

COURT FILE NUMBER 2601- 07007

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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 CANADABIS CAPITAL INC., 1998643 ALBERTA LTD., STIGMA PHARMACEUTICALS INC., 2103157 ALBERTA LTD., AND FULL SPECTRUM LABS LTD.

PLAINTIFFS / APPLICANTS

CANADABIS CAPITAL INC., 1998643 ALBERTA LTD., STIGMA PHARMACEUTICALS INC., 2103157 ALBERTA LTD., AND FULL SPECTRUM LABS LTD.

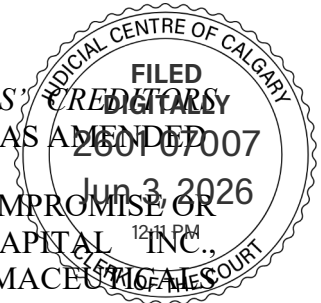
DOCUMENT

**SECOND REPORT OF FTI CONSULTING CANADA INC., AS MONITOR DATED JUNE 3, 2026**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

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**A. INTRODUCTION**

1. On April 17, 2026, CanadaBis Capital Inc. ("**CanadaBis**"), Stigma Pharmaceuticals Inc. ("**Stigma Pharmaceuticals**"), 2103157 Alberta Ltd. ("**210**"), Full Spectrum Labs Ltd. ("**Full Spectrum**"), and 1998643 Alberta Ltd. ("**199**" and collectively, the "**Applicants**" or the "**Company**") sought and obtained an initial order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The proceedings commenced under the CCAA by the Applicants are referred to herein as the "**CCAA Proceedings**."
2. The Initial Order, among other things:
  - (a) declared that the Applicants are parties to which the CCAA applies;
  - (b) appointed FTI Consulting Canada Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**") in the CCAA Proceedings;
  - (c) granted an initial stay of proceedings in favour of the Applicants and their respective D&Os, until and including April 27, 2026 (the "**Stay Period**");
  - (d) granted the Administration Charge and the Directors' Charge;
  - (e) relieved the Applicants from incurring any further expenses in relation to filings that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada (the "**Securities Filings**"), and provided that none of the Applicants, the Monitor or their respective directors and officers, employees and other representatives shall have any personal liability for any failure by the Applicants to make Securities Filings;
  - (f) preserved and maintained the status quo in respect of the Applicants' Health Canada licences and the cannabis excise license during the Stay Period; and
  - (g) relieved the Applicants of any obligation to call and hold its Annual General Meeting until further Order of this Court.

3. The Court granted an Amended and Restated Initial Order (“**ARIO**”), on April 28, 2026, which, among other things:
  - (a) increased the quantum of the CCAA Charges (defined below) and elevated the priority ascribed to the CCAA Charges over all Encumbrances (as defined in the ARIO);
  - (b) authorized the Applicants to pay reasonable expenses incurred by them in operating the business in the ordinary course, including making payments of obligations owing in respect of goods and services supplied to the Applicants prior to the date of the Initial Order by critical vendors to the extent required to ensure ongoing supply of critical goods and services, subject to prior approval by the Monitor up to a maximum aggregate amount of \$290,000;
  - (c) authorized the Applicants to file a plan of compromise or arrangement;
  - (d) prohibited any person from setting off amounts that: (a) are or may become due to the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due from the Applicants and respective obligations arising on or after the date of the Initial Order; or (b) are or may become due from the Applicants in respect of obligations arising prior to the date of the Initial Order with any amounts that are or may become due to the Applicants in respect of obligations arising on or after the date of the Initial Order without the consent of the Applicants and the Monitor or further Order of this Court; and
  - (e) extended the Stay Period to June 11, 2026.
4. On June 1, 2026, the Applicants served and filed an application seeking, among other things, authorization to commence a sale and investment solicitation process, and further amending and restating the ARIO to permit, but not require, the Applicants to make certain termination and severance payments in the event that the Applicants decide that some employees are no longer necessary.

5. The purpose of this second report of the Monitor (the “**Report**”) is to provide the Court with the Monitor’s comments and recommendations regarding the following:
  - (a) The activities of the Monitor since the issuance of the ARIO; and
  - (b) The Applicants’ application for the granting of:
    - (i) an order (the “**Second ARIO**”), amending and restating the ARIO to, among other things:
      - (A) authorize and approve payment by the Applicants of termination and severance payments which may arise during the CCAA Proceedings; and
      - (B) extend the Stay Period until and including September 11, 2026.
    - (ii) an order (the “**SISP Order**”), among other things:
      - (A) approving the SISP (as defined below); and
      - (B) authorizing the Applicants and the Monitor to immediately commence the SISP and to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and the SISP Order.
6. This Second Report should be read in conjunction with the Second Affidavit of Travis McIntyre sworn June 1, 2026 (the “**Second McIntyre Affidavit**”), the Pre-Filing Report of the Proposed Monitor dated April 16, 2026 (the “**Pre-Filing Report**”), and the First Report of the Monitor dated April 22, 2026.

