors and officers, who have considerable institutional knowledge and specialized expertise.

67. Here, I recognize that the proposed quantum of the Directors' Charge is very significant at \$5,300,000. However, almost all of that is as a result of the excise tax obligations owing by the Applicants which are very material and which, I observe, will increase going forward.

68. The Monitor supports the Applicants' request for the Directors' Charge. I am satisfied it is appropriate here.

69. The Directors' Charge is approved.

Relief from Securities Obligations

70. The Applicants seek relief to dispense with certain securities filing requirements and in particular, the authority to incur no further expenses in relation to any filings, and that none of the directors or officers, employees or other representatives of the Applicants or the Monitor shall have personal liability with respect thereto.

71. This Court has previously granted such relief and I am satisfied that it is appropriate here. See: *Aleafa Health Inc.*, amended and restated initial order issued August 4, 2023 [CV-23-00703350-00CL] paras 45-46; *MPX International Corporation*, amended and restated initial order issued July 25, 2022 [CV-22-00684542-00CL] at para 46-47; *CannTrust Holdings Inc., Re*, initial order issued March 31, 2021 [Court File No. CV-20-00638930] at paras 46-47; and *Pure Global Cannabis, Inc., Re*, initial order issued March 19, 2020 [CV-20-00638503-00CL] at para. 49.

- AUTHORIZATION FOR PRE-FILING PAYMENTS
72. The Applicants seek the authority but not the requirement to make payments for goods or services supplied to the Applicants prior to the date of the Initial Order, but in all cases only with the consent of the Monitor and the DIP Lenders, and only in circumstances where, in the opinion of the Applicants and the Monitor, the supplier or service provider is critical to preserve, protect or enhance the value of the business.
73. While section 11.4 of the CCAA gives the Court authority to declare a person to be a critical supplier and to grant a charge on the debtor's property to secure amounts owing for services provided post-filing, nothing in that section removes the inherent jurisdiction of the court to allow the payment of pre-filing amounts to suppliers who services are critical to the post-filing operations of the debtor, even where the debtor does not propose to secure the payment of post-filing goods or services with a critical supplier charge: See *Cline Mining Corp., Re*, 2014 ONSC 6998 at para. 38, and *MPX* at para. 70.
74. Such relief may be included in an initial order: see *Target*, at paras. 64-65.
75. I am satisfied that such relief is appropriate here, particularly given that the consent of the Monitor is required for such payments to be made.

Comeback Hearing

76. The comeback hearing shall take place on Friday, March 8, 2024 commencing at 2:00 PM via Zoom.
77. The order I have signed is effective immediately and without the necessity of issuing and entering.



Osborne, J.

This is Exhibit "M" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

1000816625 ONTARIO INC.

- AND -

BZAM LTD.

SHARE SUBSCRIPTION AGREEMENT

DATED MARCH 1, 2024

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SHARE SUBSCRIPTION AGREEMENT

THIS SHARE SUBSCRIPTION AGREEMENT dated March 1, 2024 is made by and between:

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

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

- and -

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

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

RECITALS:

- A. The primary business of the Company is the cultivation, processing and sale of cannabis in Canada under the core brands BZAM™, -ness™, Highly Dutch Organic™, The Green Organic Dutchman™, TABLE TOP™, and third party brands produced under licence, with facilities in British Columbia, Ontario and Quebec, as well as a retail store in Regina, Saskatchewan;
- B. The Company holds Cannabis Licenses under the *Cannabis Act* (Canada) and the *Excise Act*, 2001 (Canada) for the cultivation, processing and sale of cannabis;
- C. On February 28, 2024, pursuant to the Initial Order: (i) the CCAA Applicants obtained relief under the CCAA; and (ii) FTI Consulting Inc. was appointed as Monitor in the CCAA Proceedings;
- D. The Company and the other CCAA Applicants commenced the CCAA Proceedings in order to, *inter alia*, seek a stay of proceedings and pursue the SISP with a view to implementing a transaction which will allow the continuation of their Business and operations, as a going concern; and
- E. The Purchaser has agreed to: (i) act as the "stalking horse bidder" in the context of the SISP and, (ii) if this Agreement is subsequently determined to be the "Successful Bid" in accordance with the SISP Procedures and the Approval and Reverse Vesting Order is granted by the Court, to subscribe for and purchase from the Company, the Subscribed Shares, on the terms and conditions set out in this Agreement, in order to become the sole shareholder of the Company upon Closing;

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

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement:

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

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

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

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

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

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

"Approvals and Consents" has the meaning set out in Section 5.5(c).

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

"Assumed Liabilities" means (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "E" (which, for the avoidance of doubt, may be amended by the Purchaser by submitting an amended list no later than ten Business Days before the Target Closing Date, provided that such amended list shall in any event include those Liabilities listed under the Statement of Trade Payables); (b) Liabilities under any Retained Contracts, Permits and Licenses or Permitted Encumbrances

(in each case, to the extent forming part of the Retained Assets) arising out of events or circumstances that occur after the Closing; and (c) any Tax Liabilities and Transaction Taxes referred to in Section 3.1(c) and Section 3.2(c).

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

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

"Break Fee" means \$750,000.

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

"Business" means the business and operations carried on by the Company Group Members as at the date of this Agreement and as at the date of Closing pertaining to the cultivation, processing and sale of cannabis in Canada under the core brands BZAM™, -ness™, Highly Dutch Organic™, The Green Organic Dutchman™, TABLE TOP™, and third party brands produced under licence, with facilities in British Columbia, Ontario and Quebec, as well as a retail store in Regina, Saskatchewan.

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

"Cash Consideration" means an amount sufficient to pay in full in cash all (i) amounts owing in respect of the DIP Facility; (ii) amounts owing by the CCAA Applicants to Cortland Credit Lending Corporation pursuant to the Second Amended and Restated Credit Agreement dated January 8, 2024; and (iii) amounts in respect of Closing Payments to the extent paid in accordance with Sections 2.3 and 6.2(b).

"Cash Deposit" has the meaning set out in Section 2.1.

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

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

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

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

"Closing Cash Amount" has the meaning set out in Section 7.2(g).

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

"**Closing Payments**" has the meaning set out in Section 7.2(g).

"**Closing Sequence**" has the meaning set out in Section 6.2.

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

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

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

"**Conditions Certificates**" has the meaning set out in Section 7.3.

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

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

"**Debt Consideration**" has the meaning set forth in Section 2.2(a)(i).

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

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

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

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

"**Employees**" means all individuals who, as of Closing Time, are employed by any of the Company Group Members, whether on a full-time or part-time basis, whether unionized or non-unionized, including all individuals who are on an approved and unexpired leave of absence and all individuals who have been placed on temporary lay-off which has not expired, but, for certainty, excludes any employees who are to be terminated pursuant to Section 7.1(h), and "**Employee**" means any one of them.

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

"**Encumbrances**" means all claims, Liabilities (direct, indirect, absolute or contingent), obligations, prior claims, right of retention, liens, security interests, charges, hypothecs, trusts, deemed trusts (statutory or otherwise), judgments, writs of seizure or execution, notices of sale, contractual rights (including purchase

options, rights of first refusal, rights of first offer or any other pre-emptive contractual rights) and encumbrances, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

"Excluded Assets and Contracts Promissory Note" has the meaning set out in Section 3.2(b).

"Excluded Assets" means collectively those assets listed in each of Section 3.3 and Schedule "A", an amended list of which (solely in respect of Schedule "A") may be delivered by the Purchaser no later than ten Business Days before the Target Closing Date. **"Excluded Assets Bill of Sale"** has the meaning set out in Section 3.2(b).

"Excluded Contracts" means those contracts listed in Schedule "B", as may be amended by the list sent pursuant to Section 7.1(l).

"Excluded Contracts Assignment Agreement" has the meaning set out in Section 3.2(b).

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

"Excluded Liability Assumption Agreement" has the meaning set out in Section 3.1(a).

"Excluded Liability Promissory Note" has the meaning set out in Section 3.1(a).

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

"Expense Reimbursement" means \$100,000.

"Filing Date" means February 28, 2024.

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

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

"Initial Order" means the Initial Order of the Court dated February 28, 2024, as may be amended, restated or varied from time to time.

“Interim Period” means the period from the date this Agreement is entered into by the Parties to the Closing Time.

“Investment Canada Act” means the *Investment Canada Act*, R.S.C., 1985, c. 28 and the regulations promulgated thereunder.

“Law” has the meaning set out in the definition of “Applicable Law”.

“Legal Proceeding” means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave to appeal or review.

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

“Material Adverse Effect” means any change, event, development, occurrence, facts, condition or effect (each, an “Effect”) that is, or would reasonably be expected to be, individually or in the aggregate with all other Effects, materially adverse to the Business or condition (financial or otherwise), assets, liabilities, operations, earnings of the Company Group Members or results of the Business taken as a whole, provided that (a) an epidemic, pandemic or disease outbreak (and any public health measures enacted in response to a pandemic, including travel restrictions or lockdowns), (b) a change in general economic, business, political or market conditions, or a development in the financial, banking, credit, debt, currency, capital or securities markets in general, including changes in interest rates; or (c) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company Group Members with any third party, including any customers, employees, shareholders, financing sources, vendors, licensors, licensees, distributors, partners or suppliers as a direct result of the announcement of this Agreement, shall not qualify as a Material Adverse Effect.

“Monitor” means FTI Consulting Canada Inc. in its capacity as court-appointed monitor in the CCAA Proceedings, and shall include, as the context so requires, FTI Consulting Canada Inc., in its capacity as monitor or trustee in bankruptcy of Residual Co to the extent subsequently appointed as such.

“Monitor Advisors” means Stikeman Elliott LLP.

“Monitor's Certificate” means the certificate, substantially in the form attached as Schedule "A" to the Approval and Reverse Vesting Order, to be delivered by the Monitor to the Company and the Purchaser in accordance with Section 7.3, and thereafter filed by the Monitor with the Court.

“Non-Applicant Stay Parties” means collectively, The Green Organic Beverage Corp., TGOB Europe B.V., 9430-6347 Québec Inc. and The Green Organic Dutchman Germany GmbH.

“Order” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

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

"**Outside Date**" means June 21, 2024, or such other date as the Purchaser and the Company (with the consent of the Monitor and the DIP Lender) may agree to in writing.

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

"**Permits and Licenses**" means the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business, including: (i) the permits, licenses, Authorizations, approvals or other evidence of authority Related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Company Group Members; and (ii) the Cannabis Licenses.

"**Permitted Encumbrances**" means the Encumbrances related to the Retained Assets listed in Schedule "F", an amended list of which may be agreed to by the Purchaser, the Company and Monitor prior to the granting of the Approval and Reverse Vesting Order.

"**Person**" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity.

"**Personal Property**" means all machinery, equipment, furniture, motor vehicles and other personal property that is Related to the Business, wherever located (including those in possession of suppliers, customers and other third parties).

"**Personal Property Lease**" means a lease, equipment lease, financing lease, conditional sales contract and other similar agreement relating to Personal Property to which any of the Company Group Members is a party or under which it has rights to use Personal Property.

"**Purchase and Sale Transactions**" means the transactions contemplated by this Agreement which provide for, among other things, (a) the assumption by the Purchaser from the Company of the Stone Pine Debt, (b) the payment by the Purchaser on behalf of the Company of the Cash Consideration (c) the issuance by the Company of the Subscribed Shares to the Purchaser in consideration for the Subscription Price, and (d) the assignment by the Company Group Members to Residual Co of the Excluded Liabilities, Excluded Assets, if any, and Excluded Contracts in consideration for the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note.

"**Real Property Lease**" means a lease and other similar agreement relating to real property that is Related to the Business to which any of the Company Group Members is a party or under which it has rights to use real property.

"**Related to the Business**" means primarily (i) used in; (ii) arising from; or (iii) otherwise related to the Business or any part thereof.

"**Representative**" when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

"**Residual Co.**" means a corporation to be incorporated under the laws of Canada or a province thereof in advance of Closing, to which the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred as part of the Closing Sequence, which shall have no issued and outstanding shares.

"**Retained Assets**" has the meaning set out in Section 3.2.

"Retained Contracts" means those Contracts listed in Schedule "G".

"Secured Demand Promissory Notes" means collectively, the following Secured Demand Promissory Notes entered into between the Company and Stone Pine, as amended pursuant to the Amending Agreement made as of January 4, 2024:

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

"SISP" means the Sale and Investment Solicitation Process to be conducted by the CCAA Applicants and the Monitor in the context of the CCAA Proceedings in accordance with the SISP Procedures.

"SISP Order" means the order to be issued by the Court approving, among other things, the SISP and the SISP Procedures and authorizing the CCAA Applicants to negotiate and finalize this Agreement as the "stalking horse bid".

"SISP Procedures" means the procedures governing the SISP as outlined in the SISP Order.

"Statement of Trade Payables" means a statement from the Company, certified by an officer of the Company and acceptable to the Monitor, setting out (a) a list of vendors that have provided goods and/or services to the Company Group Members in the ordinary course of business from and after the Filing Date but have not been paid for such goods and services as at the Closing Time, and (b) the corresponding amounts owing to each such vendor.

"Stone Pine" means Stone Pine Capital Ltd., a corporation existing under the laws of Bahamas.

"Stone Pine Consent" means the written consent of Stone Pine to the assumption by the Purchaser from the Company of the Stone Pine Debt, in form and substance satisfactory to the Parties and Stone Pine.

"Stone Pine Debt" means the aggregate principal amount outstanding under the Secured Demand Promissory Notes, plus accrued and unpaid interest thereon.

"Stone Pine Debt Assumption Agreement" means an assumption agreement between the Purchaser and the Company, pursuant to which the Purchaser will assume from the Company and agree to pay in full when due all of the Stone Pine Debt, in form and substance satisfactory to the Purchaser, Stone Pine, the Company and the Monitor.

"**Subscribed Shares**" means such number of common shares in the capital of the Company, to be advised by the Purchaser, which will be issued on Closing and which will, immediately following Closing, represent 100% of the equity interests in the Company.

"**Subscription Price**" has the meaning set out in Section 2.1.

"**Target Closing Date**" means June 12, 2024, or such other date as the Company (with the consent of the Monitor and the DIP Lender) and the Purchaser may agree to in writing.

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means all returns, reports, declarations, designations, forms, elections, notices, filings, information returns, and statements in respect of Taxes that are filed or required to be filed with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

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

"**Terminated Employees**" means those individuals employed by the Company Group Members whose employment will be terminated prior to Closing, as listed in a terminated employee list to be sent by the Purchaser to the Company no later than ten Business Days before the Target Closing Date.

"**Transaction Taxes**" means all documentary, stamp, transfer, sales and transfer taxes, registration charges and transfer fees, including GST/HST, use, value added, and excise taxes and all filing and recording fees (and any penalties and interest associated with such taxes and fees) or any other Tax arising from, or relating to, or in respect of the consummation of the Transactions.

"**Transactions**" means all of the transactions contemplated by this Agreement, including the Purchase and Sale Transactions.

"**Wind-Up Reserve**" means \$250,000 or such lesser amount as the Purchaser, the Company and the Monitor may agree.

1.2 Actions on Non-Business Days

If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada.

1.4 Calculation of Time

In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Eastern time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Eastern time) on the next succeeding Business Day.

