

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE
SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC
DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,
FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**MOTION RECORD
(Returnable March 27, 2025)**

March 20, 2025

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SUPERIOR COURT OF JUSTICE
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A	Exhibit "A" – Affidavit of Matthew Milich sworn February 28, 2024
B	Exhibit "B" – Affidavit of Matthew Milich sworn March 1, 2024
C	Exhibit "C" – Amended and Restated Initial Order dated March 8, 2024
D	Exhibit "D" – Monitor’s Certificate dated February 4, 2025
E	Exhibit "E" – Affidavit of Matthew Milich sworn November 25, 2024
3	Draft Stay Extension Order

TAB 1

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
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Applicants

**NOTICE OF MOTION
(Returnable March 27, 2025)**

The Applicants will make a motion before the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on Thursday, March 27, 2025 at 10:00 a.m. (EST) or as soon after that time as the motion can be heard.

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

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

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

THE MOTION IS FOR:

1. An order (the "**Stay Extension Order**") substantially in the form attached hereto at Tab 3 of this motion record, among other things,
 - (a) abridging the time for service of the motion record returnable March 27, 2025 and dispensing with service on any person other than those served;
 - (b) granting an extension of the Stay Period (as defined below) to and including May 15, 2025 (the "**Stay Extension**"); and
 - (c) approving the Ninth Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), to be filed prior to the hearing of the motion (the "**Ninth Report**"), and the activities of the Monitor described therein; and
2. Such further and other relief as this Court deems just.

THE GROUNDS FOR THIS APPLICATION ARE:*Introduction and Background*

3. BZAM Ltd. ("**BZAM**") is the ultimate parent company to several companies in the cannabis industry in Canada. Through its subsidiaries, its business and operations focus on the production and sale of various cannabis products.
4. Facing significant liquidity issues, the Applicants obtained protection under the CCAA on February 28, 2024, pursuant to an initial order (the "**Initial Order**"). The Initial Order, among other things:
 - (a) appointed FTI as the Monitor;
 - (b) granted an initial stay of proceedings in favour of the Applicants, the Non-Applicant Stay Parties, and their respective Directors and Officers (each as defined

in the ARIO (as defined below)), until and including March 8, 2024 (the "**Initial Stay Period**");

- (c) approved The Green Organic Dutchman Ltd.'s ability to borrow up to a principal amount of \$2,400,000 under a debtor-in-possession credit facility (the "**DIP Loan**") from the Applicants' existing senior secured creditor, Cortland Credit Lending Corporation ("**Cortland**" and in such capacity, the "**DIP Lender**"), to finance the Applicants' critically required working capital requirements and other general corporate purposes, post-filing expenses and costs during the Initial Stay Period, with the other Applicants acting as guarantors under the DIP Loan; and
- (d) granted the Administration Charge, the DIP Lender's Charge and the Directors' Charge (each as defined in the ARIO).

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

6. In an effort to identify and implement a value-maximizing transaction, the Applicants sought and, on March 8, 2024, obtained an order which, among other things:

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

7. On April 16, 2024, the Monitor and the Applicants determined that none of the letters of intent received prior to the LOI Deadline constituted a Qualified LOI (each as defined in the SISP). Accordingly, with the consent of the DIP Lender, the SISP was terminated, and the Stalking Horse Purchase Agreement was deemed the successful bid.

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

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

10. The Applicants obtained an order on December 2, 2024, which, among other things, extended the Stay Period to and until January 13, 2025 and authorized 9430-6347 Québec Inc. ("**9430 Quebec**") or the Monitor to file an assignment in bankruptcy for 9430 Quebec, as applicable (the "**Bankruptcy Assignment**"). The Applicants continue to work with counsel to Ms. France Boisvert and Mr. Daniel Fontaine, the shareholders and directors listed on the corporate registry of 9430 Quebec, to move the Bankruptcy Assignment forward.

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

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

Discussions with the CRA and Health Canada

13. The Applicants, their counsel and the Monitor have engaged in discussions with representatives of the Department of Justice, the Canada Revenue Agency (the "CRA") and Health Canada regarding certain outstanding tax and licensing matters (as applicable). The Applicants are seeking to resolve these matters consensually with the respective parties.

14. Upon the CRA's request, the Applicants have agreed not to seek approval of the Stalking Horse Transaction (as defined below) while discussions in respect of a consensual resolution with the CRA are ongoing.

15. If the Applicants are unable to reach a consensual resolution with respect to the above outstanding matters, they expect to seek the Court's assistance in resolving such matters at the next hearing in these CCAA Proceedings.

The Stalking Horse Transaction

16. The amended and restated Stalking Horse Purchase Agreement is substantially final. The Applicants plan to seek approval of the Stalking Horse Purchase Agreement and the transaction contemplated thereby (the "**Stalking Horse Transaction**") at the next hearing in these CCAA Proceedings.

The Stay Extension

17. The Stay Period is currently set to expire on March 31, 2025. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay Period to and including May 15, 2025. The Applicants are forecasted to have sufficient liquidity to fund their obligations and the costs of these CCAA Proceedings through the end of the proposed extended Stay Period.

18. The Stay Extension is necessary and in the best interests of the Applicants and their stakeholders. It will provide the Applicants with additional time to attempt to resolve all

outstanding matters with the CRA and Health Canada, seek approval of the Stalking Horse Transaction and make preparations for the Applicants' exit from these CCAA Proceedings.

19. The Monitor and the DIP Lender are supportive of the proposed relief, and the Monitor does not believe that any stakeholder will be materially prejudiced by the granting of the Stay Extension.

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

20. The proposed Stay Extension Order seeks approval of the Ninth Report and the activities of the Monitor, and its counsel described therein, as applicable.

OTHER GROUNDS:

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

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

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

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

- (a) the Affidavit of Matthew Milich sworn on March 20, 2025, and the exhibits attached thereto;
- (b) the Ninth Report and the appendices attached thereto; and
- (c) such further and other evidence as counsel may advise and this Court may permit.

March 20, 2025

BENNETT JONES LLP

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Lawyers for the Applicants

TO: THE SERVICE LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.