**B. TERMS OF REFERENCE**

7. In preparing this Report, the Monitor has relied upon unaudited financial information of the Applicants, the Applicants’ books and records and discussions with various parties, including senior management (“**Management**”) and advisors to the Applicants (collectively, the “**Information**”).

8. Except as otherwise described in this Report:
  - (a) The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook; and
  - (b) The Monitor has not examined or reviewed financial forecasts and projections referred to in this Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
9. Future-oriented financial information reported in, or relied on, in preparing this Report is based on Management's assumptions regarding future events. Actual results will vary from these forecasts and such variations may be material.
10. The Monitor has prepared this Report in connection with the Applicants' application for the issuance of the SISP Order and the Second ARIO, scheduled to be heard on June 10, 2026. The Report should not be relied on for other purposes.
11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meanings defined in the ARIO or the Second McIntyre Affidavit, as applicable.

## **C. ACTIVITIES OF THE MONITOR**

### Notices and Communications

12. The Monitor has established a website at <https://cfcanada.fticonsulting.com/CanadaBiS> (the "**Monitor's Website**"), where updates on the CCAA Proceedings will be posted periodically, together with all the Court materials filed in the CCAA Proceedings. In addition, the Monitor has established a dedicated email address ([canadabis@fticonsulting.com](mailto:canadabis@fticonsulting.com)) and telephone hotlines (416-649-8051 and 1-833-811-1792) to allow stakeholders to communicate directly with the Monitor in order to address any questions or concerns in respect of the CCAA Proceedings.
13. The Monitor, pursuant to paragraph 40 of the ARIO:

- (a) made a copy of the Initial Order, the ARIO, the initial application materials, and the Monitor's First Report publicly available by posting them on the Monitor's Website; and
- (b) made the Known Creditor List publicly available on the Monitor's Website.

Other Activities of the Monitor

14. In addition to the activities listed above, the Monitor has also undertaken the following activities since the commencement of the CCAA Proceedings:
- (a) posted an updated and current service list for these CCAA Proceedings on the Monitor's Website;
  - (b) monitored the Applicants' cash flows and reviewed payments to be made by the Applicants in accordance with the terms of the ARIO, including considering the Applicants' request for payment of certain pre-filing amounts as critical supplier payments as further discussed below;
  - (c) engaged in discussions with the Applicants, their legal counsel, and their directors and Management regarding issues related to the Applicants' operations;
  - (d) participated in discussions with and assisted the Applicants in discussions with suppliers, other creditors, and employees related to the CCAA Proceedings and responded to requests for information from certain such parties;
  - (e) communicated with certain provincial cannabis boards;
  - (f) engaged in discussions with the Applicants and their legal counsel regarding certain issues related to proposed employee termination matters;
  - (g) along with counsel to the Applicants, engaged in discussions with the Applicants' senior secured creditor and its counsel;
  - (h) engaged in discussions with the Applicants, their legal counsel, and legal counsel to the senior secured creditor regarding the SISF; and

- (i) in connection with the SISP, engaged with the Applicants to prepare the materials required to set up a virtual data room and a list of potential bidders.
15. Pursuant to paragraph 5(c) of the ARIO, the Applicants were entitled to pay for certain pre-filing goods and services that were deemed to be critical to ensure continued operations or otherwise preserve the Business or Property, or the ongoing supply of critical goods and services, subject to the prior approval by the Monitor, and up to the maximum amount of \$290,000.
16. With the Monitor's consent, and as more particularly detailed in the Second McIntyre Affidavit, the Applicants have made 35 payments to critical suppliers in the aggregate amount of \$271,872, of the total \$290,000 permitted under the ARIO. These payments have included payments to:
- (a) the Applicant's fuel provider, whose services are necessary to ensure no disruptions to the Applicants' Business;
  - (b) the Applicant's electricity provider, as a loss of electricity would lead to the immediate cessation of the Applicants' Business;
  - (c) Certain suppliers of raw materials or packaging materials that are critical for continued operations;
  - (d) Certain transportation vendors to ensure no disruptions to the Applicants' shipments or logistical operations; and
  - (e) such other suppliers or service providers determined by the Applicants, with the consent of the Monitor, to be critical to the continued operation of the Business or the preservation of the Property.