1.5 Additional Rules of Interpretation

- (a) *Consents, Agreements, Approval, Confirmations and Notice to be Written.* Any consent, agreement, approval or confirmation from, or notice to, any party permitted or required by this Agreement shall be written consent, agreement, approval, confirmation, or notice, and email shall be sufficient.
- (b) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.
- (c) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.
- (d) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (e) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.
- (f) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (g) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (h) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with

the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.6 Exhibits and Schedules

- (a) The following are the Exhibits and Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

EXHIBITS

- Exhibit “A” - Form of Approval and Reverse Vesting Order
- Exhibit “B” - SISP Order
- Exhibit “C” - CCAA Applicants

SCHEDULES

- Schedule “A” - Excluded Assets
- Schedule “B” - Excluded Contracts
- Schedule “C” - Excluded Liabilities
- Schedule “D” - Encumbrances To Be Discharged
- Schedule “E” - Assumed Liabilities
- Schedule “F” - Permitted Encumbrances
- Schedule “G” - Retained Contracts

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

ARTICLE 2

SUBSCRIPTION FOR SUBSCRIBED SHARES AND RELATED MATTERS

2.1 Deposit

As a deposit for the Subscription Price, the Purchaser shall pay 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:

- (a) if this Agreement is terminated by the Company pursuant to Section 8.1(a)(v); or
- (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).

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.

2.2 Subscription Price

- (a) The subscription price for the Subscribed Shares shall be an amount equal to the aggregate of the following (the "**Subscription Price**"):
- (i) Assumption of Stone Pine Debt: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall enter into the Stone Pine Debt Assumption Agreement pursuant to which the Purchaser will assume from the Company and agree to pay in full when due the Stone Pine Debt plus accrued and unpaid interest thereon as of the Closing Date and the Company shall thereupon be released from all obligations and liabilities under the Stone Pine Debt (collectively, the "**Debt Consideration**"); and
 - (ii) Cash Consideration: On the Closing Date and in accordance with the Closing Sequence, the Purchaser shall pay the Cash Consideration as follows: (A) by the release of the Cash Deposit 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.
- (b) Assumption of Assumed Liabilities: 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.

2.3 Payment of the Closing Payments

On the Closing Date, the Company shall satisfy, in accordance with the Closing Sequence and Section 7.2(g), the Closing Payments from the Closing Cash Amount such that all the Closing Payments shall be satisfied in full concurrently with the Closing.

ARTICLE 3 EXCLUDED ASSETS AND EXCLUDED LIABILITIES

3.1 Transfer of Excluded Liabilities to Residual Co

- (a) On the Closing Date and in accordance with the Closing Sequence, the Excluded Liabilities shall be assumed by Residual Co and the Company shall issue to Residual Co an interest-

free promissory note (the "**Excluded Liability Promissory Note**") in the amount equal to \$5.00 in consideration for Residual Co assuming the Excluded Liabilities. The Excluded Liabilities shall be assumed in accordance with the Closing Sequence, pursuant to the Approval and Reverse Vesting Order and evidenced by an assignment and assumption agreement in form and substance acceptable to the Purchaser, the Company and the Monitor (the "**Excluded Liability Assumption Agreement**").

- (b) Notwithstanding any other provision of this Agreement, neither the Purchaser nor any of the Company Group Members shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Company Group Members and their assets, undertaking, business and properties as at and from and after the Closing Time, pursuant to the Approval and Reverse Vesting Order.
- (c) For greater certainty, the Purchaser shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, of the Company Group Members arising in connection with the assignment of the Excluded Liabilities to Residual Co and the assumption by Residual Co of same.

3.2 Transfer of Excluded Assets and Excluded Contracts to Residual Co

- (a) The Company Group Members shall retain all of the assets owned by them on the date of this Agreement and any assets acquired by them up to and including Closing, including their respective Contracts, Permits and Licenses and Books and Records (the "**Retained Assets**"), except for inventory sold in the ordinary course of business in the Interim Period and the Excluded Assets, if any, Excluded Contracts, and any Contracts disclaimed by any of the Company Group Members with the consent of the Purchaser.
- (b) On the Closing Date and in accordance with the Closing Sequence, the Company Group Members shall transfer or cause to be transferred the Excluded Assets, if any, and Excluded Contracts to Residual Co, in accordance with the Closing Sequence, on the Closing Date and same shall be vested in Residual Co pursuant to the Approval and Reverse Vesting Order by a bill of sale (the "**Excluded Assets Bill of Sale**") and assignment of contracts (the "**Excluded Contracts Assignment Agreement**"), in form and substance satisfactory to the Purchaser, the Company and the Monitor, all in consideration of an interest-free promissory note from the Company (the "**Excluded Assets and Contracts Promissory Note**") in the amount equal to \$5.00.
- (c) For greater certainty, the Purchaser shall be solely liable for all Tax Liabilities and Transaction Taxes, if any, of the Company Group Members arising in connection with or as a result of the transfer of the Excluded Assets and Excluded Contracts to Residual Co.

3.3 Excluded Assets

Notwithstanding any provision of this Agreement to the contrary, as of the Closing, the assets of the Company shall not include any of the assets listed on Schedule "A" nor any of the following assets:

- (a) the portion of the Cash Consideration transferred to Residual Co. in accordance with the Closing Sequence;

- (b) the Closing Cash Amount, which for the avoidance of doubt, shall be paid in accordance with Sections 2.3 and 6.2(b), and shall not be transferred to Residual Co pursuant to Section 3.2;
- (c) all written information or records that are solely related to any Excluded Asset or any Excluded Liability; provided, however that the Company Group Members shall retain such items and provide copies thereof to Residual Co as soon as reasonably practicable after Residual Co request for same;
- (d) the Excluded Contracts; and
- (e) any rights which accrue to Residual Co under this Agreement and the other documents required to be delivered pursuant to this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties as to the Company

Subject to the issuance of the Approval and Reverse Vesting Order, the Company represents and warrants to the Purchaser as follows and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the subscription by the Purchaser for the Subscribed Shares:

- (a) Incorporation and Status. Each of the Company Group Members is a corporation incorporated or limited liability company organized, as applicable, and existing under the laws of its jurisdiction of incorporation or formation, is in good standing under such laws and, with respect to the Company, has the power and authority to enter into, deliver and perform its obligations under this Agreement subject only to SISP Order and the Approval and Reverse Vesting Order.
- (b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate actions on the part of the Company.
- (c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of its Organizational Documents.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms.
- (e) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company Group Members of any of the Subscribed Shares or other securities of the Company Group Members or the Retained Assets.

- (f) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (g) Proceedings. There are no Legal Proceedings pending against any of the Company Group Members or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Retained Assets or which would reasonably be expected to enjoin, delay, restrict or prohibit the issuance of all or any part of the Subscribed Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Company from fulfilling any of their obligations set forth in this Agreement.
- (h) Authorized and Issued Capital. The authorized capital of the Company consists of an unlimited number of common shares, of which 273,578,952 common shares are issued and outstanding. Except for the foregoing issued and outstanding shares, there are no other issued and outstanding common shares or other securities of either of the Company, nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.
- (i) Cannabis Licenses. The Cannabis Licenses are in full force and effect. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Cannabis Licenses.
- (j) Tax. To the Company's knowledge, except as disclosed to the Purchaser: (i) all Taxes shown as due and owing on the Tax Returns and any related notices of assessment for the Company for all Tax periods ending on or prior to the Closing Date have been duly and timely paid; and (ii) the Company has withheld and has duly and timely remitted, or shall duly and timely remit, to the appropriate Governmental Authority all Taxes required by law to be withheld or deducted.
- (k) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; (ii) the Stone Pine Consent, and (iii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Company, and each of the agreements to be executed and delivered by the Company hereunder, the issuance by the Company of the Subscribed Shares hereunder.

4.2 Representations and Warranties as to the Purchaser

The Purchaser represents and warrants to and in favour of the Company as follows and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the issuance by the Company of the Subscribed Shares.

- (a) Incorporation and Status. The Purchaser is incorporated and existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to enter into, deliver and perform its obligations under, this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement and the completion of the Transactions contemplated by this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. Subject only to the Approval and Reverse Vesting Order, this Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms.
- (e) No Commissions. There are no claims for brokerage commissions, finders' fees or similar compensation in connection with the Transactions based on any arrangement or agreement.
- (f) Financial Ability. The Purchaser will have on closing cash on hand and/or firm financing commitments from lenders in amounts sufficient to allow it to pay the balance of the Cash Consideration and all other costs and expenses in connection with the consummation of the Transactions.
- (g) Litigation. There are no Legal Proceedings pending, or to the knowledge of the Purchaser, threatened against the Purchaser before any Governmental Authority, which would: (i) prevent the Purchaser from paying the Subscription Price to the Company; (ii) prohibit or seek to enjoin, restrict or prohibit the Transactions contemplated by this Agreement; or (iii) which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (h) Investment Canada Act. The Purchaser is a WTO investor within the meaning of the Investment Canada Act.
- (i) Security Clearances. Each officer, director, or any other Person that may exercise, or is in a position to exercise, direct control over either holder of the Cannabis Licenses or of the Purchaser have obtained security clearances as required to maintain the Cannabis Licenses under Applicable Law.
- (j) Consents. Except for: (i) the issuance of the Approval and Reverse Vesting Order; (ii) the Stone Pine Consent, and (iii) any regulatory approvals required to be obtained pursuant to this Agreement, no Authorization, consent or approval of, or filing with or notice to, any Governmental Authority, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder, the purchase of the Subscribed Shares hereunder.

4.3 As is, Where is

The Subscribed Shares shall be issued, sold and delivered to the Purchaser subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to the either the Subscribed Shares or the Retained Assets (including title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, with respect to

same). For greater certainty, the Retained Assets shall be retained by the Company Group Members in the context of the Transactions on an "as is where is" basis.

Without limiting the generality of the foregoing, except as may be expressly set out in this Agreement, no representations or warranties have been given by any Party with respect to the Liability any Party has with respect to Taxes in connection with entering into this Agreement, the issuance of the Approval and Reverse Vesting Order, the consummation of the Transactions or for any other reason. Each Party is to rely on its own investigations in respect of any Liability for Taxes payable, collectible or required to be remitted by the Company or any other Party on or after Closing and the quantum of such Liability, if any, and the Purchaser acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Company Group Members in order to make an independent analysis of same.

ARTICLE 5 COVENANTS

5.1 Target Closing Date

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

5.2 Application for Approval and Reverse Vesting Order

As soon as practicable after the execution of this Agreement, the Company shall following the conduct of the SISP and if this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures, serve and file a motion seeking the issuance of the Approval and Reverse Vesting Order with the Court.

The Company shall diligently use its commercially reasonable efforts to seek the issuance and entry of the Approval and Reverse Vesting Order (if this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures) and the Purchaser shall cooperate with the Company in its efforts to obtain the issuance and entry of such order. If this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures, the Company's motion and motion materials seeking the Approval and Reverse Vesting Order shall be in form and substance satisfactory to the Purchaser, acting reasonably. The Company will provide to the Purchaser a reasonable opportunity to review a draft of the application and application materials to be served and filed with the Court, it being acknowledged that such motion and motion materials should be served as promptly as reasonably possible following the determination that this Agreement is the "Successful Bid" in accordance with the SISP Procedures, and will serve such materials on the service list prepared by the Company and reviewed by the Monitor, and on such other interested parties, and in such manner, as the Purchaser may reasonably require. The Company will promptly inform counsel for the Purchaser of any and all threatened or actual objections to the application for the issuance of the Approval and Reverse Vesting Order of which it becomes aware, and will promptly provide to the Purchaser a copy of all written objections received. However, and notwithstanding the foregoing, the Company will have no obligation to provide the Purchaser with any motion materials or draft motion materials for the issuance of the Approval and Reverse Vesting Order if this Agreement is not determined to be the "Successful Bid" pursuant to the SISP Procedures.

5.3 Interim Period

- (a) During the Interim Period, except: (i) as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order); (ii) as necessary in connection with

the CCAA Proceedings; (iii) as otherwise provided in the Initial Order and any other Court Orders, prior to the Closing Time; or (iv) as consented to by the Purchaser and Company, such consent not to be unreasonably withheld, conditioned or delayed: (A) the Company shall, and shall cause each of the other Company Group Members to, continue to maintain its business and operations in substantially the same manner as conducted on the date of this Agreement including preserving, renewing and keeping in full force its corporate existence as well as its Permits and Licenses and Contracts; and (B) other than the Excluded Assets and the Company Group Members' cannabis inventory pursuant to purchase orders from third parties, the Company shall not, and the Company shall not permit the Company Group Members to, transport, remove or dispose of, any of their assets out of their current locations.

- (b) During the Interim Period, and subject to the terms of the SISP and the SISP Order, except as contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order), neither the Company nor any of the other Company Group Members shall enter into any non-arms' length transactions involving the Company Group Members or its assets or the Business without the prior approval of the Purchaser.
- (c) During the Interim Period, the Purchaser shall furnish to the Company such information concerning the Purchaser as shall be reasonably requested, including all such information as shall be necessary to enable the Company to verify that the representations and warranties and covenants of the Purchaser contained in this Agreement have been complied with.

5.4 Access During Interim Period

During the Interim Period, the Company shall give, or cause to be given, to the Purchaser, and its Representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize themselves with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its Representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) subject to the ongoing reasonable oversight and participation of the Company and the Monitor, and with prior notice to the Monitor, the Purchaser and its Representatives shall be permitted to contact and discuss the transactions contemplated herein with Governmental Authorities and, solely in the event this Agreement is declared the "Successful Bid" in accordance with the SISP Procedures, the customers and contractual counterparties of the Company Group Members. Such investigations shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the operations of the Company Group Members, and the Company shall, and shall cause the other Company Group Members, to co-operate reasonably in facilitating such investigations and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

5.5 Regulatory Approvals and Consents

If this Agreement is determined to be the "Successful Bid" in accordance with the SISP Procedures:

- (a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the

Transactions; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transactions; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transactions required under any Applicable Law. Without limiting the generality of the foregoing, the Purchaser shall, within the period of time prescribed by Applicable Law, notify the relevant Governmental Authority of the change in any individual requiring security clearance as mandated by the Cannabis Act and the regulations thereto.

- (b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 5.5.
- (c) The Parties shall cause their respective affiliates to, promptly give each other and the Monitor reasonable advance notice of all information, documents and data as may be requested, required or ordered to be provided to Governmental Authorities pursuant to statutory or non-statutory requests for information, supplemental information requests and any court orders in connection with the approvals and consents outlined in this Section 5.5.

5.6 Insurance Matters

During the Interim Period, the Company shall keep, and shall cause the other Company Group Members to keep, in full force and effect all of their applicable existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practices of the Company Group Members in the ordinary course of business.

5.7 Books and Records

The Purchaser shall preserve and keep the Books and Records acquired by it pursuant to this Agreement for a period of six (6) years after Closing, or for any longer periods as may be required by any Laws applicable to such Books and Records. The Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and shall permit the Monitor to take copies of such Books and Records as they may reasonably require.

ARTICLE 6 CLOSING ARRANGEMENTS

6.1 Closing

The Closing shall take place virtually by exchange of documents in PDF format on the Closing Date, in accordance with the Closing Sequence, and shall be subject to such escrow document release arrangements as the Parties may agree.