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

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

Proceedings Commenced in Toronto

**NOTICE OF MOTION
(Returnable March 27, 2025)**

BENNETT JONES LLP
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Lawyers for the Applicants

TAB 2

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

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE
SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC
DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,
FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH
(Sworn March 20, 2025)**

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE
SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC
DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP.,
FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

Applicants

**AFFIDAVIT OF MATTHEW MILICH
(Sworn March 20, 2025)**

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

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

2. I am the Chief Executive Officer of BZAM, which wholly-owns or has a controlling interest in each of the other Applicants and the non-Applicant subsidiaries (each subsidiary of BZAM individually a "**Subsidiary**" and together the "**Subsidiaries**", and collectively with BZAM,

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

3. This affidavit should be read in conjunction with the affidavits that I previously swore in these proceedings (the "**CCAA Proceedings**"). All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavits I swore on February 28, 2024 (the "**First Milich Affidavit**") and March 1, 2024 (the "**Second Milich Affidavit**") or the ARIO (as defined below). Copies of the First Milich Affidavit (without exhibits), the Second Milich Affidavit (without exhibits) and the ARIO are attached hereto as **Exhibits "A" - "C"**, respectively.

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

I. RELIEF REQUESTED

5. I swear this affidavit in support of a motion filed by the Applicants for an order (the "**Stay Extension Order**"), among other things, (i) granting an extension of the Stay Period (as defined below) to and including May 15, 2025 (the "**Stay Extension**"), and (ii) approving the Ninth Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as the Court-appointed monitor (in such capacity, the "**Monitor**"), and the activities of the Monitor described therein.

II. OVERVIEW

A. Introduction and Background

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

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

8. Among other things, the Initial Order:

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

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

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

- (a) authorized and approved BZAM's execution of a share subscription agreement (the "**Stalking Horse Subscription Agreement**") among BZAM and the Stalking Horse Purchaser dated March 1, 2024, *nunc pro tunc*, including certain bid protections; and
- (b) approved a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Subscription Agreement served as the "**Stalking Horse Bid**".

11. On April 16, 2024, the Monitor and the Applicants determined that none of the letters of intent received from interested parties by the LOI Deadline constituted a Qualified LOI (each as defined under the SISP). Accordingly, with the consent of the DIP Lender, the SISP was terminated and the Stalking Horse Subscription Agreement was deemed the successful bid.

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

- (a) an order (the "**BMI RVO**"), which, among other things,

- (i) approved the share purchase agreement (the "**BMI Purchase Agreement**") among BZAM Holdings, as vendor, BZAM Management Inc. ("**BZAM Management**"), as target, 1000912353 Ontario Inc., as purchaser ("**BMI Purchaser**"), and Wyld Canada Inc. ("**Wyld**"), as an interested third-party, and the transaction contemplated thereby (the "**BMI Transaction**");
 - (ii) approved the addition of 1001028579 Ontario Inc. as an Applicant in these CCAA Proceedings and vested all Excluded Assets, Excluded Contracts, and Excluded Liabilities out of BZAM Management and into 1001028579 Ontario Inc. (each as defined in the BMI Purchase Agreement);
 - (iii) vested in the BMI Purchaser all of BZAM Holdings' right, title and interest in and to the shares of BZAM Management, free and clear of any Encumbrances (as defined in the BMI RVO); and
 - (iv) approved the removal of BZAM Management as an Applicant in these CCAA Proceedings; and
- (b) an order, which, among other things, authorized and directed the Applicants to distribute the sale proceeds from the BMI Transaction to Cortland as partial repayment of the indebtedness owing by the Applicants to Cortland (the "**Indebtedness**").

13. The BMI Transaction closed on December 13, 2024, and the net sale proceeds were distributed to Cortland. As discussed in my previous affidavits in these CCAA Proceedings, in connection with the BMI Transaction, Wyld, among other things, acquired the option to purchase

100% of the share capital of the BMI Purchaser. The second part of the transaction (i.e., the exercise of the option) is anticipated to close outside of these CCAA Proceedings in the near term. The Applicants are not actively involved in this second part of the transaction.

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

15. On January 13, 2025, the Court granted two orders:

(a) an order (the "**Edmonton Property AVO**"), which, among other things:

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

(ii) vested in the Purchaser all of BZAM Cannabis' right, title and interest in and to the assets described in the Edmonton Purchase Agreement, including the lands and premises municipally described as 8770 24th Street, Sherwood Park, Alberta, free and clear of any Encumbrances other than the Permitted Encumbrances (each as defined in the Edmonton Property AVO); and

(iii) authorized and directed the Applicants to distribute the net sale proceeds to:
(i) Avison Young Commercial Real Estate Services, LP ("**Avison Young**"),

as full satisfaction of its broker fee, and (ii) Cortland, as partial repayment of the Indebtedness; and

- (b) an order, which, among other things, granted an extension of the Stay Period to and including March 31, 2025.

16. The Edmonton Property Transaction closed on February 4, 2025, and the net sale proceeds were distributed to Avison Young and Cortland in accordance with the terms of the Edmonton Property AVO. A copy of the Monitor's Certificate issued in connection with the Edmonton Property Transaction is attached hereto as **Exhibit "D"**.

B. DIP Amendment

17. The DIP Loan has been amended five times during the pendency of these CCAA Proceedings. Most recently, the DIP Loan was amended on January 9, 2025, to, among other things, extend the maturity date under the DIP Loan to March 31, 2025.

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

C. Outstanding Matters

19. There are a number of outstanding matters the Applicants need to resolve prior to completing these CCAA Proceedings. A high-level summary of these items is set out below.

1. Discussions with the CRA and Health Canada

20. Over the past several months, the Applicants, their counsel and the Monitor have engaged in discussions, on a without prejudice basis, with representatives of the Department of Justice and the Canada Revenue Agency (the "**CRA**") regarding certain outstanding tax matters which the Applicants are seeking to resolve consensually. Upon the CRA's request, the Applicants have agreed not to seek approval of the transaction with the Stalking Horse Purchaser (the "**Stalking Horse Transaction**") while discussions in respect of a consensual resolution with the CRA are ongoing. I understand that the Monitor has been supportive of the Applicants' decision to postpone seeking approval of the Stalking Horse Transaction on that basis.

21. The Applicants' counsel has also participated in a number of discussions with the Department of Justice and Health Canada regarding certain licensing fees under the *Cannabis Act* (Canada). Health Canada and the Applicants are similarly working towards a consensual resolution regarding such fees.

22. If the Applicants are unable to reach a consensual resolution with respect to either or both of the above outstanding matters, they expect to seek the Court's assistance in resolving such matters at the next hearing in these CCAA Proceedings. Both the Applicants and Cortland believe these CCAA Proceedings need to come to a conclusion in the near term.

2. The Stalking Horse Agreement

23. The amended and restated Stalking Horse Agreement is substantially final, and it is the Applicants' intention, irrespective of whether the aforementioned matters are consensually

resolved or not, to seek approval of the Stalking Horse Transaction at the next hearing in these CCAA Proceedings.