**D. RECEIPTS AND DISBURSEMENTS FOR THE SEVEN-WEEK PERIOD ENDED MAY 29, 2026**

17. The Applicants' actual net cash flow from operations on a consolidated basis for the seven-week period ended May 29, 2026 was approximately \$537,000. This is compared to a forecasted net cash flow of approximately \$603,000 as noted in the cash flow projection

attached as Appendix A to the Pre-Filing Report, representing a negative variance of approximately \$66,000 as summarized in the following chart:

(\$CAD in dollars)

	7 Weeks Ending May 29, 2026			
	Actual	Forecast	Variance (\$)	Variance (%)
<b>Receipts</b>				
Wholesale (Cultivation & Extraction)	\$ 3,214,639	\$ 2,889,599	\$ 325,040	11%
<b>Total Receipts</b>	\$ 3,214,639	\$ 2,889,599	\$ 325,040	11%
<b>Operating Disbursements</b>				
Payroll & Benefits	\$ (687,856)	\$ (697,681)	\$ 9,825	1%
Leases & Loans	(42,361)	(54,780)	12,419	23%
Purchases	(1,326,281)	(1,326,208)	(73)	0%
Taxes	(553,985)	(120,311)	(433,674)	-360%
Other	(67,171)	(87,949)	20,777	24%
<b>Total Operating Disbursements</b>	\$ (2,677,654)	\$ (2,286,928)	\$ (390,726)	-17%
<b>Operating Cash Flow</b>	<b>536,985</b>	<b>602,670</b>	<b>(65,686)</b>	<b>-11%</b>
<b>Non-Operating Disbursements</b>				
Debt Principal, Interest & Fees	\$ (150,000)	\$ (150,000)	\$ -	0%
Professional Fees	(439,768)	(755,913)	316,145	42%
<b>Total Non-Operating Disbursements</b>	(589,768)	(905,913)	316,145	35%
<b>Net Cash Flows</b>	<b>(52,784)</b>	<b>(303,243)</b>	<b>250,459</b>	<b>83%</b>
<b>Cash</b>				
Beginning Balance	\$ 1,390,869	\$ 1,390,869	\$ -	0%
Net Receipts / (Disbursements)	(52,784)	(303,243)	250,459	83%
<b>Ending Balance</b>	<b>1,338,086</b>	<b>1,087,626</b>	<b>250,459</b>	<b>23%</b>

18. Explanations for key variances are as follows:

- (a) Positive variance in Receipts of approximately \$325,000 (or 11%) as a result of higher than forecast receipts. A portion of this positive variance is attributable to the Company partnering with a new distribution company in Saskatchewan, which increased provincial sales;
- (b) Negative variance in Operating Disbursements of approximately \$391,000 (or -17%) which are primarily driven by the negative variance in Taxes. This negative variance is driven by the timing of April 2026 tax-related payments of approximately \$435,000 that were made during the current reporting period but were forecasted in a future week that is outside of the 7-week period per the cash flow forecast. This variance is expected to reverse in the next reporting period;

- (c) Positive variance in Professional Fees of approximately \$316,000 (or 42%) which is a temporary variance from timing in billing and settling invoices. This variance is expected to unwind in June and July with the commencement of the SISP.

**E. CASH FLOW FORECAST FOR THE STAY EXTENSION**

- 19. As is demonstrated in the cash flow projection attached to this Report, the Applicants are forecasted to have sufficient liquidity to fund their obligations and the cost of these CCAA proceedings through to the end of the extended Stay Period on September 11, 2026. The cash flow projection is attached to this Report as **Appendix “A”** (the “**Cash Flow Forecast**”).
- 20. The Cash Flow Forecast for the 15-week period through September 11, 2026 is summarized below:

*(SCAD in dollars)*

Forecast Week Ending Friday	15 Weeks
Forecast Week	Total
<i>Receipts</i>	
Wholesale (Cultivation & Extraction)	\$ 8,283,278
<i>Total Receipts</i>	\$ 8,283,278
<i>Operating Disbursements</i>	
Payroll & Benefits	\$ (1,464,523)
Leases & Loans	(139,775)
Purchases	(2,850,000)
Taxes	(3,088,265)
Other	(221,795)
<i>Total Operating Disbursements</i>	\$ (7,764,357)
<i>Operating Cash Flow</i>	\$ 518,921
<i>Non-Operating Disbursements</i>	
Debt Principal, Interest & Fees	\$ (225,000)
Professional Fees	(984,000)
<i>Total Non-Operating Disbursements</i>	\$ (1,209,000)
<b>Net Cash Flow</b>	<b>\$ (690,079)</b>
<i>Cash</i>	
Beginning Balance	\$ 1,338,086
Net Receipts / (Disbursements)	(690,079)
<b>Ending Balance</b>	<b>\$ 648,007</b>

- 21. The key assumptions underlying the cash flow forecast include:
  - (a) Receipts have been forecast based on current payment terms, historical trends in collections and expected demand;

- (b) Payroll and benefits are based on recent bi-weekly payroll amounts, workers compensation board premiums, and monthly benefit payments;
- (c) Leases and loans are based on current payment terms for existing equipment leases;
- (d) Purchases are based on historical purchases of extraction and cultivation input materials;
- (e) Taxes include payments to tax authorities related to sales taxes, post-filing excise taxes and other taxes;
- (f) Other disbursements include insurance and other operating costs;
- (g) Debt principal, interest and fees are based on payments related to secured debt; and
- (h) Professional fees reflect legal and professional fees associated with the CCAA proceedings based on estimates provided by the advisors.