6.2 Closing Sequence

On the Closing Date, Closing shall take place in the following sequence (the "**Closing Sequence**"):

- (a) First, the Purchaser shall deposit Stone Pine Debt Assumption Agreement duly executed by the Purchaser in respect of the Debt Consideration and pay the unpaid balance of the Cash Consideration to the Monitor, which Debt Consideration and Cash Consideration shall be held in escrow by the Monitor, on behalf of the Company, to be released in accordance with this Closing Sequence;
- (b) Second, the Company shall pay from the Closing Cash Amount the amounts necessary to satisfy each of the Closing Payments;
- (c) Third, the Company shall (i) transfer or cause to be transferred to and cause Residual Co to assume the Excluded Assets and the Excluded Contracts pursuant to the Approval and Reverse Vesting Order, the Excluded Assets Bill of Sale and the Excluded Contracts Assignment Agreement, (ii) issue the Excluded Assets and Contracts Promissory Note to Residual Co, (iii) transfer to and cause Residual Co to assume the Excluded Liabilities pursuant to the Approval and Reverse Vesting Order and the Excluded Liabilities Assumption Agreement, and (iv) issue the Excluded Liability Promissory Note to Residual Co;
- (d) Fourth, the Company shall file the Articles of Amendment, and all Existing Shares as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock options or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Company shall be deemed terminated and cancelled for no consideration in accordance with and pursuant to the Approval and Reverse Vesting Order;
- (e) Fifth, the Company shall issue the Subscribed Shares and the Purchaser shall subscribe for and purchase the Subscribed Shares, and the Debt Consideration and the Cash Consideration (including the Cash Deposit) shall be released from escrow for the benefit of the Company in satisfaction of the Subscription Price for the Subscribed Shares, but shall continue to be held by the Monitor, in escrow on the Company's behalf and in accordance with Section 6.2(f); and
- (f) Sixth, the Company shall satisfy all amounts and Liabilities owing under the Excluded Assets and Contracts Promissory Note and the Excluded Liability Promissory Note using a portion of the Cash Consideration (including the Cash Deposit), and irrevocably direct the Monitor to cause such payment to be made from the Cash Consideration (including the Cash Deposit) held by the Monitor, although such amount shall continue to be held by the Monitor on behalf of Residual Co., at which point both the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note shall be irrevocably and indefeasibly satisfied, in full, and terminated.

6.3 The Company's Closing Deliveries

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

- (a) the Excluded Liability Promissory Note and the Excluded Assets and Contracts Promissory Note;

- (b) a copy of the Excluded Liability Assumption Agreement, signed by the Company and Residual Co;
- (c) a copy of the Canadian Excluded Assets Bill of Sale, signed by the Company and Residual Co;
- (d) a copy of the Excluded Contracts Assignment Agreement, signed by the Company and Residual Co;
- (e) a copy of the Approval and Reverse Vesting Order;
- (f) a copy of the Stone Pine Debt Assumption Agreement, signed by the Company;
- (g) share certificates representing the Subscribed Shares registered in the name of the Purchaser;
- (h) the Statement of Trade Payables, reviewed by the Monitor;
- (i) a certificate of compliance with respect to the Company issued by the appropriate government official of its jurisdiction of incorporation;
- (j) a certificate dated as of the Closing Date and executed by an executive officer of the Company confirming and certifying that each the conditions in Sections 7.1(d), 7.1(e), 7.1(f) and 7.1(g) have been satisfied;
- (k) an irrevocable mutual release between Residual Co, on the one hand, and the Company Group Members, on the other hand, releasing such respective parties and each of their respective directors, officers, employees, agents, representatives, legal and financial advisors from any and all rights, actions, causes of action, suits, demands, debts, covenants, or claims, of any nature whatsoever, whether contractual, extra-contractual, in law or in equity or otherwise, past, present, or future, direct or indirect, whether known or unknown, except any covenants and obligations hereunder which survive Closing, in a form and substance acceptable to the Purchaser, the Company, and the Monitor, acting reasonably; and
- (l) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transactions (including the Purchase and Sale Transactions and the Closing Sequence) provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.4 The Purchaser's Closing Deliveries

At or before the Closing (as applicable), the Purchaser shall deliver or cause to be delivered to the Company (or to the Monitor, if so indicated below), the following:

- (a) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate government official of its jurisdiction of formation;
- (b) a certificate dated as of the Closing Date and executed by an executive officer of the Purchaser confirming and certifying that each the conditions in Sections 7.2(c), 7.2(d), 7.2(e) and 7.2(f) have been satisfied;

- (c) the Debt Consideration (including a copy of the Stone Pine Debt Assumption Agreement, signed by the Purchaser), in accordance with Section 6.2(a);
- (d) the unpaid balance of the Cash Consideration in accordance with Section 6.2(a); and
- (e) such other agreements, documents and instruments as may be reasonably required by the Company to complete the Transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7 CONDITIONS OF CLOSING

7.1 The Purchaser's Conditions

The Purchaser shall not be obligated to complete the Transactions contemplated by this Agreement, unless, at or before the commencement of the first step in the Closing Sequence, each of the conditions listed below in this Section 7.1 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser, and may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing; provided that if the Purchaser does not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser. The Company shall take, and cause the Company Group Members to take, all such commercially reasonable actions, steps and proceedings as are reasonably within their control to ensure that the conditions listed below in this Section 7.1 are fulfilled at or before the Closing Time.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; and (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not have been vacated, set aside or stayed.
- (c) The Company's Deliverables. The Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.3.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has: (i) the effect of making any of the Transactions illegal, or (ii) the effect of otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement; or (iii) the effect of modifying or amending the Approval and Reverse Vesting Order without the consent of the Purchaser.
- (e) No Material Adverse Effect. During the Interim Period, there shall have been no Material Adverse Effect.
- (f) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.1 shall be true and correct in

all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply): (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

- (g) No Breach of Covenants. The Company shall have performed in all material respects (unless otherwise explicitly qualified by materiality, in which case, such qualification shall not apply) all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing.
- (h) The Terminated Employees. 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.
- (i) Residual Co. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to Residual Co or Discharged; and (ii) the Company Group Members, 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.
- (j) CCAA Proceedings. Upon Closing, the CCAA Proceedings will have been terminated in respect of the Company Group Members, their businesses and properties, as set out in the Approval and Reverse Vesting Order.
- (k) Cannabis Licenses. (i) the Cannabis Licenses shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension; and (ii) all required Authorizations from Health Canada in connection with the Closing of the Transactions shall have been obtained.
- (l) Disclaim Contracts. The CCAA Applicants shall have sent notices of disclaimer for such contracts and other agreements as the Purchaser may require, as listed in a list of contracts to disclaim as sent by the Purchaser to the Company and which shall be delivered by the Purchaser no later than 20 days before the Target Closing Date.
- (m) DIP Financing. The DIP Financing shall not have been terminated by the DIP Lender and shall remain in effect.

7.2 The Company's Conditions

The Company shall not be obligated to complete the Transactions contemplated by this Agreement unless each of the conditions listed below in this Section 7.2 have been satisfied, it being understood that the said conditions are included for the exclusive benefit of the Company, and may be waived by the Company in whole or in part, without prejudice to any of its rights of termination in the event of nonfulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Company only if made in writing, provided that if the Company does not waive a condition(s) and complete the Closing, such

condition(s) shall be deemed to have been waived by the Company. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions listed below in this Section 7.2 are fulfilled at or before the commencement of the first step in the Closing Sequence.

- (a) Successful Bid. This Agreement shall have been declared the "Successful Bid" in accordance with the SISP Procedures.
- (b) Court Approval. The following conditions have been met: (i) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall have been issued by the Court; and (ii) the Initial Order, the SISP Order and the Approval and Reverse Vesting Order shall not have been vacated, set aside or stayed.
- (c) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 6.4.
- (d) No Violation of Orders or Law. During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of: (i) making any of the Transactions contemplated by this Agreement illegal; or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the Transactions contemplated by this Agreement.
- (e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the Approval and Reverse Vesting Order), each of the representations and warranties contained in Section 4.2 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.
- (f) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.
- (g) Closing Cash Amount. On the Closing Date, prior to Closing, the Company shall have cash in an amount sufficient to satisfy the following payments in full on Closing (the "**Closing Cash Amount**") and such payments shall have been made on or before the Closing:
 - (i) the reasonable and documented outstanding fees and expenses up to and including Closing of each of the Company Advisors, the Monitor and the Monitor Advisors;
 - (ii) the reasonable and documented outstanding legal and financial advisor fees and expenses up to and including Closing of the DIP Lender; and
 - (iii) the Wind-Up Reserve payable to the Monitor (collectively, (i) through (iii), the "**Closing Payments**").

7.3 Monitor's Certificate

When the conditions to Closing set out in Section 7.1 and Section 7.2 have been satisfied and/or waived by the Company or the Purchaser, as applicable, the Company, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (i) issue forthwith its Monitor's Certificate concurrently to the Company and the Purchaser, at which time the Closing Sequence will be deemed to have commenced and be completed in the order set out in the Closing Sequence, and Closing will be deemed to have occurred; and (ii) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Company and the Purchaser). In the case of: (i) and (ii) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

- (a) Subject to Section 8.1(b), this Agreement may be terminated on or prior to the Closing Date:
 - (i) by the mutual agreement of the Company and the Purchaser;
 - (ii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, if the Court declines at any time to grant the Approval and Reverse Vesting Order; provided that the reason for the Approval and Reverse Vesting Order not being approved by the Court is not due to any act, omission or breach of this Agreement by the Party proposing to terminate this Agreement;
 - (iii) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, if this Agreement is determined not to be the "Successful Bid", as defined in and in accordance with the SISP Procedures; provided, however, that the Company shall pay to the Purchaser the Break Fee and Expense Reimbursement in accordance with the terms of the SISP;
 - (iv) by the Purchaser, on the one hand, or the Company (with the consent of the Monitor), on the other hand, at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement;
 - (v) by the Company (with the consent of the Monitor), if there has been a material violation or breach by the Purchaser, of any agreement, covenant, representation or warranty of the Purchaser in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.2, as applicable, by the Outside Date and such violation or breach has not been waived by the Company or cured by the Purchaser within five (5) Business Days of the Company providing notice to the Purchaser of such breach, unless the Company is

itself in material breach of its own obligations under this Agreement at such time;
or

- (vi) by the Purchaser, if there has been a material violation or breach by the Company of any agreement, covenant, representation or warranty which would prevent the satisfaction of, or compliance with, any condition set forth in Section 7.1, as applicable, by the Outside Date and such violation or breach has not been waived by the Purchaser or cured by the Company within five (5) Business Days of the Purchaser providing notice to the Company of such breach, unless the Purchaser is itself in material breach of its own obligations under this Agreement at such time.
- (b) Prior to the Company agreeing to or electing to any termination pursuant to this Section 8.1, the Company shall first obtain the consent of the Monitor and DIP Lender; provided, however, DIP Lender consent shall not be required where the Company agree or elect to terminate this Agreement pursuant to Section 8.1(a)(iii).
- (c) The Party desiring to terminate this Agreement pursuant to this Section 8.1 (other than pursuant to Section 8.1(a)) shall give written notice of such termination to the other Party or Parties, as applicable, and the Monitor specifying in reasonable detail the basis for such Party's exercise of its termination rights.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1:

- (a) all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in Sections 2.1 (*Cash Deposit*), 8.1(a)(iii) (*Break Fee and Expense Reimbursement*), 8.2(b) (*Effect of Termination*), 9.4 (*Public Announcements*), 9.5 (*Notices*), 9.9 (*Waiver and Amendment*), 9.12 (*Governing Law*), 9.13 (*Dispute Resolution*), 9.14 (*Attornment*), 9.15 (*Successors and Assigns*), 9.16 (*Assignment*), 9.17 (*No Liability*), and 9.18 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination; and
- (b) if, prior to the termination, the Debt Consideration or Cash Consideration has been paid to the Monitor pursuant to Section 6.2(a), the Parties shall jointly instruct the Monitor in writing to return the Debt Consideration and the Cash Consideration to the Purchaser.

ARTICLE 9 GENERAL

9.1 Tax Returns.

The Purchaser shall: (a) prepare or cause to be prepared and file or cause to be filed all Tax Returns for the Company Group Members for all Tax periods ending on or prior to the Closing Date and for which Tax Returns have not been filed as of such date; and (b) cause the Company Group Members to duly and timely make or prepare all Tax Returns required to be made or prepared by them to duly and timely file all Tax Returns required to be filed by them for periods beginning before and ending after the Closing Date. The Purchaser will use best efforts to provide drafts of all Tax Returns required to be prepared by the Purchaser to Residual Co and the Monitor in advance of their filing with the relevant Governmental Authority. The

Purchaser, Residual Co and the Monitor shall, subject only to Applicable Law, cooperate in considering any amendments to such Tax Returns as Residual Co or the Monitor may request.

9.2 Survival.

All representations, warranties, covenants and agreements of the Company or the Purchaser made in this Agreement or any other agreement, certificate or instrument delivered pursuant to this Agreement shall not survive the Closing except where, and only to the extent that, the terms of any such covenant or agreement expressly provide for rights, duties or obligations extending after the Closing, or as otherwise expressly provided in this Agreement.

9.3 Expenses.

Each of the Company and the Purchaser shall be responsible for its own costs and expenses (including any Taxes imposed on such expenses) incurred in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the Transactions (including the fees and disbursements of legal counsel, bankers, agents, investment bankers, accountants, brokers and other advisers).

9.4 Public Announcements.

The Company shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser reasonably advises the Company in writing as being confidential (in which case, the CCAA Applicants will apply for a sealing Order in respect of such information), and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or in pleadings filed therein), the Parties shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties.

9.5 Notices.

- (a) Mode of Giving Notice. Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if: (i) delivered personally; (ii) sent by prepaid courier service; or (iii) sent by e-mail, in each case, to the applicable address set out below:

if to the Company:

BZAM Ltd.
19100 Airport Way #518
Pitt Meadows, BC V3Y 0E2

Attention: Matthew Milich
E-mail: mmilich@bzam.com

with a copy to (which shall not constitute notice):

Bennett Jones LLP
100 King Street West

1 First Canadian Place
Suite 3400, P.O. Box 50
Toronto ON M5X 1B8

Attention: Sean Zweig / Mike Shakra
E-mail: zweigs@bennettjones.com / shakram@bennettjones.com

with a copy to the Monitor:

FTI Consulting Canada Inc.

Attention: Jeffrey Rosenberg / Kamran.Hamidi@fticonsulting.com
E-mail: Jeffrey.Rosenberg@fticonsulting.com /
Kamran.Hamidi@fticonsulting.com

with a copy to (which shall not constitute notice):

Stikeman Elliott LLP

Attention: Maria Konyukhova <MKonyukhova@stikeman.com>
E-mail: MKonyukhova@stikeman.com

If to the Purchaser:

1000816625 ONTARIO INC.

Attention: Alberto Montagne
E-mail: amontagne@cycadmanagement.com

with a copy to (which shall not constitute notice):

Chaitons LLP

Attention: Harvey Chaiton
E-mail: harvey@chaitons.com

- (b) Deemed Delivery of Notice. Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. (Eastern time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.
- (c) Change of Address. Any Party may from time to time change its address under this Section 9.5 by notice to the other Parties given in the manner provided by this Section 9.5.

9.6 Time of Essence.

Time shall be of the essence of this Agreement in all respects.