3. The Bankruptcy Assignment of 9430 Quebec

24. The details of the dispute between Ms. France Boisvert, Mr. Daniel Fontaine (together, the "**Disclaimer Motion Parties**") and the Applicants are set out in greater detail in the affidavit I swore on November 25, 2024 (the "**November Milich Affidavit**") and are not repeated herein. A copy of the November Milich Affidavit (without exhibits) is attached hereto as **Exhibit "E"**.

25. In accordance with the Bankruptcy Order, 9430 Quebec and the Monitor are authorized to file the Bankruptcy Assignment. The Applicants' counsel has made multiple attempts to advance the Bankruptcy Assignment. Once the Applicants receive confirmation from the Disclaimer Motion Parties on the proposed path forward, the Applicants intend to file an application and/or a declaration with the Quebec Enterprise Register ("**REQ**") seeking the retroactive removal of the Disclaimer Motion Parties as directors from 9430 Quebec's corporate registry.

26. Once approval from the REQ is obtained, I understand from the Monitor that it will proceed with the Bankruptcy Assignment.

III. THE STAY EXTENSION ORDER

A. Stay Extension

27. The Stay Period is currently set to expire on March 31, 2025. Pursuant to the proposed Stay Extension Order, the Applicants are seeking to extend the Stay Period to and including May 15, 2025.

28. As noted above, the Applicants intend to seek approval of the Stalking Horse Transaction at their next hearing and terminate these CCAA Proceedings as soon as possible thereafter. The Applicants understand that the Monitor is still of the view that the Stalking Horse Transaction is the best transaction available in the circumstances (and more preferable than liquidation). It is therefore both necessary and in the best interests of the Applicants and their stakeholders that the Stay Period be extended.

29. The proposed Stay Extension will provide the Applicants with additional time to attempt to resolve all outstanding matters with the CRA and Health Canada, which, if successful, will avoid additional litigation costs that would ultimately be to the detriment of the Applicants' stakeholders. The Applicants are of the view that without the extension of the Stay Period, they would experience significant disruptions to their ordinary course operations and would be unable to effectuate a going concern restructuring of their business.

30. The Applicants have acted, and continue to act, in good faith and with due diligence. Since the granting of the most recent stay extension on January 13, 2025, the Applicants have diligently, among other things:

- (a) closed the Edmonton Property Transaction;
- (b) attended to post-closing matters in respect of the BMI Transaction;
- (c) engaged in discussions with counsel to the Disclaimer Motion Parties;
- (d) implemented additional restructuring steps, including the disclaimer of certain service agreements;

- (e) negotiated extensions to the maturity date under the DIP Loan;
- (f) engaged with the CRA and Health Canada to resolve outstanding matters; and
- (g) continued preparations for the Applicants' exit from these CCAA Proceedings.

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

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

B. Approval of the Monitor's Report

33. The proposed Stay Extension Order seeks approval of the Ninth Report, and the activities of the Monitor and its counsel described therein.


34. The activities of the Monitor set out in the Ninth Report were necessary, undertaken in good faith and consistent with the Monitor's duties under the ARIO and other orders made in these CCAA Proceedings. The Monitor and its counsel have continually provided valuable assistance to the Applicants, the Court and its stakeholders throughout these CCAA Proceedings. As such, the Applicants believe that it is fair and reasonable in the circumstances to approve the Ninth Report.

IV. CONCLUSION

35. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. As discussed above, the proposed Stay Extension Order is necessary to, among other things, provide the Applicants with sufficient time to attempt to resolve all outstanding matters with the CRA and Health Canada and seek approval of the Stalking Horse Transaction – all while continuing their operations in the ordinary course.

36. I swear this affidavit in support of the Applicants' motion for the proposed Stay Extension Order and for no other or improper purpose.

SWORN REMOTELY by Matthew)
Milich stated as being located in the City of)
Long Beach, in the State of California,)
before me at the City of Toronto, in the)
Province of Ontario, on March 20, 2025 in)
accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely.)

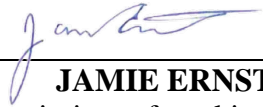


JAMIE ERNST)
A Commissioner for Taking Affidavits in)
and for the Province of Ontario)



MATTHEW MILICH

THIS IS **EXHIBIT "A"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 20TH DAY OF MARCH, 2025.



JAMIE ERNST

A Commissioner for taking Affidavits
(or as may be)

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

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

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

Applicants

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

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

1. This affidavit is made in support of an Application by BZAM Ltd. ("**BZAM**"), BZAM Holdings Inc. ("**BZAM Holdings**"), BZAM Management Inc. ("**BZAM Management**"), BZAM Cannabis Corp. ("**BZAM Cannabis**"), Folium Life Science Inc. ("**Folium Life Science**"), 102172093 Saskatchewan Ltd. ("**102 Saskatchewan**"), The Green Organic Dutchman Ltd. ("**TGOD**"), Medican Organic Inc. ("**Medican Organic**"), High Road Holding Corp. ("**High Road Holding**"), and Final Bell Corp. doing business as BZAM Labs ("**BZAM Labs**") (each individually, an "**Applicant**", and collectively, the "**Applicants**").

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

non-Applicant subsidiaries¹ (each subsidiary of BZAM individually a "**Subsidiary**" and together the "**Subsidiaries**", and collectively with BZAM, the "**Company**"). As such, I have personal knowledge of the Applicants and the matters to which I depose in this affidavit. Where I have relied on other sources for information, I have so stated and I believe them to be true.

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

I. RELIEF REQUESTED

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

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

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

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

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

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

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

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

(ii) with respect to the Edmonton Property:

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

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

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

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

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

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

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

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

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

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

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

II. OVERVIEW

7. BZAM is a reporting issuer listed on the Canadian Securities Exchange under the symbol “BZAM”, “BZAM.WR”, “BZAM.WA”, and “BZAM.WB” and its shares trade in the United States on the OTCQX under the symbol “BZAMF”. It is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on production and sale of various cannabis products. The Company owns cannabis cultivation and processing facilities in Ontario and Alberta, leases production facilities in Ontario, British Columbia and Québec, leases a retail store in Saskatchewan, and has its corporate offices in Ontario and British Columbia.