*The Monitor's Comments on the Cash Flow Forecast*

22. Pursuant to section 23(1)(b) of the CCAA and in accordance with the Canadian Association of Insolvency and Restructuring Professionals Standard of Practice 09-1, the Monitor hereby reports as follows:

- (a) the Cash Flow Forecast has been prepared by the Applicants' management team, for the purpose described in the notes to the Cash Flow Forecast, using probable and hypothetical assumptions set out therein;
- (b) the Monitor's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to the information supplied to it by the Applicants. Since hypothetical assumptions need not be supported, the Monitor's procedures were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast, and there are no material assumptions contained therein which seem unreasonable in the circumstances. The Monitor has also reviewed the support provided by management for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast;

- (c) based on the Monitor's review, as at the date of this Report, nothing has come to its attention that causes it to believe that, in all material respects:
  - (i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - (ii) the probable assumptions developed by management are not supported and consistent with the plan of the Applicants or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
  - (iii) the Cash Flow Forecast does not reflect the probable and hypothetical assumptions;
- (d) since the Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information present in this Report, or relied upon by the Monitor in preparing this Report; and
- (e) the Cash Flow Forecast has been prepared solely for the purpose described in the notes to the Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

**F. THE PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS**

- 23. At the commencement of the CCAA Proceedings, the Applicants advised that they intended to seek approval of a sale and investment solicitation process (the "SISP"). The proposed SISP is attached as **Appendix "B"** hereto. Capitalized terms in this section not otherwise defined herein have the meanings ascribed to them in the SISP.
- 24. At the hearing for approval of the SISP, the Applicants will seek the SISP Order and authorization for the Applicants and the Monitor to take such actions that may be necessary or desirable to carry out the SISP. The SISP will be carried out by the Monitor, with the

consent of the Applicants and, in certain circumstances, in consultation with the Senior Secured Lender.

25. A summary of the SISP is set out below. If there are any discrepancies between the terms of the SISP and the description herein, the terms of the SISP shall govern.
26. The timing of key milestones relating to the SISP are as follows:

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	June 10, 2026
Distribution of the Notice, Teaser Letter, Confidentiality Agreement and Acknowledgement of the SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Phase I Bid Deadline (5:00 PM (Mountain Time))	July 15, 2026
Phase II Bid Deadline (5:00 PM (Mountain Time))	August 10, 2026
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	August 17, 2026
Auction (if any)	No later than August 20, 2026
Sale Approval Hearing	As soon as practicable following selection of Successful Bids
Closing Date Deadline	A maximum of 4 weeks after the Sale Approval Hearing, but by no later than October 8, 2026

27. The SISP allows the Monitor to amend the SISP and the timelines provided thereunder, including the above milestones, provided that any extensions to the Phase I Bid Deadline

or the Phase II Bid Deadline may not be longer than fourteen calendar days without further Court approval.

Overview of the SISP

28. The Applicants, in consultation with the Monitor and after considering feedback from the Senior Secured Lender, have proposed a flexible SISP, designed to maximize opportunities for the sale of, or investment in, all or part of the Applicants' assets and business (the "**Opportunity**"). A potential transaction may include one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern, or a sale of all, substantially all, or one or more components of the Property and the Business as a going concern or otherwise.
29. The Monitor and the Applicants will develop a list of potential bidders. This list will include parties that have approached the Applicants or the Monitor and advised that they have an interest in the Opportunity, as well as strategic parties whom the Monitor or the Applicants believe may be interested in the Opportunity (collectively "**Known Potential Bidders**").
30. The Monitor, with the assistance of the Applicants, will prepare: (i) a Teaser Letter describing the Opportunity and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a form of Confidentiality Agreement to be sent to parties interested in the process.
31. The Monitor, with the assistance of the Applicants, will cause the Notice to be published in *The Globe & Mail (National Edition)*, *Insolvency Insider* and any other newspaper, journal or industry publication as the Applicants and the Monitor consider appropriate.
32. The Monitor, with the assistance of the Applicants, will send the Teaser Letter, the Confidentiality Agreement and the Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following the date on which the SISP Order is granted, and to any other party who requests a copy of those materials or is otherwise identified to the Monitor or the Applicants as a potential bidder.

33. Each prospective bidder that has executed a Confidentiality Agreement and Acknowledgement of the SISP will be given access to an electronic data room created and maintained by the Monitor containing confidential information related to the Opportunity.