9.7 Further Assurances.

The Company and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

9.8 Entire Agreement.

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, and set out all the covenants, promises, warranties, representations, conditions and agreements among the Parties in connection with the subject matter of this Agreement, and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral among the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

9.9 Waiver and Amendment.

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless: (a) executed in writing by the Company and Purchaser (including by way of email); and (b) the Monitor shall have provided its prior consent. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

9.10 Severability.

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

9.11 Remedies Cumulative.

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

9.12 Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

9.13 Dispute Resolution.

If any dispute arises with respect to the interpretation or enforcement of this Agreement, including as to what constitutes a breach or material breach of this Agreement for the purposes of Article 8, such dispute shall be determined by the Court within the CCAA Proceedings, or by such other Person or in such other

manner as the Court may direct. The Parties irrevocably submit and attorn to the exclusive jurisdiction of the Court.

9.14 Attornment.

Each Party agrees: (a) that any Legal Proceeding relating to this Agreement shall be brought in the Court, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of the Court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in the Court on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from the Court as contemplated by this Section 9.14. Each Party agrees that service of process on such Party as provided in this Section 9.14 shall be deemed effective service of process on such Party.

9.15 Successors and Assigns.

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

9.16 Assignment.

The Company shall not be permitted to assign any of its rights or delegate any of its obligations under this Agreement, without the prior written consent of the Purchaser. Prior to the issuance of the Approval and Reverse Vesting Order, the Purchaser shall be entitled and permitted to assign any or all or any portion of Company and the Monitor have confirmed in writing that they are satisfied, in their sole discretion that such Affiliate assignee has the ability to perform all of the Purchaser's rights, duties, and obligations hereunder. Any purported assignment or delegation in violation of this Section 9.16 is null and void. No assignment or delegation shall relieve the assigning or delegating party of any of its obligations hereunder.

9.17 No Liability.

The Purchaser and the Company acknowledge and agree that the Monitor, acting in its capacity as the Monitor of the Company in the CCAA Proceedings, and the Monitor's Affiliates and their respective former and current directors, officers, employees, agents, advisors, lawyers and successors and assigns will have no Liability under or in connection with this Agreement whatsoever (including, without limitation, in connection with the receipt, holding or distribution of the Debt Consideration and the Cash Consideration (including the Cash Deposit) or the filing of the Monitor's Certificate) or any portion thereof, whether in its capacity as Monitor, in its personal capacity or otherwise; save and except for any claim or liability arising out of gross negligence or willful misconduct on the part of the Monitor or such Monitor's Affiliates. If, at any time, there shall exist, in the sole and absolute discretion of the Monitor, any dispute between the Company and the Purchaser with respect to the holding or disposition of any portion of the Debt Consideration or the Cash Consideration (including the Cash Deposit) or any other obligation of the Monitor hereunder in respect of the Debt Consideration or the Cash Consideration (including the Cash Deposit), or if at any time the Monitor is unable to determine the proper disposition of any portion of the Debt Consideration or the Cash Consideration or its proper actions with respect to its obligations hereunder in respect of the Debt Consideration or the Cash Consideration (including the Cash Deposit), then the Monitor may: (i) make an application to the Court for direction with respect to such dispute or uncertainty and, to the extent required by law or otherwise at the sole and absolute discretion of the Monitor, pay the Debt Consideration or the Cash Consideration (including the Cash Deposit) or any portion thereof into the Court for holding and disposition in accordance with the instructions of the Court or (ii) hold the Debt Consideration or the Cash Consideration (including the Cash Deposit) or any portion thereof and not make any disbursement thereof until: (a) the Monitor receives a written direction signed by both the Company

and the Purchaser directing the Monitor to disburse the Debt Consideration or the Cash Consideration (including the Cash Deposit) or any portion thereof in the manner provided for in such direction, or (b) the Monitor receives an order from the Court, which is not stayed or subject to appeal and for which the applicable appeal period has expired, instructing it to disburse the Debt Consideration or the Cash Consideration (including the Cash Deposit) in the manner provided for in the order.

9.18 Third Party Beneficiaries.

Except with respect to: (i) the Monitor as expressly set forth in this Agreement (including Section 9.17), (ii) the DIP Lender; and (iii) Residual Co as relates to all rights, covenants, obligations and benefits in favour of the Company under this Agreement that survive Closing and are transferred to Residual Co as an Excluded Asset, or Excluded Contract at the Closing, this Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.19 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

BZAM LTD.

By:  DocuSigned by:
ED78A780251C4ED...
Name: Matt Milich
Title: CEO

1000816625 ONTARIO INC.

By: _____
Name:
Title:

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

BZAM LTD.

By: _____
Name:
Title:

1000816625 ONTARIO INC.

By: B.Y. Alghani
Name: Bassam Y. Alghanim
Title: Director

EXHIBIT "A"

FORM OF APPROVAL AND REVERSE VESTING ORDER

To be agreed by the Parties.

EXHIBIT "B"

SISP ORDER

Attached.

EXHIBIT “C”**CCAA APPLICANTS**

- BZAM Ltd.
- BZAM Holdings Inc.
- Folium Life Science Inc.
- High Road Holding Corp.
- BZAM Cannabis Corp.
- BZAM Management Inc.
- 102172093 Saskatchewan Ltd.
- The Green Organic Dutchman Ltd.
- Medican Organic Inc.
- Final Bell Corp.

SCHEDULE "A"
EXCLUDED ASSETS

To be agreed by the Parties.

SCHEDULE "B"
EXCLUDED CONTRACTS

To be agreed by the Parties.

SCHEDULE "C"
EXCLUDED LIABILITIES

To be agreed by the Parties.

SCHEDULE "D"**ENCUMBRANCES TO BE DISCHARGED**

Charged Entity	Jurisdiction	Registration Number	Date	Secured Party	Particulars

To be agreed by the Parties.

SCHEDULE "E"
ASSUMED LIABILITIES

All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).

All mortgages registered on title to the real property owned by any of the Company Group Members.

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.

Other Assumed Liabilities to be agreed by the Parties.

SCHEDULE "F"

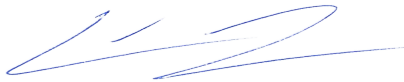
PERMITTED ENCUMBRANCES

To be agreed by the Parties.

SCHEDULE "G"
RETAINED CONTRACTS

To be agreed by the Parties.

This is Exhibit "N" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH



**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

ENDORSEMENT

COURT FILE NO.: CV-24-00715773-00CL DATE: March 8, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: **In the Matter of the *Companies' Creditors Arrangement Act*
and
In the Matter of a Plan of Compromise or Arrangement of BZAM Ltd.**

BEFORE: **JUSTICE OSBORNE**

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Sean Zweig Mike Shakra Andrew Froh Jamie Ernst	BZAM Ltd. <i>et al</i> , Applicants	ernstj@bennettjones.com zweigs@bennettjones.com froha@bennettjones.com shakram@bennettjones.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Joseph Bellissimo Natalie Levine	Cortland Credit Lending Corp.	jbello@bellissimo.com nlevine@cassels.com
Harvey Chaiton	Stone Pine Capital Ltd.	harvey@chaitons.com
Alex Macfarlane R. Bevan Brooksbank Nick Hollard	Ontario Cannabis Retail Corp.	amacfarlane@blg.com bbrooksbank@blg.com nhollard@blg.com
Tevia Jeffries	Pure Sunfarms Corp.	tjeffries@farris.com

Claude Lapointe	Lapointe Claude / QUEBEC	lapointec@stikeman.com
Kevin Dias Kelly Smith Wayland	Lawyers of His Majesty the King, in the Right of Canada, as Represented by the Minister of National Revenue	Kevin.dias@justice.gc.ca Kelly.smithwayland@justice.gc.ca
Jennifer J. Quick	Representative from CannaPiece Corp., a creditor	JQuick@cannapiece.ca
Andrew Winton	Final Bell Holdings International	awinton@lolg.ca

Other:

Name of Person Appearing	Name of Party	Contact Info
Maria Konyukhova Philip Yang	Monitor	mkonyukhova@stikeman.com pyang@stikeman.com
Jeffrey Rosenberg Kamran Hamidi	FTI Consulting Canada Inc., Monitor	Jeffrey.rosenberg@fticonsulting.com Kamran.hamidi@fticonsulting.com

ENDORSEMENT OF JUSTICE OSBORNE:

1. The Applicants seek at this comeback hearing an amended and restated Initial Order (the “ARIO”) that:
 - a. extends the stay of proceedings to and including May 25, 2024;
 - b. increases the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41 million; and
 - c. increases the quantum of each of the Administration Charge, the DIP Lender’s Charge and the Directors’ Charge to a maximum amount of \$1 million, \$41 million plus interest fees and expenses, and \$12,900,000 respectively.

2. The Applicants also seek a SISP Approval Order that:
 - a. authorizes and approves the Stalking Horse Purchase Agreement;
 - b. grants a Court-ordered charge (the “Bid Protections Charge”) in favour of the Stalking Horse Purchaser;
 - c. approves the SISP including the Stalking Horse Bid; and
 - d. authorizes and directs the Applicants and the Monitor to undertake the SISP.

3. ~~DEFINED TERMS IN THIS ENVOI EN JEUX HAVE THE MEANING GIVEN TO THEM IN MY CANADIAN ENVOI EN JEUX MADE IN~~
this proceeding, the motion materials, and/or the First Report of the Monitor dated March 6, 2024, unless otherwise stated.
4. The Applicants rely on the Affidavit of Matthew Milich sworn March 1, 2024 together with Exhibits thereto, together with the First Report.
5. For the reasons that follow, I am satisfied that the relief should be granted.
6. I observe at the outset that the relief sought today is unopposed by any party. It is strongly supported by Cortland as senior secured creditor and DIP Lender, as well as by Stone Pine, a secured creditor and the proposed Stalking Horse Bidder. It is recommended by the Monitor. The Service List has been served with the motion materials and the First Report.
7. With respect to the proposed stay extension, I am satisfied that the Applicants have acted in good faith and with due diligence since the granting of the Initial Order and continue to do so. It is just, convenient and necessary as well as in the best interests of the Applicants and their stakeholders that the proposed extension until May 25, 2024 be granted as such will allow the Monitor, with the assistance of the Applicants, to complete the SISP all with a view to preserving and maximizing value for the stakeholders.
8. I observe that the cash flow forecast projects that the Applicants should have sufficient liquidity to fund their obligations and costs of these proceedings through the end of the extended stay period.
9. I am also satisfied that the increases to the maximum quantum permitted in each of the charges, and the priority of each of those charges, should be approved. In the Initial Order, the Administration Charge, the DIP Lenders' Charge and the Directors' Charge were each limited to only what was reasonably necessary during the initial 10 day period.
10. The basis for the proposed increased quantum of each charge is set out in the motion materials and in the First Report.
11. The increased quantum of the Directors' Charge is particularly large. I am satisfied, however, that it is appropriate in that it reflects potential exposure for excise tax obligations. Those obligations are significant given the nature of the business of the Applicants (in the cannabis sector) but also as a result of the timing of the filing for creditor protection on February 28. The result of that date was that there were excise tax obligations for both January, due but not yet paid, and February, accrued but not yet due. I am satisfied that the quantum, while large, is appropriate.
12. I also recognize that the priority of the charges is somewhat atypical in that both the Directors' Charge and the Bid Protections Charge (described below) are subordinate to the DIP Lender's Charge in favour of Cortland. Such was the condition of DIP financing to enable the continuation of the business as a going concern and, as noted above, the relative priority of the charges has the support of all of these parties.
13. The Applicants seek approval for the proposed SISP including the Stalking Horse Bid. The proposed Stalking Horse Bidder (1000816625 Ontario Inc.) is a company related to the largest shareholder of BZAM, Bassam Alghanim, the current Chairman and the individual that ultimately controls Stone Pine.
14. The mechanics of the proposed SISP are fully set out in the motion materials and the First Report. The timelines and key dates are relatively tight. I am satisfied, however, that they are appropriate, achievable, and are accretive to maximizing value for all stakeholders. The Monitor, with the assistance of the Applicants, is already well along in preparatory work.

15. I am satisfied that the factors identified by the Court to be considered in a determination of whether to approve a sales process as contemplated by ss. 11 and 36(3) of the CCAA are met here: *Nortel Networks Corporation (Re)*, 2009 CanLII at paras. 47 – 48.
16. Given that, as noted above, the Stalking Horse Purchaser is a related party contemplated in section 36(5) of the CCAA, I have also considered the factors referred to in that subsection and am satisfied that they have been met here.
17. I am further satisfied as to the fairness, transparency and integrity of the proposed process; the commercial efficacy of the proposed process in light of the specific circumstances of this case; and whether the sales process will optimize the chances, in the particular circumstances of securing the best possible price for the assets.
18. The Stalking Horse Purchase Agreement will serve as the basis for the Stalking Horse Bid as part of the SISF. It is contemplated to be structured as a reverse vesting transaction. While such structures remain the exception and not the norm, I am satisfied given the critical importance of maintaining the cannabis licences and regulatory permits that are so central to asset value in this case, that such a structure is appropriate here.
19. I also recognize that the Stalking Horse Purchase Agreement is the product of significant efforts and negotiations among the Stalking Horse Purchaser, the Company, the Monitor and the senior creditors of the Company, Stone Pine and Cortland.
20. If the Stalking Horse Bid is not the Successful Bid, the Stalking Horse Purchaser will be entitled to the payment of Bid Protections up to the maximum amount of \$850,000 comprised of a break fee of \$750,000 and an expense reimbursement of \$100,000. These amounts are not insignificant, but I am satisfied are appropriate here and I observe that the maximum amount of the Bid Protections in the aggregate is approximately 2% of the purchase price and therefore within the range of such fees previously approved by this Court (see, for example, *CCM Master Qualified Fund v. blutip Power Technologies*, 2012 ONSC 1750 at paras. 12 -14). The amount is also recommended and fully supported by the Monitor.
21. I also note that the Stalking Horse Bid is not a traditional credit bid in the circumstances of this case, but rather contemplates a bid that includes the Stone Pine indebtedness, but also either the assumption or payout of the Cortland Debt, at the option of Cortland. In particular, the subscription price includes the assumption of the Stone Pine Debt, and the Cash Consideration as fully described in the affidavit of Mr. Milich.
22. I observe again that the Stalking Horse Agreement is not being approved today as a purchase agreement, but rather only as a stalking horse bid. I am satisfied that it will facilitate potential transactions but also provide a floor or a minimum by establishing a baseline price and deal structure. It provides for the preservation and continuity of the core business of the Applicants as a going concern, including but not limited to the continued employment of employees as well as supplier and customer relationships.
23. For all of these reasons, the motion is granted and the relief sought is approved.
24. I observe one additional point in conclusion. Counsel for Final Bell Holdings International Ltd. appeared today in Court and made brief submissions to the effect that while Final Bell was specifically not opposing any of the relief sought (particularly including approval of the SISF and the timelines therein), it wished to advise the Court that it was in the process of investigating whether it would be bringing a motion to seek certain relief which could have an impact on the sales process approved today.

25. Final Bell was a company acquired by the Applicants very shortly prior to filing for creditor protection in this proceeding. The acquisition purchase price was satisfied by the issuance of equity and unsecured debt.

26. Final Bell apparently takes the position that financial disclosure provided to it in the course of due diligence was inconsistent with the financial state of the company as disclosed in this Application. Final Bell may seek rescission of its transaction. That issue is for another day. However, it is obviously imperative for potential bidders in the SISP to have clarity and certainty as to the assets and business on which they are bidding, with the result that, if Final Bell pursues a claim, and specifically pursues a claim seeking rescission, that may well have to be determined before bids are finalized.