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

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

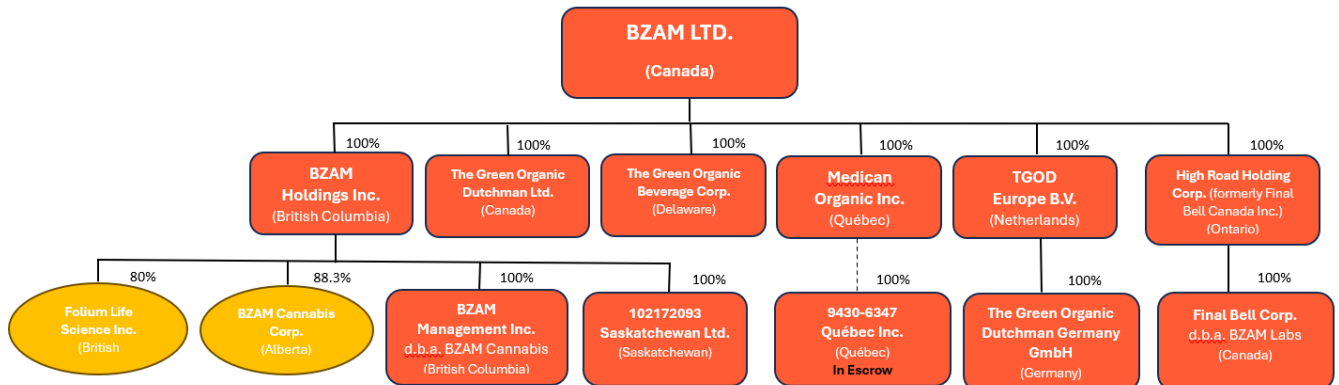
10. The Company’s existing senior secured creditor, Cortland Credit Lending Corporation ("**Cortland**"), has agreed to provide additional financing through the DIP Loan (in its capacity as lender, the "**DIP Lender**") to, among other things, provide the Applicants with the immediate access to funding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

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

III. CORPORATE STRUCTURE OF THE COMPANY

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

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



13. All of the Applicants are Canadian companies and are wholly-owned, directly or indirectly, by BZAM (other than Folium Life Science and BZAM Cannabis). The Non-Applicant Stay Parties are registered in Canada, the United States, the Netherlands and Germany.

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

A. BZAM

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

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

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

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

B. The Applicant Subsidiaries

1. BZAM Holdings

18. BZAM Holdings was incorporated under the *Business Corporations Act*, SBC 2002, c 57 (the "**BCBCA**") on January 17, 2019 to act as a holding company over BZAM Management, 102 Saskatchewan, BZAM Cannabis and Folium Life Science. BZAM Holdings' registered office is located in Vancouver, British Columbia. A copy of BZAM Holdings' corporate profile report is attached hereto as **Exhibit "C"**.

2. BZAM Management

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

3. BZAM Cannabis

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

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

4. Folium Life Science

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

5. 102 Saskatchewan

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

6. TGOD

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

7. **Medican Organic**

24. Medican Organic was incorporated under the *Business Corporations Act*, SQ 2009, c 52 (the "**QCBCA**") on September 19, 2017 and is currently a holding company that is intended to hold all of the issued and outstanding shares of 9430-6347 Québec Inc. ("**943 Québec**") once the transaction in respect of 943 Québec closes (as described in more detail below). A copy of Medican Organic's corporate profile report is attached hereto as **Exhibit "I"**.

8. **High Road Holding**

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

9. **BZAM Labs**

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

C. The Non-Applicant Stay Parties

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

(a) 943 Québec;

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

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

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

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

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

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

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

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

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

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

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

IV. BUSINESS OF THE APPLICANTS

A. The Cannabis Industry in Canada

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

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

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

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

B. The Company's Business

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

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

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

C. Employees

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

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

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

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

D. Owned and Leased Real Property

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

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

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

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

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

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

(c) the Bowmanville Facility operated by BZAM Labs.

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

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

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

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

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

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

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

E. Third Party Suppliers

52. The Company relies on several vendors and third-party service providers to operate its business. In particular, various cannabis product providers, lab services, and utility and technology providers are essential to the Company's operations. Any interruption of service from these third parties, either because they are unable to continue to provide their services to the Applicants or refuse to do so on account of unpaid pre-filing amounts owed to them by the Applicants, may prevent the Applicants from operating in the ordinary course and continuing to provide

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

1. Brand License Agreements

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

2. Contract and Manufacturing Agreements

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

3. Supply Agreements

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

4. Service Provider and Distribution Agreements

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

5. International Supply Agreements

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

6. Other Agreements

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

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

F. Excise Duty and Sales Taxes

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

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

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

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

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

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

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

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

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

G. Cannabis Licenses

1. Licenses with Health Canada

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

(a) standard cultivation activities, including: (i) to possess cannabis; (ii) to obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting; (iii) to alter its chemical or physical properties by any means; and (iv) to sell cannabis (together, "**Standard Cultivation Activities**");

(b) standard processing activities, including: (i) to possess cannabis; (ii) to produce cannabis at the licensed site, other than to obtain it by cultivating, propagating or harvesting; and (iii) to sell cannabis (together, "**Standard Processing Activities**");

(c) activities related to the sale of cannabis for medical purposes, including: (i) to possess cannabis; and (ii) to sell cannabis ("**Medical Purpose Activities**"); and

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

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

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

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

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

2. Licenses with the CRA

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

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

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

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

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

H. Intellectual Property

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

I. Cash Management and Credit Cards

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

V. FINANCIAL POSITION OF THE APPLICANTS

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

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

A. Assets

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

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

Asset Type	Book Value (Consolidated)
Total	\$195,711,080

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

B. Liabilities

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

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

C. Secured Obligations

1. Credit Agreement with Cortland

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

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

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

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

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

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

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

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

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

2. Promissory Notes with Stone Pine

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

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

Date	Principal Amount
Total	\$8,515,000

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

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

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

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

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

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

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

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

3. Mortgage Loan

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

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

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

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

D. Unsecured Obligations

1. FBHI Promissory Note

97. BZAM acquired High Road Holding from FBHI on January 8, 2024. BZAM issued 90,000,000 common shares in BZAM at a deemed price of \$0.15 per share, representing approximately one-third of the issued and outstanding shares of BZAM. High Road Holding also provided an unsecured promissory note dated January 5, 2024 to FBHI in the amount of \$8,000,000 (the "**Final Bell Promissory Note**"). The Final Bell Promissory Note does not bear any interest until March 31, 2025, following which it will bear 10% interest until the maturity date of June 15, 2027. A copy of the Final Bell Promissory Note is attached hereto as **Exhibit "JJ"**.

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

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

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

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

2. Third Party Suppliers

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

3. Employee Liabilities

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

- (a) BZAM, TGOD, BZAM Management, Folium Life Science, 102 Saskatchewan, Medican Organic and BZAM Labs owe several employees accrued and unpaid vacation pay in the aggregate amount of \$1,103,860;
- (b) the current Chief Financial Officer of BZAM, Sean 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:
Jamie Ernst
265A8C7A10A1495...