Phase I

34. Following their own due diligence, a Phase I Qualified Bidder who wishes to submit a Phase I Bid must deliver a non-binding letter of intent to the Monitor by no later than 5:00 p.m. (MT) on July 15, 2026.
35. In order for a Phase I Bid to be considered a Qualifying Phase I Bid, it must comply with certain conditions, including that:
  - (a) it is received by the Phase I Bid Deadline;
  - (b) it describes the material terms of the Phase I Bid;
  - (c) it includes a non-binding Letter of Intent describing the Phase I Bid, including:
    - (i) In the case of a Sale Proposal, the material terms and conditions of the proposed transaction, including identification of the Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired; and
    - (ii) In the case of an Investment Proposal, the material terms and conditions of the proposed transaction, including detail regarding the proposed equity and debt structure of the Applicants following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumption regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Applicants and the debt, equity, or other securities, if any, proposed to be allocated to the creditors of the Applicants;
  - (d) it describes details of the aggregate and net purchase price;

- (e) it includes proof of financial ability to perform, including, without limitation: (i) the sources of such financing and contact names and phone numbers required to verify same; and (ii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Applicants and the Monitor demonstrating that the Phase I Bidder has, or will have, the ability to close the contemplated transaction;
  - (f) it provides a description of any additional due diligence required in order to submit a Qualified Phase II Bid and the impact such due diligence may have on the Purchase Price;
  - (g) it clearly identifies each person that will be directly or indirectly sponsoring or participating in the Phase I Bid;
  - (h) it contains an acknowledgement and representation that the Phase I Bidder has relied solely upon its own independent review and due diligence, and did not rely on any statements, representations or similar things made by the Applicants or the Monitor, in making its Phase I Bid;
  - (i) it contains evidence that the Phase I Bidder has obtained the requisite corporate authorizations and approvals in respect of its Phase I Bid;
  - (j) it does not include any request or entitlement to any break or termination fee, expense reimbursement or similar payment;
  - (k) it is accompanied by a cash deposit in an amount equal to 10% of the Purchase Price, paid to the Monitor in trust in accordance with the SISP; and
  - (l) it identifies the proposed number of employees of the Applicants who are expected to become employees of the Phase I Bidder upon closing.
36. The Monitor, in consultation with the Senior Secured Lender and with the consent of the Applicants, may waive compliance with any one or more of these requirements to qualify a Qualified Phase I Bid.

37. Following the Phase I Bid Deadline, the proposed SISP permits the Monitor to engage in discussions with any Qualified Phase I Bidder for the purpose of seeking clarifications in respect of its Qualified Phase I Bid and may permit the Qualified Phase I Bidder to cure any non-material defect, irregularity, omission or non-compliance in its Bid. Through consultation rights given to the Applicants and the Senior Secured Lender, both parties may also request that the Monitor clarify aspects of a Qualified Phase I Bid submitted by an Interested Party.
38. If no Qualified Phase I Bid is received, the Monitor may, in consultation with the Applicants and the Senior Secured Lender: (i) extend the Phase I Bid Deadline, (ii) terminate the SISP, or (iii) seek the advice and direction of the Court.

Phase II

39. If one or more Qualified Phase I Bids are received by the Phase I Bid Deadline, the SISP will continue to Phase II, with binding offers being required on or before 5:00 p.m. (MT) on August 10, 2026. A Phase II Bid will be considered a Qualified Phase II Bid if it complies with certain conditions, including that:
  - (a) it has been received by the Phase II Bid Deadline;
  - (b) it complies with all of the requirements for a Phase I Bid;
  - (c) it contains a cover letter stating that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall remain irrevocable until the Back-Up Bid Expiration Date;
  - (d) it is not conditional on the outcome of further due diligence, obtaining financing and/or any other material closing conditions;
  - (e) it is accompanied by written evidence that the Phase II Bidder has the necessary financial ability to fully fund and consummate the transaction contemplated by the Phase II Bid and satisfy its obligations under the definitive purchase agreement;

- (f) it contains an acknowledgement and representation that the Phase II Bidder has relied solely upon its own independent review and due diligence, and did not rely on any statements, representations or similar things by the Applicants or the Monitor, in making its Phase II Bid;
  - (g) it provides full details of the proposed number of employees of the Applicants who will become employees of the Phase II Bidder upon closing;
  - (h) it contains an acknowledgement and representation that the Phase II Bidder will promptly commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities, including those regulating in the cannabis sector; and
  - (i) it contains evidence that the Phase II Bidder has obtained the requisite corporate authorizations and approvals in respect of its Phase II Bid.
40. The Applicants and the Monitor, in consultation with the Senior Secured Lender will review and evaluate Qualified Phase II Bids on various grounds, including: (i) the Purchase Price or imputed or projected value, (ii) the treatment of creditors and related implied recovery for creditors, (iii) the assumed liabilities, (iv) the number of employees assumed, (v) the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date (being October 8, 2026), and (vi) any delay or other risks in connection with the Qualified Phase II Bids.
41. If one or more Qualified Phase II Bids are received, the Monitor, in consultation with the Senior Secured Lender and with the consent of the Applicants, may: (i) select one or more Qualified Phase II Bids as the “Successful Bid”, and the party or parties making such Successful Bid(s) will be the “Successful Bidder”; or (ii) proceed to an auction (the “**Auction**”) in accordance with the auction procedures set forth in Schedule “C” of the SISP; and (iii) may conditionally accept a second Qualified Phase II Bid, which acceptance shall be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the “**Back-up Bid**”, and the Qualified Phase II Bidder making such Back-up Bid being the “**Back-up Bidder**”).