27. I have implored the parties to continue the discussions I understand they are having, and I have specifically directed the Court-appointed Monitor to coordinate those discussions with a view to ensuring that all matters proceed on an expedited but fair basis and that the sales process is not undermined by outstanding issues.


28. Orders to go in the form signed by me today which orders are effective immediately and without the necessity of issuing and entering.



OSBORNE, J.

Date: March 8, 2024

This is Exhibit "O" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH



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.

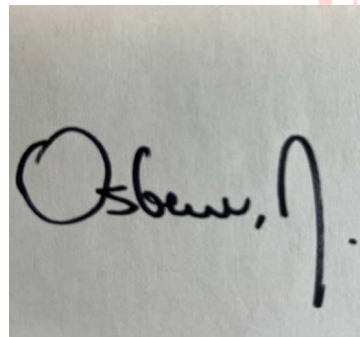
55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this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



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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

**ORS 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

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Tel: (416) 777-7867

Email: ernstj@bennettjones.com

Lawyers for the Applicants

This is Exhibit "P" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH



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

THE HONOURABLE
JUSTICE OSBORNE

)
)
)

FRIDAY, THE 8th
DAY OF MARCH, 2024

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

SISP APPROVAL ORDER

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

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

SERVICE AND DEFINITIONS

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

SALE AND INVESTMENT SOLICITATION PROCESS

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

STALKING HORSE PURCHASE AGREEMENT

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

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

BID PROTECTIONS

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

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

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

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

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

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

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

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

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

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

PIPEDA

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

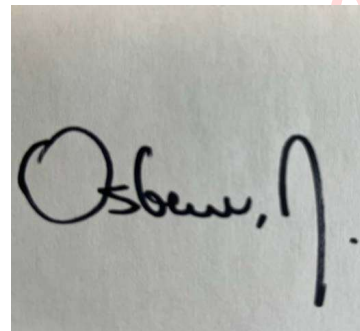
shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or the Property acquired pursuant to the SISP in a manner that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

GENERAL

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

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

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

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

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SCHEDULE "A"

SALE AND INVESTMENT SOLICITATION PROCESS

[ATTACHED]

BZAM LTD.

SALE AND INVESTMENT SOLICITATION PROCESS

1. On February 28, 2024, the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted an order (the "**Initial Order**"), among other things, granting BZAM Ltd., BZAM Holdings Inc., BZAM Management Inc., BZAM Cannabis Corp., Folium Life Science Inc., 102172093 Saskatchewan Ltd., The Green Organic Dutchman Ltd., Medican Organic Inc., High Roads Holdings Corp., and Final Bell Corp. (collectively, the "**Applicants**") relief pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**"), and appointed FTI Consulting Canada Inc., as the monitor of the Applicants (the "**Monitor**"). The benefits and protections of the Initial Order were extended to The Green Organic Beverage Corp., TGOD Europe B.V., 9430-6347 Québec Inc., and The Green Organic Dutchman Germany GmbH (collectively, the "**Non-Applicant Stay Parties**" and together with the Applicants, the "**BZAM Entities**").
2. On March 8, 2024, the Court granted (a) an order amending and restating the Initial Order (the "**ARIO**"), and (b) an order (the "**SISP Approval Order**") that, among other things: (i) authorized the Applicants to implement a sale and investment solicitation process ("**SISP**") in respect of the BZAM Entities, including substantially all of the property, assets and undertakings of BZAM Entities (collectively, the "**Business**"), in accordance with the terms hereof; (ii) authorized and empowered BZAM Ltd. to enter into the Share Subscription Agreement dated March 1, 2024 (the "**Stalking Horse Bid**") with 1000816625 Ontario Inc. (the "**Stalking Horse Bidder**"); (iii) approved the Bid Protections; and (iv) granted the Bid Protections Charge. Capitalized terms that are not otherwise defined herein have the meanings ascribed to them in the ARIO, the SISP Approval Order or the Affidavit of Matthew Milich sworn March 1, 2024, as applicable. Copies of the ARIO and the SISP Approval Order can be found at <http://cfcanda.fticonsulting.com/bzam> (the "**Monitor's Website**").
3. This SISP sets out the manner in which: (a) non-binding letters of intent ("**LOIs**") and binding bids for a broad array of executable transaction alternatives (each a "**Transaction**") that are superior to the sale transaction contemplated by the Stalking Horse Bid will be solicited from interested parties; (b) any such LOIs and bids received will be addressed by the Applicants and the Monitor; (c) any Successful Bid (as defined below) will be selected; and (d) Court approval of any Successful Bid will be sought. Such Transaction alternatives may include, among other things, a sale of the Business or an investment in the Applicants, each of which shall be subject to all terms set forth herein.
4. The SISP shall be conducted by the Applicants and the Monitor.
5. Parties who wish to have their bids considered must participate in the SISP.
6. The Monitor, with the assistance of the Applicants, will:
 - (a) disseminate a teaser and a bid process letter (which letter shall, among other things, direct recipients to the Monitor's Website for a copy of this SISP) to potentially

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

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

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

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

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

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

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

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

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

SCHEDULE "A": AUCTION PROCEDURES

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

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

Selection of Successful Bid and Back-Up Bid

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

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

To counsel for the Applicants:

Bennett Jones LLP
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Toronto, ON M5H 2S7

Attention:

Sean Zweig: zweigs@bennettjones.com
Mike Shakra shakram@bennettjones.com

To the Monitor and counsel to the Monitor:

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

Attention:

Jeffrey Rosenberg: jeffrey.rosenberg@fticonsulting.com
Kamran Hamidi: Kamran.Hamidi@fticonsulting.com

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

Attention:

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

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

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

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

Proceeding commenced at Toronto

SISP APPROVAL ORDER

BENNETT JONES LLP

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Lawyers for the Applicants

This is Exhibit "Q" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

**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

**FURTHER AMENDED NOTICE OF MOTION
(Order Rescinding Share Exchange Agreement)**

Final Bell Holdings International Ltd. will make a Motion to the Honourable Justice Peter J. Osborne on a date to be determined by the Court at the court house, 330 University Avenue, Toronto, Ontario, M5G 1E6.

PROPOSED METHOD OF HEARING: The Motion is to be heard

[X] In person;

THE MOTION IS FOR

1. ~~An Order rescinding the share exchange agreement dated December 5, 2023, between BZAM Ltd., Final Bell Canada Inc., and Final Bell Holdings International Ltd.;~~

2. ~~In addition or in the alternative, if rescission will not put Final Bell Holdings International Ltd. in the same position as it was in before it entered into the share exchange agreement, an order for equitable compensation, is not possible, and/or an Order directing a further hearing to determine an appropriate alternative remedy for Final Bell Holdings International Ltd.;~~ A

Declaration that BZAM Ltd. and its affiliates are liable to Final Bell Holdings International Ltd. for equitable damages, in an amount to be determined by the Court at a reference;

2.1 A Declaration that the equitable damages for which BZAM Ltd. and its affiliates are liable to Final Bell Holdings International Ltd. are subject to a constructive trust;

2.2 Costs of this proceeding; and

3. Such further and other Relief as to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE

Overview

4. On January 8, 2024, the Applicant, BZAM Ltd. (“**BZAM**”) and Final Bell Holdings International Ltd. (“**Final Bell**”) completed a transaction (the “**Transaction**”) whereby Final Bell sold its Canadian subsidiary, Final Bell Canada Inc. (“**FBC**”), to BZAM. Final Bell received ninety million (90,000,000) shares of BZAM valued at 15 cents (\$0.15) per share and an \$8 million promissory note in exchange for all the outstanding shares of FBC. The total consideration Final Bell received in exchange for FBC was valued at \$21,500,000 when the Transaction closed.

5. Prior to the closing of the Transaction, Final Bell conducted extensive due diligence on BZAM. As part of the due diligence process, BZAM made detailed representations to Final Bell

concerning the financial condition of BZAM for the purpose of persuading Final Bell to enter into the Transaction in exchange for equity and unsecured debt.

6. These representations, which Final Bell's board relied on in deciding to approve the transaction, included:

- i. BZAM had sufficient cash to fund its operations and would experience positive cash flows throughout 2024;
- ii. BZAM had between \$6-7 million in financing available through access to a revolving credit facility it had with Cortland Credit Lending Corporation ("**Cortland**") which in March 2024 would be extended for a further 15 months;
- iii. BZAM had no outstanding tax liabilities other than the \$7,828,000 in liabilities it disclosed to Final Bell; ~~and~~
- iv. BZAM had sufficient cash flow throughout 2024 to funds it tax liabilities; and
- v. BZAM would not commit a "change of control", as that term is defined in the Cortland credit facility, without Cortland's consent in writing.

7. On February 28, 2024, less than two months after the transaction closed, BZAM applied for protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 ("**CCAA**") on the basis that it had insufficient liquidity crisis to meet its obligations when they became due and required immediate protection from its creditors.

8. The materials filed by BZAM in support of its CCAA application and the cross-examination testimony of Sean Bovingdon and Matthew Milich reveal that the representations ~~it~~

BZAM made to Final Bell prior to the closing of the Transaction were false, or else BZAM was reckless as to their truth or falsity. Among other things, BZAM's CEO testified in the CCAA application materials that BZAM has insufficient cash to fund its operations, has limited credit available to it from Cortland, and that it is unable to pay its excise tax and GST liabilities.

9. If BZAM had not misled Final Bell, the Transaction would not have closed. If the CCAA proceedings go forward without a rescission of the Transaction or other relief in the alternative, Final Bell will suffer the loss of the entire consideration it bargained for on January 8, 2024, due to its detrimental reliance on BZAM's false representations.

10. The CCAA was not intended to be a means for debtors to "outwit" counterparties to transactions. But that will be the outcome here if the Court does not grant the relief sought by Final Bell.

The Parties

11. Final Bell is the former owner of the Applicant, High Road Holdings Corp. (previously named Final Bell Canada Inc.). Final Bell sold FBC to BZAM on January 8, 2024.

12. The Applicant, BZAM, is a publicly listed cannabis company that cultivates, processes and markets a range of cannabis products, including dried cannabis and cannabis extract products. The other Applicants to the CCAA proceeding are all directly or indirectly wholly owned subsidiaries of BZAM.

13. Matthew Milich is the CEO of BZAM. On February 28, 2024, Mr. Milich swore an affidavit in support of BZAM's request for CCAA protection. Mr. Milich's affidavit contained various statements about BZAM's financial position.

14. Bassam Alghanim is the largest shareholder of BZAM and the chairman of its board. He is also the principal of Stone Pine, one of the secured creditors of BZAM, which is owed approximately \$9,024,755.67.

BZAM Proposes to Acquire FBC

15. Beginning in October 2023, BZAM and Final Bell engaged in discussions regarding the sale of its Canada subsidiary, FBC, to BZAM.

16. On November 1, 2023, BZAM and Final Bell executed a letter of intent setting out BZAM's proposal to buy all of the issued and outstanding common shares of FBC. A significant amount of the purchase price, as set out in the letter of intent, was to be in the form of shares of BZAM.

Final Bell Conducts Due Diligence

17. Final Bell began conducting due diligence on the proposed transaction. This included diligence on the financial position of the potential purchaser BZAM, as Final Bell would be acquiring a significant shareholding in BZAM pursuant to the terms of the proposed transaction.

18. As part of the due diligence process, BZAM provided Final Bell with detailed financial information about BZAM. The information provided to Final Bell included audited and unaudited financial statements, financial models, spreadsheets, PowerPoint decks, emails, and oral statements by representatives of BZAM to representatives of Final Bell.

19. The information that BZAM filed in support of its application for CCAA protection, in particular the February 28, 2024 affidavit of Matthew Milich, CEO of BZAM (the "**Milich**

Affidavit”), demonstrates that the representations BZAM made to Final Bell during the due diligence process were false, or that BZAM was reckless as to their truth.

False or Reckless Representations about BZAM’s Cash Flows

20. BZAM provided information to Final Bell about its future cash flows through spreadsheets and a PowerPoint presentation it provided to Final Bell. These materials contained a pro forma cash flow statement for BZAM projected through to the end of 2024.

21. Through these cash flow statements, BZAM represented that it would have positive cash flows beginning in Q1 of 2024 and continuing throughout the year. It also showed that BZAM had more than sufficient cash and access to debt to fund its operations and would continue to do so going forward.

22. The information about BZAM’s cash flows contained in the Milich Affidavit contradicts the information that BZAM provided to Final Bell during the due diligence process. For example, at paragraph 8 of the Milich Affidavit, Mr. Milich testified that BZAM was in a dire liquidity crisis and would not be able to meet its obligations as they came due absent additional financing.

23. This evidence, adduced less than two months after the Transaction closed, demonstrates that at the closing of the Transaction on January 8, 2024, BZAM’s representations as to its cash flows were false, or else BZAM was reckless as to the truth or falsity of those representations.

24. Among other things, the purchase of FBC by BZAM was cash flow positive for the combined entities. The only way that BZAM could transform from a cash-flow positive to

insolvent entity in a matter of weeks was if it did not have a realistic expectation of being cash flow positive in 2024 when the Transaction closed.

False Representations about the Cortland Credit Facility

25. BZAM provided information to Final Bell about its access to credit through a revolving credit facility with Cortland (the “**Cortland Credit Facility**”). In PowerPoint decks and spreadsheets provided to Final Bell, BZAM represented that it expected to have access to between \$6-7 million in financing throughout 2024 under the Cortland Credit Facility.

26. Although Final Bell was aware that the Cortland Credit Facility was due to mature on March 24, 2024, BZAM assured Final Bell it would be able to procure a 15-month extension from Cortland. This assurance was provided by Sean Bovingdon, the then-CFO of BZAM, to Keith Adams, the CFO of Final Bell, in a virtual meeting held November 21, 2023. Mr. Bovingdon’s assurances were later confirmed by PowerPoint decks and spreadsheets BZAM provided to Final Bell, in which the Cortland Credit Facility continued to be available to BZAM throughout 2024.

27. The information about the availability of the Cortland Credit Facility contained in the Milich Affidavit contradicts what BZAM told Final Bell during the due diligence process.

28. At paragraph 83 of his affidavit, Mr. Milich testified: “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.” This statement directly contradicts the representations BZAM made to Final Bell concerning BZAM’s access to the Cortland Credit Facility beyond March 2024.

29. In addition, at paragraph 86 of his affidavit, Milich testified that as of February 28, 2024, BZAM had access to less than \$2 million through the Cortland Credit Facility. This evidence contradicts BZAM's representation to Final Bell that BZAM would have access to between \$6 and \$7 million under the facility throughout 2024.

30. Similar to the cash flow misrepresentations, the availability of credit under the Cortland Credit Facility and the availability of an extension would not meaningfully change between January 8, 2024, and February 8, 2024, when Milich informed the board of BZAM that the company was on the verge of insolvency. The contradictions between the representations BZAM made to Final Bell prior to the closing of the Transaction and the information contained in the Milich Affidavit demonstrates that BZAM either knew its representations to Final Bell about the Cortland Credit Facility were false, or it was reckless as to their truth or falsity.