JAMIE ERNST

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

DocuSigned by:
MM
ED78A780251C4ED...

MATTHEW MILICH

THIS IS **EXHIBIT "B"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 20TH DAY OF MARCH, 2025.

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

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

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

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

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

Applicants

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

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

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

2. I am the Chief Executive Officer of BZAM, which wholly-owns or has a controlling interest in each of the other Applicants and which, directly or indirectly, wholly-owns four other non-Applicant subsidiaries¹ (each subsidiary of BZAM individually a "**Subsidiary**" and together

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

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

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

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

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

I. RELIEF REQUESTED

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

6. The proposed ARIO, among other things, would:
 - (a) extend the Stay of Proceedings to and including May 25, 2024 (the "**Stay Extension**");
 - (b) increase the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41,000,000; and
 - (c) increase the quantum of each of the Administration Charge (to a maximum amount of \$1,000,000), the DIP Lender's Charge (to a principal amount of \$41,000,000, plus interest, fees and expenses), and the Directors' Charge (to a maximum amount of \$12,900,000).

7. The proposed SISP Approval Order, among other things, would:
 - (a) authorize and approve BZAM's execution of a share subscription agreement (the "**Stalking Horse Purchase Agreement**") among BZAM and 1000816625 Ontario Inc.² (the "**Stalking Horse Purchaser**") dated March 1, 2024, *nunc pro tunc*, including the Bid Protections (as defined below);
 - (b) grant a Court-ordered charge (the "**Bid Protections Charge**") over the Property in favour of the Stalking Horse Purchaser as security for payment of the Bid Protections, with the priority set out in the ARIO;
 - (c) approve a sale and investment solicitation process (the "**SISP**") in which the Stalking Horse Purchase Agreement will serve as the "**Stalking Horse Bid**", and

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

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

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

II. INTRODUCTION AND BACKGROUND

8. BZAM is a reporting issuer listed on the Canadian Securities Exchange under the symbol “BZAM”, “BZAM.WR”, “BZAM.WA”, and “BZAM.WB” and its shares trade in the United States on the OTCQX under the symbol “BZAMF”. It is the ultimate parent company to several companies in the cannabis industry in Canada. Through the Subsidiaries, its business and operations focus on production and sale of various cannabis products. The Company owns cannabis cultivation and processing facilities in Ontario and Alberta, leases production facilities in British Columbia and Québec, leases a retail store in Saskatchewan, and has its corporate offices in Ontario and British Columbia.

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

10. The Initial Order, among other things:

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

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

III. THE ARIO

A. Increases to the Charges

1. The Administration Charge

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

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

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

2. The DIP Lenders' Charge

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

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

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

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

3. The Directors' Charge

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

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

B. Priority of the Charges

1. Cortland's Pre-Filing Debt Charge

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

2. Encumbrances

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

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

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

C. Stay Extension

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

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

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

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

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

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

IV. THE SISP APPROVAL ORDER

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

A. Stalking Horse Purchase Agreement

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

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

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

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

Term	Details³
1.1 "Assumed Liabilities"	<p>"Assumed Liabilities" means:</p> <p>(a) All trade payables and liabilities incurred in the normal course of operations from the date of the Initial Order that remain outstanding as at the Closing Date (as such trade payables and liabilities are set out in the Statement of Trade Payables).</p> <p>All mortgages registered on title to the real property owned by any of the Company Group Members.</p> <p>All amounts owing under the existing charge on Plan 8720213, Block 5, Lot 4, excepting thereout all mines and minerals and municipally known as 8770 24th Street NW, Edmonton, Alberta, T6P 1X8, in favour of Manjinder Singh Gill, as agent, in a principal amount of \$5,000,000 with registration number 212152636.</p> <p>Other Assumed Liabilities to be agreed by the Parties.</p>

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

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

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

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

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

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

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

B. The SISP

1. Overview

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

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

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

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

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

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

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

Milestone⁴	Date
Deadline to submit an LOI.	April 8, 2024 at 5:00 p.m. (EST) (the " LOI Deadline ")
Deadline for the Applicants and the Monitor to determine if any LOIs constitute a Qualified LOI.	By no later than April 11, 2024.
Phase 2	
Deadline for Qualified Bidders to submit a Qualified Bid.	April 29, 2024 at 2:00 p.m. (EST) (the " Qualified Bid Deadline ")
The Applicants and the Monitor to commence an Auction, if any.	By no later than May 3, 2024.
Approval Order hearing.	By no later than May 21, 2024, subject to Court availability.
Closing of the Successful Bid.	As soon as possible following an Approval Order (if granted) and, in any event, by no later than June 21, 2024 (the " Outside Date ").

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

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

2. SISP Phase 1

(a) Notification Process

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

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

(b) Letters of Intent

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

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

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

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

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

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

3. SISP Phase 2

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

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

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

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

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

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

(b) Selection of Successful Bid and Approval Order

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

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

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

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

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

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

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

4. Creditor Access to Information

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

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

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

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

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

V. POTENTIAL OBJECTION

57. As disclosed in the First Milich Affidavit:

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

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

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

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

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

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

THIS IS **EXHIBIT "C"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 20TH DAY OF MARCH, 2025.

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

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



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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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.

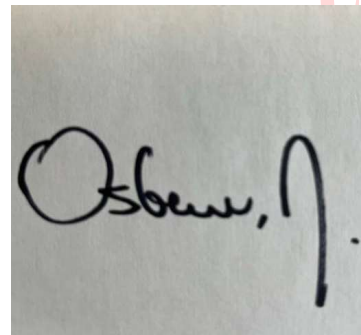
55. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this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



2024.03.

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SCHEDULE "A"
NON - APPLICANT STAY PARTIES

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

**IRS ARRANGEMENT
ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A
PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM
HOLDINGS INC., BZAM MANAGEMENT INC., BZAM CANNABIS CORP.,
FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE
GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH
ROAD HOLDING CORP. AND FINAL BELL CORP.**

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

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

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

Proceeding commenced at Toronto

**AMENDED AND RESTATED INITIAL
ORDER**

BENNETT JONES LLP

3400 One First Canadian Place
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Toronto, Ontario M5X 1A4

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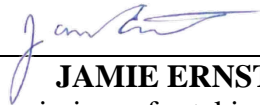
Jamie Ernst (LSO# 88724A)

Tel: (416) 777-7867

Email: ernstj@bennettjones.com

Lawyers for the Applicants

THIS IS **EXHIBIT "D"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 20TH DAY OF MARCH, 2025.