42. As soon as reasonably practicable and by no later than seven days after the Phase II Bid Deadline, the Monitor will advise the Qualified Phase II Bidders if Successful Bid(s) and Back-Up Bid(s) have been accepted. If one or more Qualified Phase II Bids are received, the Monitor may determine that it is necessary to conduct an Auction, and the Monitor will, as soon as reasonably practicable and by no later than August 17, 2026, advise the Qualified Phase II Bidders of the date, time, location and the rules of the Auction.
43. If no Qualified Phase II Bids are received, the Monitor may elect to extend the Phase II Bid Deadline, terminate the SISP, or seek the advice and direction of the Court.
44. Upon the selection of the Successful Bid and the Back-up Bid (if any), the Applicants will apply to the Court for the approval of the Successful Bid.

*The Monitor's Involvement in the SISP*

45. The Monitor was consulted in designing the SISP and was provided the opportunity to comment on the SISP. The Monitor will be actively involved in the conduct of the SISP, including through implementing the SISP, and frequent consultation with the Applicants, potential bidders and the Senior Secured Lender, where applicable.
46. In discussions with the Senior Secured Lender regarding the proposed structure of the SISP, the Senior Secured Lender requested veto rights at key stages of the SISP, including the selection of Qualified Phase I and Phase II Bidders and the ultimate selection of the Successful Bid. The SISP being proposed does not provide the Senior Secured Lender with an absolute veto right; it does however provide the Senior Secured Lender with extensive consultation rights throughout the SISP.
47. In the Monitor's view, granting the Senior Secured Lender an absolute veto over key steps in the SISP could impair the independence of the process and may discourage participation by potential bidders who perceive that the process is effectively controlled by a single stakeholder. Granting the Senior Secured Lender a veto right may also lead to other secured creditors requesting similar veto rights. In the Monitor's view, the consultation rights afforded to the Senior Secured Lender, together with the Monitor's independent supervisory role and the requirement for Court approval of any ultimate transaction,

provide adequate protection for the Senior Secured Lender's interests without unduly constraining the fairness, transparency, and effectiveness of the SISP.

48. The consultation rights afforded to the Senior Secured Lender strike an appropriate balance between providing the Senior Secured Lender with information relevant to the protection of its secured position, with the pursuit of a value maximizing transaction that will benefit all of the Applicants' stakeholders, and not just the economic interests of one stakeholder.
49. The SISP also contains safeguards related to information sharing, which are designed to ensure the integrity and fairness of the process. The SISP provides that any party participating in the submission of a Bid, including the Senior Secured Lender and any bidder associated with the Applicants' board of directors or management, will not be provided with information regarding the identities of other potential bidders or the terms of competing bids, and will not participate in the review or consideration of Bids, the determination of any Qualified Bids, the selection of any Successful Bid, or the negotiation of definitive transaction documents.
50. The SISP also contains additional protections applicable to insider bids. Any party associated with the Applicants' board of directors or management that intends to submit a Bid must notify the Monitor of that intention by June 30, 2026. Any such party may participate in the SISP, but will be excluded from participating in the SISP in any manner or capacity that could create an unfair advantage or otherwise jeopardize the integrity of the SISP, and will be subject to such restrictions as the Monitor considers necessary. These provisions are designed to provide the Monitor with the flexibility to address any actual or perceived conflicts of interest that may arise in connection with an insider bid.
51. The Monitor, as an independent party, is the primary party responsible for carrying out the SISP in the manner approved by the Court. The Monitor is entitled to receive all information in relation to the SISP and will have certain approval rights in respect of key steps taken therein, including the selection of Qualified Phase I and Phase II Bidders, the Successful Bidder(s) and any applicable Back-up Bidders. Accordingly, the Monitor is of the view that it is in the best position to facilitate a SISP that maximizes value for all stakeholders, including the Senior Secured Lender.

52. The SISP Order provides that the Monitor, the Applicants and their respective affiliates, partners, employees, representatives and agents will have no liability with respect to any claims in connection with the conduct of the SISP, except to the extent such claims result from the gross negligence or wilful misconduct of the Monitor or the Applicants, as applicable.