False Representations about Excise Tax and GST Liabilities

31. In Canada, excise tax is payable by licensed producers on packaged cannabis and related products when they are sold to provincially-approved distributors and retailers. This tax is set at \$1 per gram, or 10% of a producer's selling price (whichever is higher).

32. As part of the due diligence process, BZAM provided Final Bell information about its outstanding tax liabilities. BZAM disclosed that, as of mid-November 2023, two BZAM affiliated companies, BZAM Management Inc. ("**BMI**"), and The Green Organic Dutchman Ltd., ("**TGOD**"), had an excise tax and GST liability of \$7,828,000, which was subject to payment plans with the Canada Revenue Agency ("**CRA**") and would be paid over the course of between 12 and 21 months. These tax liabilities were also set out in a disclosure letter dated December 5, 2023 (the "**BZAM Disclosure Letter**"). The BZAM Disclosure Letter stated that

BZAM was current with all its taxes, with the exception of the \$7,828,000 in excise tax and GST liability that had been disclosed to Final Bell.

33. Consistent with this information, the statements of future cash flows BZAM provided to Final Bell incorporated arrears payments to CRA over the course of 2024. BZAM represented to Final Bell that it had the means to pay its tax liabilities for the foreseeable future.

34. The Milich Affidavit disclosed tax liabilities that were not disclosed to Final Bell prior to the closing of the Transaction:

- i. Milich testified at paragraph 62 of his affidavit that as of February 15, 2024, BZAM subsidiaries had approximately \$9,083,289.33 in excise tax arrears. In comparison, BZAM's disclosures to Final Bell indicated that BZAM only had approximately \$6,356,000 million in excise tax arrears, all of which were subject to payment plans with the CRA. The only plausible explanation for this \$2.7 million increase in excise tax arrears over the course of less than two months is that BZAM failed to disclose all of its outstanding tax liabilities to Final Bell prior to the closing of the transaction.
- ii. Milich also testified that on February 2, 2024, BMI, one of BZAM's subsidiaries, agreed to a temporary payment plan with the CRA in which it agreed to pay \$164,474 monthly in excise taxes. The excise tax liability associated with this payment plan was not disclosed by BZAM as part of the due diligence process. If a payment plan was agreed to on February 2, 2024, the liability for tax arrears for these taxes would have started to accrue before January 8, 2024, in which case this was another liability that Final Bell was required to disclose to BZAM.

- iii. Milich testified at paragraph 63 of his affidavit that as of February 15, 2024, BZAM Cannabis, a BZAM subsidiary, has approximately \$923,851.04 outstanding in respect of GST liabilities. No outstanding tax liability of any kind was disclosed to Final Bell with respect to BZAM Cannabis. Again, it is unlikely this liability was owing as of January 8, 2024, in which case it should have been disclosed to Final Bell.

BZAM Formed Intention to Terminate Its CFO's Employment Before Closing

34.1 Among the material representations made by BZAM that Final Bell relied on to enter into the share exchange agreement was a representation that it was not in material breach of its credit facility with Cortland.

34.2 This representation, like all of the representations in the share exchange agreement, were updated as of the date of closing by the execution of a "bring-down certificate" by Mr. Milich on January 5, 2024. The BZAM bring-down certificate did not advert to any changes to the representations in the share exchange agreement.

34.3 However, as of January 5, 2024, Mr. Milich had already formed an intention to terminate Mr. Bovingdon's employment as BZAM's chief financial officer without cause within days of the closing of the transaction. Mr. Milich formed an intention to do so without seeking the prior written consent of Cortland, in breach of the Cortland credit facility.

34.4 BZAM knowingly or recklessly misrepresented to Final Bell that it was not in breach of the Cortland facility in circumstances where it had already formed an intention to breach the facility within days of closing.

The Final Bell Board Approves the Transaction Based on BZAM's False Representation

35. Final Bell approved the Transaction based on materials containing BZAM's misrepresentation, including multiple PowerPoint presentations. The PowerPoint presentations provided to the Final Bell board—containing data provided by BZAM—noted that BZAM had strong operational cash flows and had \$6-7 million available through the Cortland Credit Facility which was expected to be renewed. The PowerPoint presentations made no mention of significant outstanding tax liabilities that needed to be managed.

36. Based on the representations made to Final Bell about the financial condition of BZAM, the Final Bell board voted to move forward with the Transaction and enter into a share exchange agreement with BZAM.

The December 5, 2023 Share Exchange Agreement

37. The parties entered into a share exchange agreement (the "SEA") dated December 5, 2023. The SEA provides that Final Bell would sell all of its issued and outstanding shares of FBC in exchange for ninety million (90,000,000) shares of BZAM. The SEA also provided that FBC would issue promissory notes totalling \$8 million to Final Bell, guaranteed by BZAM. Ultimately, before closing, the parties agreed that Final Bell would be issued a single, unsecured note of \$8 million with a fixed repayment term.

38. The SEA provided that ninety million (90,000,000) BZAM shares would be issued to Final Bell at a deemed price of \$0.15 per share. Accounting for the deemed share price and the \$8 million promissory note, FBC was worth \$21.5 million.

39. The Share Exchange Agreement also provided that Final Bell could appoint a nominee to BZAM's board on closing.

40. The BZAM Disclosure Letter, described above as setting out the outstanding tax liabilities of BZAM, was incorporated by reference into the SEA. Article 9.7 of the SEA required that each party promptly notify the other in writing prior to closing if their disclosure letters required updating. BZAM never notified Final Bell that the BZAM Disclosure Letter needed to be updated.

The Transaction Closes

41. The transaction closed on January 8, 2024. On the same day, Kay Jessel, an executive director of Final Bell, was appointed to the board of BZAM.

42. Pursuant to the terms of the transaction, on January 5, 2024, FBC issued an unsecured promissory note to Final Bell for the amount of \$8 million to be paid in monthly installments. The promissory note has a maturity date of June 15, 2027. On the same day, the CEO of BZAM, Matthew Milich, executed an agreement whereby BZAM agreed to guarantee the promissory note owing to Final Bell.

January 24, 2024 Budget Meeting

43. On January 24, 2024, BZAM held a budget meeting to introduce staff at FBC to BZAM (the “**Budget Meeting**”). The Budget Meeting was attended by the entire BZAM board, along with the senior management teams of BZAM and FBC. Approximately thirty people attended. The meeting was led by BZAM’s CEO, Matthew Milich. It lasted roughly two hours.

44. During the Budget Meeting, Mr. Milich said that BZAM expected to continue to draw advances from the Cortland Credit Facility throughout the year. This representation was consistent with the representations made to Final Bell before the transaction closed, namely that the Cortland Credit Facility would be available to BZAM beyond its March 2024 maturity date.

During the Budget Meeting, there was no discussion of BZAM facing any financial problems, or of it potentially requiring an insolvency proceeding.

February 8, 2024: First Board Meeting

45. On February 8, 2024, BZAM held its first board meeting since the acquisition of FBC. During this meeting, the BZAM board was informed that BZAM needed to undergo a complete business reorganization. Despite requests from board members, no details were provided about the reason for the reorganization. During the meeting it was also announced that Sean Bovington had been fired as BZAM's CFO and had been removed from the board.

46. Mr. Milich informed the board that BZAM would likely have to undergo a restructuring in the near future due to a "funding gap" and excise tax liability. Mr. Milich did not elaborate on or explain what he meant by restructuring. There was no reference to or discussion of BZAM seeking CCAA protection. Nor did Mr. Milich explain why an excise tax liability, being an ordinary course business expense of companies operating in the Canadian cannabis industry, would be unanticipated or require BZAM to seek protection from its creditors.

47. BZAM did not disclose these issues to the market ahead of its CCAA application. Nor has it since publicly disclosed the reasons for Mr. Bovington's termination.

February 12, 2024: Second Board Meeting

48. A further BZAM board meeting took place on February 12, 2024. The Monitor and its counsel were in attendance as well as BZAM's insolvency counsel, Sean Sweig of Bennett Jones LLP.

49. Mr. Zweig explained the intended path forward through a CCAA proceeding. Mr. Zweig stated that there would likely be a public stalking horse bid with enough time for others to come in and bid in the process. Mr. Zweig also stated that the stalking horse bid would come from Stone Pine, the company owned by BZAM's Chair and largest shareholder, Mr. Bassam Alghanim.

BZAM Requests CCAA Protection

50. On February 28, 2024, BZAM made an application seeking CCAA protection and this Court issued an order (the "**Initial Order**") commencing these proceedings. The Initial Order was granted in part based on the February 28, 2024 Milich Affidavit. As set out above, statements about BZAM's financial condition contained in the Milich Affidavit demonstrate that BZAM made false representations to Final Bell to induce it to enter in the SEA for the sale of FBC.

BZAM Induced Final Bell to Sell FBC through Fraudulent Misrepresentations

51. During the due diligence process, BZAM made the following representations to Final Bell about BZAM's financial condition in order to induce Final Bell to enter into the SEA for the sale of FBC:

- i. BZAM had sufficient cash to fund its operations and would experience positive cash flows throughout 2024;
- ii. BZAM had between \$6-7 million in financing available through access to a revolving credit facility it had with Cortland which in March 2024 would be extended for a further 15 months;

-15-

- iii. BZAM had no outstanding tax liabilities other than the \$7,828,000 in liabilities it disclosed to Final Bell; ~~and~~
- iv. BZAM had sufficient cash flow throughout 2024 to funds it tax liabilities; and
- v. BZAM was not in material breach of its change of control obligations under the Cortland facility.

52. BZAM made these representations with the intention that Final Bell would act on them and agree to enter into the SEA. Final Bell's board reasonably relied on these representations in making its decision to enter into the SEA with BZAM. The Milich Affidavit demonstrates that these representations were false. Prior to or at the closing of the Transaction, BZAM knew the representations were false, or else was reckless as to their truth or falsity.

53. If the CCAA proceedings go forward, Final Bell will suffer a significant loss because of its reliance on BZAM's false representations. Final Bell will be unable to collect on its \$8 million promissory note and the value of its ninety million (90,000,000) shares in BZAM will be wiped out.

Rescission is Equitable Damages and Constructive Trust are the Appropriate Remedies

54. Final Bell is an innocent party who was induced to enter into the SEA by a false or misleading representation made by BZAM.

55. BZAM's misrepresentation was material and went to the root of the SEA that Final Bell and BZAM entered into. BZAM's consideration to Final Bell in exchange for all of FBC's shares was in the form of equity in BZAM and unsecured debt. Both are now worthless. BZAM's false representations about its financial condition are directly relevant to the consideration paid to

Final Bell in the Transaction – Final Bell would not have agreed to take equity in and grant unsecured debt to a corporation that was on the verge of insolvency.

Statutes and Regulations

56. *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-44, sections 11, 11.02, 11.03, 19, and 36.
57. *Courts of Justice Act*, R.S.O. 1990, c. C.43, s. 138.
58. *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, rules 1.04, 6.01, 16.08, and 37.
59. Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

1. The affidavit of Kay Jessel sworn March 18, 2024 and the reply affidavit of Kay Jessel sworn April 1, 2024;
2. The affidavit of Keith Adams sworn March 18, 2024 and the reply affidavit of Keith Adams sworn April 1, 2024;
3. The evidence adduced by the responding parties and the transcripts of the cross-examinations of those witnesses on their affidavits;
4. The transcript of the examination of Sean Bovingdon held April 8, 2024; and
5. Such further and other evidence as the lawyers may advise and this Honourable Court may permit.

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~~March 18~~ ~~April 16~~ May 6, 2024

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TO: **THE SERVICE LIST**

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM 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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

AMENDED NOTICE OF MOTION

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This is Exhibit "R" referred to in the Affidavit of Deepak Alappatt sworn August 6, 2024, at the Town of Milton, in the Province of Ontario, before me in the City of Toronto, in the Province of Ontario in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

COLIN PENDRITH



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: CV-24-00715773-00CL

DATE: June 30, 2024

NO. ON LIST: 2

TITLE OF PROCEEDING: In the Matter of BZAM LTD. et al

BEFORE JUSTICE: Justice OSBORNE

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ENDORSEMENT of OSBORNE, J:

1. These motions engage two issues that arise relatively infrequently:
 - a. when and in what circumstances are security for costs appropriate within an ongoing *CCAA* proceeding; and
 - b. whether a party against whom no relief is directly sought can be entitled to security for costs.
2. BZAM Ltd. (“BZAM”) and Cortland Credit Lending Corporation (“Cortland”) each seek an order requiring Final Bell Holdings International Ltd. (“Final Bell”) to immediately post security for the costs of its claim originally for rescission of a Share Exchange Agreement dated December 5, 2023, and now damages and equitable relief, including the imposition of a constructive trust.
3. BZAM seeks security in respect of costs on a full indemnity scale in the amount of \$636,000, or in the alternative on a substantial indemnity scale in the amount of \$575,000, and Cortland seeks security on a partial indemnity scale in the amount of \$243,595.34.
4. Final Bell opposes the relief sought.
5. BZAM relies upon the affidavits of Wenbo Sun affirmed April 23, 2024 and May 13, 2024, and the affidavit of Matthew Milich sworn May 28, 2024. Cortland relies on the affidavit of Jonathan Shepherd sworn April 24, 2024. Final Bell relies on the affidavit of Keith Adams dated March 18, 2024.
6. Defined terms in this Endorsement have the meaning given to them in the motion materials unless otherwise stated.

Background

7. The overarching background to, and context of, this motion is set out in earlier Endorsements I have issued in this *CCAA* proceeding.
8. BZAM is a Canadian cannabis company that owns cannabis cultivation facilities in Ontario and Alberta, leases production facilities in Ontario, British Columbia and Québec, leases a retail store in Saskatchewan, and has corporate offices in Ontario and British Columbia. It filed for and was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c C-36 (the “*CCAA*”) pursuant to the terms of the Initial Order granted on February 28, 2024.
9. Approximately three months before BZAM’s *CCAA* filing, BZAM had entered into a Share Exchange Agreement with Final Bell dated December 5, 2023, pursuant to which Final Bell sold its wholly-owned subsidiary, Final Bell Canada Inc. (“FBC”) to BZAM. The consideration paid for the shares of FBC consisted of equity in BZAM and unsecured debt. As a result, Final Bell became a shareholder of BZAM.
10. Cortland is the pre-filing senior secured lender of BZAM, and the provider of debtor-in-possession (“DIP”) financing (the “DIP Lender”) pursuant to the Initial Order.
11. Final Bell did not appear on the first day hearing in this proceeding on February 28, 2024 to oppose the Initial Order that was granted. It did not seek to avail itself of the come-back clause in that Initial Order or seek relief amending or vacating the Initial Order. Even at the come-back hearing required under the *CCAA* to be conducted within 10 days of the Initial Order, Final Bell did not oppose the continuation of relief, including but not limited to the stay of proceedings.
12. However, on March 18, 2024, Final Bell brought a claim seeking to rescind the Share Exchange Agreement, alleging fraudulent misrepresentation on the part of BZAM. With the agreement of the parties, that claim has proceeded, and has been case managed, as a trial of an issue within this *CCAA* proceeding. It originally came before the Court on an urgent basis, given that Final Bell’s claim for rescission needed to be

resolved in order that the pending Sale and Investment Solicitation Process (“SISP”) for BZAM could proceed. Potential bidders needed to know what they were bidding on (i.e., whether the assets and business of BZAM included FBC or not). The parties requested, and the Court accommodated, an extremely expedited case management timetable leading to the summary trial of Final Bell’s claim for rescission.