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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM
CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL
BELL CORP. AND 1001028579 ONTARIO INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

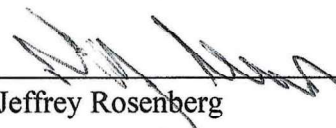
A. Pursuant to the Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) dated February 28, 2024, as amended on March 8, 2024, the Applicants were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and FTI Consulting Canada Inc. was appointed as the monitor of the Applicants (in such capacity, the "Monitor").

B. Pursuant to the Approval and Vesting Order of the Court granted January 13, 2025 (the "Order"), the Court, *inter alia*: (i) approved the transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Purchase Agreement") between BZAM Cannabis Corp. (the "Company"), as vendor, and 2627411 Alberta Ltd. (the "Purchaser"), as purchaser, dated January 6, 2025 (as amended, the "Purchase Agreement"), (ii) authorized and directed the Applicants to make certain payments and distributions, and (iii) provided for the vesting in the Purchaser of all the Company's right, title and interest in and to the property described in the Purchase Agreement, which such vesting is to be effective upon the delivery by the Monitor to the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchaser and the Company that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.

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

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and the Company, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Purchase Agreement.
2. This certificate was delivered by the Monitor at 4:50PM on February 4, 2025.

) **FTI CONSULTING CANADA INC.**, in
) its capacity as court-appointed monitor of
) the Applicants and not in its personal
) capacity
) Per: 
) _____
) Name: Jeffrey Rosenberg
) Title: Senior Managing Director
)

THIS IS **EXHIBIT "E"** REFERRED TO IN THE AFFIDAVIT
OF MATTHEW MILICH, SWORN BEFORE ME
THIS 20TH DAY OF MARCH, 2025.



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

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

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

**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 November 25, 2024)**

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**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 November 25, 2024)**

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

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

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

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

3. All capitalized terms not otherwise defined herein have the meaning ascribed to them in the affidavits that I previously swore in these CCAA proceedings (the "**CCAA Proceedings**") on February 28, 2024 (the "**First Milich Affidavit**") and March 1, 2024 (the "**Second Milich Affidavit**"). Copies of the First Milich Affidavit and the Second Milich Affidavit (each without exhibits) are attached hereto as **Exhibit "A"** and **"B"**, respectively.

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

I. RELIEF REQUESTED

5. I swear this affidavit in support of a motion filed by the Applicants for an order (the "**Order**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C 36, as amended (the "**CCAA**"), *inter alia*:

- (i) abridging the time for service of the motion record returnable December 2, 2024 and dispensing with service on any person other than those served;
- (ii) granting an extension of the Stay Period (as defined below) to and including January 13, 2025 (the "**Stay Extension**");

- (iii) authorizing either the Monitor (as defined below) or 9430-6347 Québec Inc. ("**9430 Quebec**") to file an assignment in bankruptcy pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**") for 9430 Quebec and naming FTI Consulting Canada Inc. ("**FTI**") as the trustee in bankruptcy; and
- (iv) approving the Seventh Report of FTI, in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**"), to be filed prior to the hearing of the motion (the "**Seventh Report**"), and the activities of the Monitor described therein.

II. OVERVIEW

A. Introduction and Background

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

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

8. Among other things, the Initial Order:

- (a) appointed FTI as the Monitor;

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

9. At the comeback hearing on March 8, 2024, the Court granted an amended and restated Initial Order (the "**ARIO**") which, *inter alia*:

- (a) granted an extension of the Initial Stay Period to and including May 25, 2024 (the "**Stay Period**");
- (b) increased the maximum principal amount that the Applicants can borrow under the DIP Loan to \$41,000,000; and
- (c) approved increases to the Administration Charge, the DIP Lender's Charge and the Directors' Charge up to the maximum amounts of \$1,000,000, \$41,000,000 and \$12,900,000, respectively.

10. A copy of the ARIIO is attached hereto as **Exhibit "C"**.

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

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

12. I am advised by the Monitor that following the SISP Approval Order, the Monitor took steps to advance the SISP in accordance with the timelines contemplated therein and canvassed the market broadly for potential purchasers and/or investors.

13. On April 16, 2024, following discussions between the Monitor and certain potential bidders, the Monitor and the Applicants determined that none of the letters of intent received by April 8, 2024 (the LOI Deadline) constituted a Qualified Bid pursuant to the terms of the SISP. Accordingly, with the consent of the DIP Lender, the SISP was terminated and the Stalking Horse Purchase Agreement was deemed the successful bid.

14. It is my understanding that the Monitor will provide a more detailed summary of the SISP in a future report once the Applicants ultimately seek approval of the Stalking Horse Purchase Agreement and the transaction contemplated therein (the "**Stalking Horse Transaction**").

15. During the pendency of these CCAA Proceedings, the Stay Period has been extended four times, including most recently on October 15, 2024 (the "**Fourth Stay Extension**"). Pursuant to the Fourth Stay Extension, the Stay Period was extended to and including December 2, 2024. The Applicants are now seeking a further stay extension pursuant to the proposed Order to and including January 13, 2025.

16. Most recently, on October 15, 2024, the Applicants obtained two orders:

- (a) an order (the "**Approval and Vesting Order**"), which, among other things,
 - (i) approved the share purchase agreement dated August 23, 2024 (the "**Purchase Agreement**") among BZAM Holdings, as vendor, BZAM Management, as target, 1000912353 Ontario Inc., as purchaser (the "**Purchaser**"), and Wyld Canada Inc. ("**Wyld**"), as an interested third-party, and the transaction contemplated thereby (the "**BMI Transaction**");
 - (ii) authorized and directed BZAM Holdings and BZAM Management to perform their obligations under the Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the BMI Transaction and for the conveyance of BZAM Management's shares (the "**Purchased Shares**") to the Purchaser;

- (iii) upon the BMI Transaction closing, approved the addition of 1001028579 Ontario Inc. ("**ResidualCo**") as an Applicant in these CCAA Proceedings and vested all Excluded Assets, Excluded Contracts, and Excluded Liabilities (as such terms are defined in the Purchase Agreement) out of BZAM Management and into ResidualCo, and discharged all Encumbrances against BZAM Management and the Retained Assets other than the Permitted Encumbrances (each as defined in the Purchase Agreement);
 - (iv) upon the BMI Transaction closing, vested in the Purchaser all of BZAM Holdings' right, title and interest in and to the Purchased Shares, free and clear of any Encumbrances (as defined in the Approval and Vesting Order); and
 - (v) upon the BMI Transaction closing, approved the removal of BZAM Management as an Applicant in these CCAA Proceedings; and
- (b) an order (the "**Ancillary Order**"), which, among other things,
- (i) granted the Fourth Stay Extension;
 - (ii) approved an amendment to the DIP Loan (as described below); and
 - (iii) authorized and directed the Applicants to distribute the sale proceeds from the BMI Transaction to Cortland as partial repayment of the indebtedness owing by the Applicants to Cortland, which shall be applied by Cortland in accordance with the terms of the DIP Loan.