Monitor's Comments and Recommendations

53. The SISP procedures contemplate a robust marketing process to provide parties with the ability to submit a bid with respect to the Opportunity.
54. The Monitor, therefore, is of the view that, in the circumstances:
- (a) the SISP provides for a broad, open, fair and transparent process with an appropriate level of independent oversight by the Monitor and the Court and the flexibility necessary for the Applicants to consider the broad range of potential transactions that may be available to generate value from the Business or Property;
  - (b) the SISP should encourage and facilitate bidding by interested parties and no aspect of the SISP should discourage parties from submitting bids;
  - (c) if necessary, the Auction process will provide the opportunity for all Qualified Phase II Bidders, to further increase their bids, thereby ensuring that realizations are maximized for all stakeholders of the Applicants;
  - (d) the provisions of the SISP, including the potential Auction, are reasonable, appropriate and reasonably consistent with both market practices and with SISP processes approved by the Court in other CCAA cases; and
  - (e) the SISP provides appropriate and reasonable oversight by the Monitor and will best enable the Applicants to maximize recoveries for its stakeholders.
55. Accordingly, the Monitor respectfully recommends that the Applicants' request for approval of the SISP be granted.

**G. SECOND AMENDED AND RESTATED INITIAL ORDER**

Request for Approval of Termination and Severance Payments

56. The Monitor understands that, in the ordinary course of workforce reductions and restructuring initiatives implemented following the commencement of these CCAA Proceedings, certain employees may be terminated, giving rise to statutory and contractual termination and severance obligations (the “**Post-Filing Employee Obligations**”).
57. The Applicants have advised the Monitor that the aggregate amount of such Post-Filing Employee Obligations is expected to be approximately \$30,000. The Applicants further advise that the workforce reductions are expected to result in ongoing cost savings of approximately \$60,000 per month.
58. The Applicants seek authority to pay such Post-Filing Employee Obligations in the ordinary course, including termination pay, severance pay, and any related amounts required pursuant to applicable employment standards legislation or enforceable contractual arrangements.
59. The Monitor is also of the view that no stakeholder will be materially prejudiced by the payment of the Post-Filing Employee Obligations. Such amounts arose following the commencement of these CCAA Proceedings, but are limited in quantum and are not expected to adversely impact the Applicants’ liquidity or the recoveries available to stakeholders, given the offsetting benefit of the anticipated monthly savings arising from the proposed workforce reductions.
60. In the Monitor’s view, the estimated one-time cost associated with the Post-Filing Employee Obligations is modest relative to the anticipated recurring monthly savings, and the proposed payments are reasonable and appropriate in the circumstances. Accordingly, the Monitor supports the Applicants’ request to authorize the Applicants to pay all Post-Filing Employee Obligations in the ordinary course.

*Request for an Extension of the Stay Period*

61. The Stay Period currently expires on June 11, 2026. The Applicants are requesting an extension of the Stay Period to and including September 11, 2026. The Applicants require additional time to implement the SISP and select a Successful Bid.

62. The Applicants forecast that they will have sufficient liquidity to fund their obligations and the costs of the CCAA proceedings through the end of the extended Stay Period, as demonstrated by the Cash Flow Forecast.
63. The Monitor believes that the Applicants have acted and continue to act in good faith and with due diligence and that circumstances exist that make an extension of the Stay Period appropriate.
64. Based on the information currently available, the Monitor also believes that creditors of the Applicants would not be materially prejudiced by an extension of the Stay Period to September 11, 2026.
65. The Monitor supports the Applicants' request for an extension of the Stay Period to September 11, 2026, including in light of the SISP and the timelines set out therein.

#### **H. RECOMMENDATIONS**

66. For the reasons stated in this Second Report, the Monitor supports the relief sought by the Applicants as summarized herein.

All of which is respectfully submitted this 3<sup>rd</sup> day of June, 2026.

FTI Consulting Canada Inc.

In its capacity as Monitor of CanadaBis Capital Inc., 1998643 Alberta Ltd., Stigma Pharmaceuticals Inc., 2103157 Alberta Ltd., and Full Spectrum Labs Ltd



Jeffrey Rosenberg

Senior Managing Director

## APPENDIX "A"

## CanadaBis Group

### Consolidated Cash Flow Forecast of CanadaBis Group

(\$CAD in dollars)