13. Subsequent to the scheduling of the summary trial by which the Final Bell claim was to be adjudicated, Final Bell advised the Court that it was abandoning its claim for rescission. However, it now seeks in its claim damages and equitable relief in the form of an order imposing a constructive trust over any proceeds of the sale of the business of the Applicants. I pause to observe that, subject to the Final Bell claim, those proceeds would be entirely payable to Cortland, which is anticipated to suffer a loss even if it receives the entirety of those net proceeds.

14. That case management timetable contemplated the very steps that in fact occurred: the claimant and the respondents filed extensive affidavit evidence, made extensive documentary production, conducted cross examinations on the affidavits, conducted a Rule 39.03 examination, and responded to undertakings and further document requests.

15. The summary trial was intended to proceed in hybrid format, with evidence of all parties being led by way of affidavit, with cross examinations and other *viva voce* evidence limited to certain fundamental issues. Trial was scheduled for two days on April 22 and 23, 2024, dates which were scheduled by the Court on the consent of all parties, each of whom confirmed their availability for those dates.

16. The trial did not proceed as scheduled. On April 19, 2024, a few days before it was set to commence, Final Bell sought an urgent case conference at which it requested an adjournment of the trial on the basis that it had just received supplementary productions from BZAM that, in the submission of Final Bell, fundamentally changed the landscape and required Final Bell to re-evaluate its position and anticipated evidence. BZAM and Cortland opposed the adjournment. Having heard submissions from all parties, I granted the adjournment requested by Final Bell. The hearing is now anticipated to occur sometime this summer.

17. BZAM and Cortland now seek security for their respective costs of the Final Bell claim, based both on non-residency and good reason to believe that Final Bell lacks sufficient assets in Ontario or elsewhere to pay a costs award if ordered to do so.

Rule 56 and Security for Costs

18. This Court has jurisdiction to make an order respecting security for costs pursuant to Rule 56.01(1):

The court, on motion by the defendant or respondent in a proceeding, may make such order for security for costs as is just where it appears that,

- a) the plaintiff or applicant is ordinarily resident outside Ontario;
- b) the plaintiff or applicant has another proceeding for the same relief pending in Ontario or elsewhere;
- c) the defendant or respondent has an order against the plaintiff or applicant for costs in the same or another proceeding, that remain unpaid, in whole or in part;
- d) the plaintiff or applicant is a corporation or a nominal plaintiff or applicant, and there is good reason to believe that the plaintiff or applicant has insufficient assets in Ontario;
- e) there is good reason to believe that the action or application is frivolous and vexatious, and that the plaintiff or applicant has insufficient assets in Ontario to pay the costs of the defendant or respondent; or

f) a statute entitles the defendant or respondent to security for costs.

19. The jurisdiction is discretionary. The analysis to be undertaken by the Court in determining whether that discretion should be exercised has two stages:

- a. first, the moving party must show that any one of the six factors set out in Rule 56.01(1) applies; and
- b. if the first stage is met, the onus shifts to the responding party to establish that it would be unjust in all of the circumstances to order security for costs.

See: *Brown v. Hudson's Bay Company*, 2014 ONSC 1065 at paras. 33-34.

20. The threshold to meet the first stage of the test is “light”, given that “unfairness would result were the defendant required to prove something that is within the knowledge of the plaintiff”: *JoBro Film Finance Ltd., v. National Bank of Canada*, 2020 ONSC 975 (“*JoBro*”) at para. 6.

21. The second stage involves an inquiry into other factors which may assist in determining the justice of the case:

[E]ach case must be considered on its own facts are helpful nor just to compose a static list of factors to be used in all cases. In determining the justness of the security for costs order. There is no utility in imposing rigid criteria on top of the criteria already provided for in the Rules. The correct approach is for the court to consider the justness of the order holistically, examining all the circumstances of the case and guided by the overriding interests of justice to determine whether it is just that the order be made.

See *Yaiguaje v. Chevron Corporation*, 2017 ONCA 827 (“*Yaiguaje*”) at para. 25.

22. Courts must be vigilant to ensure an order that is designed to be protective in nature is not used as a litigation tactic to prevent a case from being heard on its merits, even in circumstances where the other provisions of Rule 56 have been met: *Yaiguaje* at para. 23.

23. As recognized by the Court of Appeal in *Yaiguaje* at para. 24, courts in Ontario have identified various factors to be considered, including the merits of the claim, any delay in bringing the motion for security, the impact of a defendant’s conduct on the available assets of the plaintiff, access to justice concerns, and the public importance of the litigation.

24. However, none of those factors is exclusive, mandatory or static, and each case must be considered on its own facts. The overarching objective is, as stated by the Court of Appeal, to consider the justness of the order holistically, examining all the circumstances of the case and being guided by the overriding interests of justice.

Does Rule 56 Apply to Claims in a CCAA Proceeding?

25. Final Bell submits that, as a preliminary issue, Rule 56.01 does not apply at all because BZAM is not a “defendant” or a “respondent” as referred to in Rule 56.01 (1) and is in fact, the Applicant in this CCAA proceeding, and also because Final Bell, as the claimant here, is not a “plaintiff” or “applicant” but is a respondent in this CCAA proceeding.

26. I cannot accept the submission. While Final Bell is indeed a Respondent in this insolvency proceeding, and BZAM is indeed the Applicant, the dispute in respect of which security for costs is sought is the claim of Final Bell described above. Final Bell is the claimant, and it alleges fraud and seeks substantive relief against BZAM. The relationship of those parties in the context of the Final Bell claim is analogous in all respects to that of plaintiff and defendant or applicant and respondent.

27. If necessary, I would place reliance on Rule 1.04(1) which requires that the Rules shall be liberally construed to secure the just, most expeditious and least expensive determination of every civil proceeding on its merits, and also on Rule 1.04(2), which provides that where matters are not provided for in the rules, the practice shall be determined by analogy to them.

28. I draw additional comfort for my analogous approach from Rule 56.01(2) itself, which provides that subrule (1) applies with necessary modifications to a party to a garnishment, interpleader or other issue who is an active claimant and would, if a plaintiff, be liable to give security for costs. In my view, the legislative intent is clearly that security for costs should be available in circumstances of an active claim.

29. Finally, if necessary, in my view, the broad discretion given to this Court in s.11 of the *CCAA* to make any order that it considers appropriate in the circumstances “on the application of any person interested in the matter” would also be a basis for my jurisdiction to order security for costs. The power given to the supervising court is vast, and this broad discretionary power is the feature of the *CCAA* that enables it to be adapted so readily to each reorganization: *Canada v. Canada North Group Inc.*, 2021 SCC 30 (CanLII), [2021] 2 SCR 571 (“*Canada North*”) at para. 121, quoting *9354-9186 Québec Inc. v. Callidus Capital Corp.*, 2020 SCC 10, [2020] 1 S.C.R. 521 at para. 67.

30. In my view, the baseline requirements of appropriateness, good faith and due diligence, and the requirement that the supervising judge must be satisfied that the order sought would advance the policy and remedial objectives of the *CCAA* (i.e., the survival of going concerns, and the objective of providing the conditions under which the debtor can attempt to reorganize) are all such that there is no good policy reason to hold that the security for costs regime established by the Rules cannot apply in a *CCAA* proceeding: see *Canada North*, at para. 21.

31. In this case, the successful party or parties in respect of Final Bell’s claim would presumptively be entitled to costs in respect of that claim, just as would a party successful on a motion within any application or action. There is nothing special about a claim advanced in a *CCAA* proceeding, and particularly a significant claim with material costs incurred to prosecute and defend, that disentitles a successful party to costs when the claim is determined. Sometimes costs are sought and sometimes they are not, just as with any proceeding. Claims within a *CCAA* proceeding are routinely the subject of claims for costs, and where the determination of claims is delegated by order to a claims officer (which is very common in complex and large restructurings), those claims officers are regularly given the jurisdiction and discretion to determine and award costs.

32. In my view, it follows that if the successful party or parties on the Final Bell claim would presumptively be entitled to costs following a determination of that claim (as they would be), there is no just rationale for the conclusion that the security for costs regime established by the Rules cannot apply at all.

33. For all of these reasons, I find that Rule 56.01 is not inapplicable to a claim brought within a *CCAA* proceeding.

Is Security for Costs available to Cortland?

34. Final Bell submits that it ought not to be required to post security in favour of Cortland, even if security is otherwise appropriate, since it alleges no wrongdoing against Cortland and seeks no relief against that party.

35. In my view, additional considerations can apply in the somewhat unusual circumstances as are present here, in that the Final Bell Claim is being litigated within this *CCAA* proceeding. It is to be expected, and indeed it is the case here, that other stakeholders are directly affected by this claim.

36. Cortland, in its capacity as senior secured lender and DIP Lender, is such an example. That party is clearly affected by the disruption to the restructuring proceeding (with attendant costs) brought about by the final bow claim, whatever the result. In addition, it is also very directly affected by the result of the claim in

that if Final Bell is successful, the ability of Cortland to recover on its DIP financing and/or on its pre-filing indebtedness owing by BZAM will almost certainly be negatively affected.

37. This Court previously approved the DIP Facility pursuant to which the DIP financing was advanced. It allows BZAM to continue operating during this restructuring. Pursuant to the DIP facility, Cortland was granted a super priority charge over all existing and after-acquired real and personal property of the Applicants. That includes all existing and after-acquired real and personal property of FBC and Final Bell. I pause to observe that Final Bell did not oppose that super priority charge, and nor has it sought subsequently to amend, vary or vacate that charge, although the constructive trust remedy it now seeks would have precisely that effect.

38. As noted above, and subject to the Final Bell claim, Cortland would be entitled to the entirety of the net proceeds from the sale of BZAM's business, and it is anticipated that Cortland would still suffer a shortfall on its indebtedness. It is those very net proceeds over which Final Bell (notwithstanding its late-in-the-day abandonment of its rescission claim), now seeks to assert a constructive trust. If that constructive trust claim is successful, it would "prime" or rank in priority to the claim of Cortland, which would therefore suffer the corresponding loss as a direct result. Accordingly, it is difficult to conclude that Cortland is unaffected by the Final Bell claim.

39. Moreover, it is perhaps ironic that Final Bell takes the position that Cortland ought not to be entitled to security for costs when one of the key allegedly fraudulent misrepresentations on which Final Bell bases its claim is that, as noted above, BZAM was anticipated to have sufficient financing available pursuant to the revolving credit facility issued by none other than Cortland.

40. Indeed, Final Bell essentially concedes this point itself in its factum, where it describes Cortland as "the only party with a legitimate interest in seeking security" (para. 2(e)).

41. Had the Final Bell claim been outstanding earlier, Cortland may well have elected not to provide DIP financing at all. Other stakeholders (such as other creditors) could also be directly affected by the Final Bell claim here notwithstanding that they are not directly involved in its determination. The pendency of that claim is delaying the progress in the restructuring, including but not limited to the SISF. DIP financing costs and other professional fees that may otherwise have been avoided or reduced continue to accrue, all of which reduces the overall recovery available to creditors and other stakeholders.

42. The conclusion that Cortland is an affected party entitled to respond to the motion and entitled to security for the costs thereof is reinforced by Rule 37.07(1) which requires that a notice of motion be served on any party "or other person who will be affected by the order sought, unless these rules provide otherwise", and is consistent with the approach taken by this Court in *Re U.S. Steel Canada Inc.*, [2022] 5 C.B.R. (7th) 95, 2022 ONSC 6993 at paras. 51 and 52. Here, as in that case, the proprietary and economic interests of the party [seeking security] depend on the outcome of the claim.

43. Finally, I accept the submission of Cortland that equity and fairness militate in favour of it being entitled to security in the circumstances where the consideration that Final Bell received under the Share Exchange Agreement of shares and unsecured debt means that, at its highest, Final Bell is an unsecured creditor and an equity holder of BZAM. Cortland, on the other hand, was and is a secured creditor. It held secured debt pursuant to the revolving credit facility pre-filing, and has a priority charge in respect of the post-filing DIP Facility. To conclude that Cortland ought not to be entitled to security would amount to elevating the position of Final Bell above Cortland and leave Cortland, as the admittedly innocent party against which no allegations are advanced, bearing most of the risk.

44. For all of these reasons, it seems just and equitable that security for costs be available in appropriate circumstances to a party in the position of Cortland. If necessary, I find that the broad discretionary jurisdiction given to a CCAA court in s. 11 of the CCAA and discussed above is broad enough to direct a party to post

security for costs in favour of another stakeholder in appropriate circumstances, such as I have found to be present in this particular case.

Application of Rule 56 to this Case

45. In this case, there is no dispute that Final Bell ordinarily resides outside Ontario (Rule 56.01(1)(1)(a)).
46. The jurisdiction where the corporate party carries on business is decisive in satisfying the rule in this regard: *Fruitticola SNC v. Rite-Pak Produce Co. Limited*, 2009 CanLII 60089 (ONSC) at para. 7. In any event, however the requirement of being “ordinarily resident” is to be construed, there is no interpretation that allows for the conclusion that Final Bell is “ordinarily resident” in Ontario.
47. Final Bell is a US-based cannabis company, incorporated under the laws of British Columbia. It is therefore ordinarily resident outside of Ontario, specifically in Van Nuys, California, United States. It has no connection to Ontario. While technically or formally a Canadian company in that its registered mailing office is in British Columbia, it is functionally a U.S. operation. Its directors are also all located outside Ontario: one is in the United States, one is in Singapore, one is in Australia and two are in British Columbia. Its Chief Financial Officer is located in California.
48. I am satisfied that the factors set out in Rule 56.01(1)(a) apply.
49. I am equally satisfied that there is good reason to believe that Final Bell has insufficient assets in Ontario to pay the costs of either BZAM or Cortland or both. As a starting point, there is no evidence that it has any assets in Ontario at all.
50. Jurisdiction aside, each of its financial statements since at least December 31, 2021 reflect that Final Bell has recorded net losses from operations and that liabilities exceed assets by a material amount. Moreover, things are trending in the wrong direction: the margin by which its liabilities exceed assets has exceeded over time.
51. The moving parties submit that Final Bell has at all times been, and remains, balance-sheet insolvent. Its condensed consolidated financial statements as of and for the three and nine months ended December 31, 2022 and 2021, which constitute its most recent publicly-disclosed financial statements, reveal total assets of USD \$72,575,890 as against total liabilities of USD \$86,015,166, therefore yielding negative equity of USD \$13,439,276 as at December 31, 2022.
52. The moving parties submit that over time, between the date of those financial statements and during the nine months thereafter ending September 30, 2023, the financial situation of Final Bell deteriorated even further, such that by March 31, 2023, its total liabilities exceeded its total assets by USD \$29,030,384.
53. Moreover, Final Bell’s condensed consolidated statement of cash flows as at March 31, 2022 and March 31, 2023 reflect losses from operations in the amounts of USD \$13,137,736 and USD \$17,710,102, respectively, and that it suffered net losses of USD \$22,521,933 and \$52,201,853, respectively.
54. The audit of Final Bell’s condensed consolidated financial statements was never completed for the year ended March 31, 2022 or the year ended March 31, 2023. In fact, its auditor resigned on November 3, 2023, citing professional standards and issues of “concern” regarding Final Bell’s valuation of FBC, the company it sold to BZAM (less than one month after its auditor resigned).
55. As a result of its failure to file financial statements, Final Bell was placed under a Cease Trade Order by the British Columbia Securities Commission on August 14, 2023. That CTO remains active, although partially revoked by the BCSC on September 30, 2023 and January 9, 2024 at the request of Final Bell to avoid materially prejudicial events occurring.