17. Copies of the Approval and Vesting Order and the Ancillary Order are attached hereto as **Exhibits "D" and "E"**, respectively.

18. As of the date of this affidavit, the BMI Transaction has not yet closed. The BMI Transaction parties, with the assistance of the Monitor, have made significant progress in satisfying all outstanding conditions and continue to work with their regulatory advisors and the CRA to make the requisite arrangements prior to closing. It is expected that the BMI Transaction will be completed in the near term – potentially prior to the return date of the motion herein – and the sale proceeds will be distributed to Cortland in accordance with the terms of the Ancillary Order.

B. Litigation with Final Bell

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

20. The Amended Claim was amended again on September 5, 2024 to request additional relief, including, *inter alia*, a declaration that Cortland knowingly received the "proceeds of fraud" committed by the Applicants. As set out in its factum dated September 6, 2024, Cortland (and the Applicants) strongly oppose this claim.

21. On June 30, 2024, Final Bell was ordered to post security in the amounts of \$350,000 and \$147,000 in respect of the costs of BZAM and Cortland, respectively (the "**Security**"). On or around July 17, 2024, Final Bell posted the Security.

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

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

C. DIP Amendment

24. The DIP Loan has been amended three times during the pendency of these CCAA Proceedings. Most recently, the DIP Loan was amended on October 11, 2024 to, among other things, extend the maturity date of the DIP Loan to December 2, 2024 and reduce the maximum principal borrowing amount under the DIP Loan from \$41 million to \$37 million.

25. Pursuant to a fourth amending agreement (the "**DIP Amendment**"), Cortland is prepared to extend the maturity date of the DIP Loan to January 13, 2025. I understand from the Monitor that the DIP Amendment will be attached to the Seventh Report.

D. Notice of Motion of France Boisvert and Daniel Fontaine

26. On or prior to November 11, 2022, Mr. France Boisvert, Mr. Daniel Fontaine (together, the "**Motion Parties**") and Medican, among others, entered into certain agreements whereby Medican agreed to purchase from the Motion Parties all outstanding and issued shares of 9430

Quebec, subject to the satisfaction of certain conditions precedent (the "**Share Purchase Transaction**"). More specifically, under the LOI (as defined below), the Share Purchase Transaction could not close until, *inter alia*, a lease agreement (the "**Lease Agreement**") between 9317228 Canada Inc. (the "**Landlord**") and 9430 Quebec was released from escrow.

27. A condition for the Lease Agreement's release from escrow was the completion of certain Landlord Work (as defined in the Lease Agreement), which was required to be completed to the satisfaction of 9430 Quebec, in its capacity as proposed tenant. The Landlord Work included, *inter alia*: (i) the installation of a septic system, and (ii) the Landlord applying for and receiving all proper and required permits for the leased property, including an occupancy permit.

28. Due to unresolved issues with the septic system, 9430 Quebec never received an occupancy permit from the municipality. Accordingly, this condition precedent under the Lease Agreement was never satisfied and the Share Purchase Transaction never closed.

29. As part of the Applicants' restructuring efforts, Medican sent a Notice by Debtor Company to Disclaim or Resiliate an Agreement (the "**Notice**") on May 29, 2024. The Notice disclaimed or resiliated the following agreements:

- (a) a share purchase agreement between Mr. Boisvert, Mr. Fontaine and Medican, and to which intervenes 9430 Quebec, dated November 11, 2022;
- (b) a letter of intent by and between Medican, Mr. Fontaine, Mr. Boisvert and the Landlord, and to which intervenes 9430 Quebec (the "**LOI**"); and

- (c) a bring-down certificate from 9430 Quebec, Mr. Boisvert, and Mr. Fontaine to Medican and the Landlord, dated November 4, 2022 (collectively the "**9430 Quebec Agreements**").

30. As is required by subsection 32(1) of the CCAA, Medican obtained the Monitor's approval to disclaim and/or resiliate the 9430 Quebec Agreements prior to sending the Notice.

31. Following the issuance of the Notice, the Motion Parties and the Applicants engaged in discussions through their respective counsel, which generally related to the outstanding obligations of 9430 Quebec. As a result of these discussions, the Applicants, with the Monitor's approval, agreed to extend the 15-day objection deadline set out in the Notice to June 25, 2024.

32. On June 25, 2024, the Motion Parties served a Notice of Motion on the Applicants (the "**Disclaimer Objection Notice of Motion**") objecting to the Notice. Following service of the Disclaimer Objection Notice of Motion, the Monitor and the Applicants continued to engage with the Motion Parties. Ultimately, in an effort to reach a consensual resolution and avoid incurring additional costs in respect of the Disclaimer Objection Notice of Motion, the Applicants, in consultation with the Monitor, determined that it was in the best interest of the Applicants, the Motion Parties and their respective stakeholders to have 9430 Quebec assigned into bankruptcy (the "**Bankruptcy Assignment**"). The Applicants have agreed to bear all costs associated with such assignment.

33. I understand from the Monitor that the Motion Parties do not oppose the proposed Bankruptcy Assignment. It is my understanding that the Monitor will provide additional details regarding its discussions with the Motion Parties in the Seventh Report.

34. As of the date of this affidavit, the Motion Parties have not sought to schedule a hearing date in connection with the Disclaimer Objection Notice of Motion.

III. THE ORDER

A. Stay Extension

35. The Stay Period is currently set to expire on December 2, 2024. Pursuant to the proposed Order, the Applicants are seeking to extend the Stay Period to and including January 13, 2025.

36. As previously stated in other affidavits sworn in these CCAA Proceedings, the Applicants had originally intended to seek approval of the Stalking Horse Purchase Agreement and the Stalking Horse Transaction following the termination of the SISP. However, the Applicants have continued to postpone seeking such approval due to the ongoing uncertainty surrounding the determination of the Amended Claim.

37. In accordance with subsection 3.13(1) of the DIP Loan, the Applicants cannot enter into any sale or similar transaction pursuant to a sale and investment solicitation process without the prior consent of Cortland, save and except for a transaction that provides for the payment in cash of Cortland's pre- and post-filing obligations in full on closing (the "**Cortland Obligations**"). Until the Applicants have clarity on whether the Amended Claim ranks in priority to the obligations under the DIP Loan (which both the Applicants and Cortland continue to assert is not the case), the Applicants and Cortland cannot determine whether consummation of the Stalking Horse Purchase Agreement would result in the payment in full of the Cortland Obligations. As such, the Applicants intend to and have continued to postpone consideration of the Stalking Horse

Transaction until a decision on the Threshold Motion has been issued and the Amended Claim has been determined.

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

39. Since the commencement of these CCAA Proceedings, the Applicants have acted, and continue to act, in good faith and with due diligence. Since the granting of the Ancillary Order and the Approval and Vesting Order, the Applicants have diligently, among other things:

- (a) negotiated an extension to the maturity date under the DIP Loan;
- (b) together with the Monitor, the Purchaser and Wyld, worked towards satisfying all outstanding conditions in respect of the BMI Transaction;
- (c) engaged in discussions with the Monitor regarding the Bankruptcy Assignment;
- (d) implemented, with the assistance of the Monitor, certain restructuring steps;
- (e) engaged with the Canada Revenue Agency to initiate preparations for the Applicants' exit from these CCAA Proceedings;
- (f) engaged with Health Canada in respect of certain regulatory matters; and
- (g) continued to finalize the terms of the Stalking Horse Purchase Agreement.

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

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

B. 9430 Quebec's Proposed Assignment in Bankruptcy

42. Pursuant to the proposed Order, the Applicants seek authorization for the Monitor or 9430 Quebec to take the actions necessary to facilitate the assignment of 9430 Quebec into bankruptcy.

43. In the First Milich Affidavit, I stated that the Company anticipated that the Share Purchase Transaction would close in the near term, as the only outstanding condition remaining at that time was receiving municipal approval. Accordingly, the Applicants sought and obtained certain creditor protection for 9430 Quebec under the Initial Order and ARIIO as a Non-Applicant Stay Party. It was understood that once the Share Purchase Transaction closed, 9430 Quebec would become a Subsidiary and an Applicant in these CCAA Proceedings. However, as discussed above, 9430 Quebec never received the necessary occupancy permit from the municipality, and its shares remained in escrow.

44. In light of the foregoing, I believe the Bankruptcy Assignment is reasonable for the following reasons:

- (a) 9430 Quebec has no active business operations or material assets;¹
- (b) 9430 Quebec is insolvent;
- (c) 9430 Quebec has no employees or management;
- (d) given that neither the Applicants nor the Motion Parties wish to take ownership of 9430 Quebec, an orderly wind-down of the business is a sensible and efficient solution; and
- (e) the Bankruptcy Assignment avoids the associated costs of litigating the issues raised in the Disclaimer Objection Notice of Motion – thus, preserves valuable judicial resources and reduces professional fees and expenses that would otherwise be incurred by both parties.

45. I understand that FTI is a Licensed Insolvency Trustee with significant experience in both CCAA and BIA proceedings. The Applicants believe that FTI has the experience and qualifications necessary to oversee the bankruptcy of 9430 Quebec and act as 9430 Quebec's trustee in bankruptcy.

C. Seventh Report Approval

46. The proposed Order seeks approval of the Seventh Report, and the activities of the Monitor and its counsel described therein. Throughout these CCAA Proceedings, the Monitor and its

¹ On June 24, 2024, the Applicants submitted a Notice of Cessation to Health Canada on behalf of 9430 Quebec.


counsel have provided valuable assistance to the Applicants, the Court and its stakeholders. As such, the Applicants believe that it is fair and reasonable in the circumstances to approve the Seventh Report.

IV. CONCLUSION

47. I believe that the relief sought on the within motion and described above is in the best interests of the Applicants, the Non-Applicant Stay Parties and their stakeholders. As discussed, the granting of the Order is necessary to ensure the Applicants' continued operations in the ordinary course. Furthermore, the Order will provide the Applicants the time and space required to finalize the terms and seek approval of the Stalking Horse Purchase Agreement and progress towards exiting these CCAA Proceedings.

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

SWORN REMOTELY by Matthew)
Milich stated as being located in the City of)
Long Beach, in the State of California,)
before me at the City of Toronto, in the)
Province of Ontario, on November 25,)
2024 in accordance with O. Reg. 431/20,)
Administering Oath or Declaration)
Remotely.)



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



MATTHEW MILICH

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093 SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.

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

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

Proceeding commenced at Toronto

**AFFIDAVIT OF MATTHEW MILICH
(Sworn March 20, 2025)**

BENNETT JONES LLP

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Lawyers for the Applicants

TAB 3

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) THURSDAY, THE 27th
)
JUSTICE OSBORNE) DAY OF MARCH, 2025
)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS INC.,
BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC.,
102172093 SASKATCHEWAN LTD., THE GREEN
ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC INC.,
HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND
1001028579 ONTARIO INC. (collectively the "**Applicants**",
and each an "**Applicant**")

ORDER
(Stay Extension)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, for an order, among other things, (i) extending the stay of proceedings, and (ii) approving the Ninth Report of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (in such capacity, the "**Monitor**") dated March [●], 2025 (the "**Ninth Report**"), was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Matthew Milich dated March 20, 2025, and the Exhibits thereto (the "**Milich Affidavit**") and the Ninth Report, and on hearing the submissions of counsel for the Applicants and the additional parties listed in Schedule "A" hereto, counsel for the Monitor, counsel for the DIP Lender, and such other counsel that were present, no one

else appearing although duly served as appears from the affidavit of service of Jamie Ernst, filed:

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that all capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Milich Affidavit or the Amended and Restated Initial Order dated March 8, 2024 (the "ARIO"), as applicable.

EXTENSION OF THE STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period as defined in paragraph 15 of the ARIO is hereby extended until and including May 15, 2025.

APPROVAL OF THE MONITOR'S ACTIVITIES AND REPORT

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

GENERAL

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

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

SCHEDULE "A"
NON - APPLICANT STAY PARTIES

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

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PLAN OF
COMPROMISE OR ARRANGEMENT OF BZAM LTD., BZAM HOLDINGS
INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD.,
MEDICAN ORGANIC INC., HIGH ROAD HOLDING CORP., FINAL BELL
CORP. AND 1001028579 ONTARIO INC.**

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Stay Extension)

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

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BZAM LTD.,
BZAM HOLDINGS INC., BZAM CANNABIS CORP., FOLIUM LIFE SCIENCE INC., 102172093
SASKATCHEWAN LTD., THE GREEN ORGANIC DUTCHMAN LTD., MEDICAN ORGANIC
INC., HIGH ROAD HOLDING CORP., FINAL BELL CORP. AND 1001028579 ONTARIO INC.**

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

Proceeding commenced at Toronto

**MOTION RECORD
(Returnable March 27, 2025)**

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