56. As a result of all of the above, BZAM and Cortland submit that while Final Bell may not be impecunious, there is good reason to believe that it does not have sufficient assets in Ontario to pay the costs of BZAM and/or Cortland if ordered to do so.

57. There has been much jurisprudence about whether and in what circumstances the fact that a corporation's liabilities exceed its assets is enough to meet the first part of the test, or whether a corporation's operational insolvency is similarly enough to meet the test. (See, for example, *JoBro*, at para. 39; *Capital Sports Management Inc. v. Trinity Development Group Inc., et al*, 2020 ONSC 7309 at para. 17; *Legendary Log Homes, Inc. v. Courtice Auto Wreckers Limited*, [2008] O.J. No. 4028 [ONSC] at para. 2; and *American Axle & Manufacturing Inc. v. Durable Release Coasters Ltd.*, [2006] O.J. No. 5283 [ONSC] at para. 33.

58. However, the application of the test as articulated in *JoBro* requiring that the issue be approached holistically and in a common sense manner, allows for no conclusion here other than that Final Bell lacks sufficient assets to satisfy a costs award, in or even outside Ontario, with the result that Rule 56.01(1)(d) also applies.

59. Accordingly, I am satisfied that the moving parties have established that the first stage of the test has been met, such that the onus shifts to Final Bell to establish that requiring it to post security for costs in the circumstances would be unjust.

60. I am reinforced in this conclusion by the position of Final Bell itself, which submits in paragraph one of its factum that "the issue on this motion is whether the justness of the case supports an order that Final Bell pay security for costs".

61. A consideration of what is just in any one case is clearly dependent on the particular circumstances of that case. The objective is to ensure equality between litigants and avoid, for example, creating a circumstance where the effect of an order requiring a party to post security would almost automatically mean, in a practical sense, that that party was deprived of the opportunity to bring its claim. Against this, however, the court must balance the right of the party or parties seeking security to avoid a circumstance where those parties would be compelled to defend a claim in respect of which it is virtually certain that they could never recover any costs, whatever the result.

62. This balancing is particularly relevant in a matter like this one where the allegations are serious (fraud), the costs will likely be significant and they will be incurred in relatively short order given the accelerated timetable for this claim and summary trial.

63. The respective positions of the parties with respect to the merits of the Final Bell claim are wholly at odds with one another.

64. Final Bell submits that the strength of its claim is a factor in its favour, since it has a strong *prima facie* case that it was defrauded.

65. Final Bell alleges that it is entitled to damages and equitable relief essentially on the basis that it sold its subsidiary, FBC, to BZAM in exchange for shares and unsecured debt, only to have BZAM file for insolvency protection three months later. It alleges four broad fraudulent misrepresentations:

- a. BZAM misled Final Bell about its ability to extend a revolving credit facility granted by Cortland, which Final Bell understood was going to be extended in March, 2024 for another 15 months;
- b. BZAM misled Final Bell about its future cash flows as a standalone entity;
- c. BZAM misled Final Bell about its outstanding excise tax liabilities other than those disclosed; and
- d. BZAM did not inform Final Bell of its intention to terminate its CFO without any succession plans and very shortly after the closing of the FBC acquisition.

66. BZAM denies all of the fraudulent misrepresentation allegations, a position in which it is fully supported by Cortland, who has been involved prior to filing as BZAM's pre-filing senior secured lender, and thereafter as the DIP Lender. BZAM and Cortland submit that the Final Bell claim is without merit and that BZAM made no misrepresentations, fraudulent or otherwise.

67. In my view, and while recognizing that the merits of the underlying claim can be a factor taken into account, the merits of the Final Bell claim here are a neutral factor. As noted above, the allegations are serious, and the claim has serious consequences for all parties involved. The nature of the fraudulent misrepresentations alleged engage credibility issues of a number of individuals involved, including but not limited to the credibility of the CEO and former CFO of BZAM. That is in large part why the summary trial contemplates *viva voce* evidence, albeit from a limited number of witnesses and on a limited number of issues.

68. The Final Bell claim engages vigorously contested allegations of discrepancies between documents said to have been produced during the due diligence period, and records subsequently disclosed following the Final Bell transaction, including but not limited to Canada Revenue Agency filings in respect of cannabis excise tax obligations.

69. In my view, I am not in a position on this motion to resolve these fundamental issues or make any significant preliminary findings in respect thereof, with the result that the merits of the case are a neutral factor.

70. Moreover, the moving parties submit that Final Bell is advancing its claim purely for tactical reasons and delay in order to gain leverage, and that this is illustrated by the fact that, notwithstanding its threats to do so, Final Bell did not avail itself of the come-back right in the Initial Order to seek to set aside that Initial Order (including the stay of proceedings) within the 10 day period, or at any time subsequently. Nor has it sought, as noted above, to amend or vacate the super priority charge in favour of Cortland as DIP Lender.

71. They submit that Final Bell was late in asserting its claim and did not advance the claim for many weeks while this CCAA proceeding was ongoing. When it did bring its claim, it sought the remedy of rescission, which was wholly disruptive to the proceeding generally, and to that then-ongoing SISP process in particular. Only once the summary trial of the Final Bell claim was scheduled on an urgent basis did Final Bell then abandon its claim for rescission, although that has only a partially calming effect since it continues to seek a constructive trust over the proceeds of sale of the assets and business of BZAM.

72. In response, Final Bell submits that the moving parties, and particularly BZAM, were late in bringing these motions for security and such motions must be brought promptly after the defendant discovers it has a reasonable basis for doing so. Final Bell submits that the justness of the case requires that it not be placed in the position of having to post security for costs after it has incurred significant expense to advance its claim.

73. While I accept that delay can be a factor (both ways), in my view, it does not operate in the particular circumstances of this case to favour Final Bell. The claim would already have been heard on the merits at the originally proposed summary trial but for the adjournment request of Final Bell. While I do not fault Final Bell for bringing that request (indeed, I granted it), I do not think that in the circumstances the fact that the summary process has expanded and now continues and it is in that context in which the moving parties bring these motions, amounts to delay such as to disentitle the moving parties to relief.

74. In the same way, I cannot accept the submission of Final Bell that granting security to BZAM in the circumstances is "tantamount to rewarding it for its faulty documentary disclosure". While BZAM could have moved for security earlier, there is no question but that this entire claim has proceeded on a very expedited timetable and the parties (all of them) have been busy responding to issues in real-time and preparing for trial on an accelerated basis.

75. In my view, and having considered all of the relevant factors in the circumstances of this case holistically, I am satisfied that it would be fair and just to require Final Bell to post security in favour of both

BZAM and Cortland. The Final Bell claim is significant and wholly disruptive to this restructuring proceeding. That is not to say that it is without merit, and the disruption may ultimately be determined to have been justified, but at present, the disruption is real and the merits of the claim are undetermined.

76. Moreover, the claim is complex, proceeding as noted above, on an extremely expedited timetable, and requires the expenditure of very significant resources by all affected parties, as is reflected in all of the Bills of Costs discussed below.

77. There is no evidence before me to the effect that an order requiring security to be posted would force an end to the Final Bell claim. On the contrary, Final Bell submits that, notwithstanding its balance sheet insolvency, it would be in a position to pay an award of costs following the determination of its claim, if ordered to do so.

78. For all of the above reasons, I am satisfied that Final Bell has not met its onus of establishing that it would be unjust to compel it to post security for costs.

Quantum of Security to be Posted

79. The next issue, then, is what quantum should be required.

80. The court has wide discretion as to the quantum of security to be posted, and that discretion must be exercised in a manner that is just in all the circumstances. As is clear from the jurisprudence cited above, it is the role of the court to do its best by balancing the entitlement of the responding parties to the claim to a reasonable measure of protection for their costs, as against the impact of any order requiring security to be posted on the claimant.

81. The principles and factors that apply to a determination of the appropriate quantum are substantially similar to the factors that apply to the exercise of discretion in fixing costs. The amount ordered must fall within the reasonable contemplation of the parties, and the court must be guided by what is reasonable and fair: *Canadian Metal Buildings Inc. v. 1467344 Ontario Limited*, 2019 ONSC 566 at para. 27; and *2018218 Ontario Limited v. Realty Specialists Inc.*, 2019 ONSC 150 at para. 23.

82. In this particular case, that involves a consideration of three points, among others.

83. First, BZAM submits that security in respect of costs on an elevated scale (full indemnity or substantial indemnity, as opposed to partial indemnity) could be appropriate given that the allegation by Final Bell in the underlying claim is fraud, such that it would presumptively be entitled to costs on an elevated scale at the end of the day if successful.

84. Cortland seeks security on a partial indemnity scale.

85. Final Bell acknowledges that costs may be awarded on an elevated scale where dishonest conduct is alleged as in this case, but it submits that the strength of its case is such that security should be ordered, if at all, only on a lower scale given its *prima facie* case that misrepresentations were knowingly or recklessly made by officers of BZAM.

86. In my view, and balancing all of the factors, I am not persuaded that security should be ordered in respect of costs on an elevated scale. Whether costs will ultimately be awarded in respect of the Final Bell claim at all, let alone on an elevated scale, remain to be seen. It is not automatic that unsuccessful allegations of fraud inevitably entitle a successful party to elevated costs: see *Hamilton v. Open Window Bakery Ltd.*, 2004 SCC 9 at para. 26. In my view, the equities in this case justify an order requiring that security be posted, but not on an elevated scale.

87. Second, it is important to ensure that the quantum reflects only the potential costs of this particular claim. Here, Final Bell submits that the costs claimed by BZAM include costs of this restructuring proceeding beyond the four corners of this claim, and should therefore be reduced.
88. It is elementary that the quantum reflects only the costs incurred or to be incurred with respect to this claim.
89. Final Bell contests the quantum sought to be posted by BZAM in part, on the basis that BZAM has not submitted actual dockets reflecting solicitors' time already incurred. In my view, this is not fatal to BZAM's position. Dockets are often not required, and I previously gave case management directions to the effect that dockets were not required in connection with this motion (see Endorsement made in this proceeding dated May 6, 2024).
90. Further, I accept the statement from counsel to the effect that the Bill of Costs does not include any time for matters unrelated to the Final Bell claim, consistent with the Bill of Costs itself in the description of services in respect of which costs are sought to be secured. Obviously, actual entitlement to an award of costs, and the quantum of such costs, are for another day, and the costs claimed will have to be justified.
91. Third, Final Bell submits that the quantum of costs sought to be posted is simply unfairly high and that even if this Court were persuaded that security was appropriate, the quantum should be reduced so as not to prevent Final Bell from asserting its claim.
92. Where the requirement for security for costs has been established, and the majority of litigation steps have been completed, a plaintiff must generally pay security for those costs already incurred and for anticipated costs of upcoming steps in the litigation: *Shuter v. Toronto Dominion Bank*, [2007] O.J. 3435 [ONSC] at para. 193; *Demessy Limited v. Cassels Brock and Blackwell LLP*, 2011 ONSC 4122 at para. 33.
93. BZAM seeks security to be posted in accordance with its draft Bill of Costs. It breaks down costs already incurred and costs estimated to be incurred going forward, and summarizes total fees and disbursements as follows: \$635,712.96 (full indemnity scale), \$574,986.81 (substantial indemnity scale), and \$392,808.38 (partial indemnity scale).
94. Cortland has also filed a Bill of Costs. That reflects total fees, inclusive of disbursements and HST, in the amount of \$243,595.34 (partial indemnity scale), \$363,001.43 (substantial indemnity scale), and \$402,723.53 (actual fees). As noted above, Cortland seeks security to be posted in the partial indemnity amount.
95. Final Bell has filed its own Costs Outline in respect of its claim to support its submission that the quantum sought by each of BZAM and Cortland is excessive. The Costs Outline of Final Bell reflects costs incurred to date, and it projects costs going forward, all-inclusive of fees, disbursements and HST, as follows: \$293,230.27 (partial indemnity scale), \$430,601.55 (substantial indemnity scale), and \$476,391.97 (actual amounts).
96. In my view, and having considered all of the relevant factors, including the work undertaken to date in respect of the Final Bell claim and the projected work to be undertaken through to and including the completion of the summary trial, an appropriate order is one that requires Final Bell to post security for costs in favour of BZAM in the amount of \$350,000 and in favour of Cortland in the amount of \$147,000, for a total of \$497,000. All amounts are inclusive of fees, disbursements and HST.
97. I observe that this aggregate amount is, in my view, well within the range that Final Bell could expect to pay if unsuccessful in its claim. I pause to observe that the Purchase Price in the Share Exchange Agreement included Consideration Shares (as defined in the Agreement) with a value of \$13,500,000 (90 million Purchaser Shares at a deemed price per Purchaser Share of \$0.15). Moreover, the proportion of the amount I

have ordered to be posted in favour of Cortland relative to BZAM is equal to the proportion of partial indemnity costs claimed by those parties relative to one another.

Result and Disposition

98. The motion of each of BZAM and Cortland is granted. Final Bell is ordered to post security for costs in the following amounts:

- a. in respect of the costs of BZAM: \$350,000; and
- b. in respect of the costs of Cortland: \$147,000.

99. Given the expedited timetable pursuant to which the Final Bell claim is being tried, that security is to be posted within 15 days, failing which the parties may seek a case conference before me to determine next steps, including whether the Final Bell claim should be dismissed.

100. BZAM and Cortland seek their costs of this motion, if successful. So too does Final Bell. Having been successful, BZAM and Cortland are presumptively entitled to their costs.

101. Pursuant to s. 131 of the *Courts of Justice Act*, R.S.O. 1990, c.C.43, costs are in the discretion of the court, and the court may determine by whom and to what extent the costs shall be paid.

102. Rule 57.01 provides that in exercising its discretion under s. 131, the court may consider, in addition to the result in the proceeding (and any offer to settle or contribute), the factors set out in that Rule.

103. The overarching objective is to fix an amount that is fair, reasonable, proportionate and within the reasonable expectations of the parties in the circumstances: *Boucher v. Public Accountants Council for the Province of Ontario*, (2004) 71 O.R. (3d) 291 (C.A.), 2004 CanLII 14579 (Ont. C.A.).

104. Rule 57.03 provides that, on the hearing of a contested motion, unless the court is satisfied that a different order would be more just, the court shall fix the costs of the motion and order them to be paid within 30 days.

105. BZAM has filed a Costs Outline pursuant to which it seeks costs on a partial indemnity scale inclusive of disbursements in the amount of \$30,747.87. (The Costs Outline also reflects substantial indemnity costs of over \$46,000 and actual costs in excess of \$51,000).

106. All parties filed extensive motion records, facta, authorities, briefs and aides memoire. In my view, and having considered all of the Rule 57 factors in the circumstances of this motion, Final Bell should pay to BZAM its costs in the amount of \$20,000 and Cortland its costs in the amount of \$8500. Those costs are inclusive of fees, disbursements and HST. They are payable by Final Bell to BZAM and Cortland respectively, at the same time as the security is to be posted: within 15 days.

107. Order to go to give effect to these reasons.



Osborne J.

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

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM 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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Proceeding Commenced at **TORONTO**

**MOTION RECORD
(Threshold Legal Issue re Cortland Priority)**

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