Forecast Week Ending Friday		05-Jun-26	12-Jun-26	19-Jun-26	26-Jun-26	03-Jul-26	10-Jul-26	17-Jul-26	24-Jul-26	31-Jul-26	07-Aug-26	14-Aug-26	21-Aug-26	28-Aug-26	04-Sep-26	11-Sep-26	15 Weeks
Forecast Week	[1]	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	Total
<b>Receipts</b>																	
Wholesale (Cultivation & Extraction)		\$ 475,441	\$ 561,945	\$ 561,945	\$ 561,945	\$ 561,945	\$ 578,621	\$ 578,621	\$ 578,621	\$ 578,621	\$ 549,994	\$ 549,994	\$ 549,994	\$ 549,994	\$ 522,799	\$ 522,799	\$ 8,283,278
<b>Total Receipts</b>	[2]	\$ 475,441	\$ 561,945	\$ 561,945	\$ 561,945	\$ 561,945	\$ 578,621	\$ 578,621	\$ 578,621	\$ 578,621	\$ 549,994	\$ 549,994	\$ 549,994	\$ 549,994	\$ 522,799	\$ 522,799	\$ 8,283,278
<b>Operating Disbursements</b>																	
Payroll & Benefits	[3]	\$ (180,000)	\$ (7,243)	\$ (180,000)	\$ -	\$ (180,000)	\$ -	\$ (197,280)	\$ -	\$ (180,000)	\$ -	\$ (180,000)	\$ -	\$ (180,000)	\$ -	\$ (180,000)	\$ (1,464,523)
Leases & Loans	[4]	(23,147)	(100)	(13,626)	(2,177)	(23,073)	-	(3,812)	(35,013)	-	(3,812)	(35,013)	-	(3,812)	(35,013)	-	(139,775)
Purchases	[5]	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(190,000)	(2,850,000)
Taxes	[6]	(9,654)	-	-	(919,442)	(9,654)	-	-	-	(1,050,262)	(9,654)	-	-	-	(1,089,599)	-	(3,088,265)
Other	[7]	(10,000)	(27,949)	(10,000)	(10,000)	(10,000)	(27,949)	(10,000)	(10,000)	(10,000)	(10,000)	(27,949)	(10,000)	(10,000)	(10,000)	(27,949)	(221,795)
<b>Total Operating Disbursements</b>		\$ (412,802)	\$ (225,292)	\$ (393,626)	\$ (1,121,619)	\$ (412,727)	\$ (217,949)	\$ (397,280)	\$ (203,812)	\$ (1,430,262)	\$ (244,668)	\$ (397,949)	\$ (200,000)	\$ (383,812)	\$ (1,324,612)	\$ (397,949)	\$ (7,764,357)
<b>Operating Cash Flow</b>		\$ 62,640	\$ 336,653	\$ 168,319	\$ (559,674)	\$ 149,218	\$ 360,672	\$ 181,341	\$ 374,809	\$ (851,642)	\$ 305,327	\$ 152,046	\$ 349,994	\$ 166,182	\$ (801,813)	\$ 124,851	\$ 518,921
<b>Non-Operating Disbursements</b>																	
Debt Principal, Interest & Fees	[8]	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ -	\$ -	\$ (75,000)	\$ -	\$ -	\$ (225,000)
Professional Fees	[9]	(144,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(60,000)	(984,000)
<b>Total Non-Operating Disbursements</b>		\$ (144,000)	\$ (60,000)	\$ (135,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (135,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (60,000)	\$ (135,000)	\$ (60,000)	\$ (60,000)	\$ (1,209,000)
<b>Net Cash Flow</b>		\$ (81,360)	\$ 276,653	\$ 33,319	\$ (619,674)	\$ 89,218	\$ 300,672	\$ 121,341	\$ 239,809	\$ (911,642)	\$ 245,327	\$ 92,046	\$ 289,994	\$ 31,182	\$ (861,813)	\$ 64,851	\$ (690,079)
<b>Cash</b>																	
Beginning Balance		\$ 1,338,086	\$ 1,256,725	\$ 1,533,378	\$ 1,566,697	\$ 947,023	\$ 1,036,241	\$ 1,336,913	\$ 1,458,254	\$ 1,698,062	\$ 786,421	\$ 1,031,747	\$ 1,123,793	\$ 1,413,787	\$ 1,444,969	\$ 583,157	\$ 1,338,086
Net Receipts / (Disbursements)		(81,360)	276,653	33,319	(619,674)	89,218	300,672	121,341	239,809	(911,642)	245,327	92,046	289,994	31,182	(861,813)	64,851	(690,079)
<b>Ending Balance</b>		\$ 1,256,725	\$ 1,533,378	\$ 1,566,697	\$ 947,023	\$ 1,036,241	\$ 1,336,913	\$ 1,458,254	\$ 1,698,062	\$ 786,421	\$ 1,031,747	\$ 1,123,793	\$ 1,413,787	\$ 1,444,969	\$ 583,157	\$ 648,007	\$ 648,007

#### Notes to the Consolidated Cash Flow Forecast:

- [1] The purpose of the Cash Flow Forecast is to estimate the liquidity requirements of the CanadaBis Group. The forecast above is presented in Canadian Dollars and has been forecasted on a cash-basis.
- [2] Total Receipts are based on Management's expectations regarding sales from operations. Receipts from operations have been forecast based on current payment terms, historical trends in collections and expected demand.
- [3] Forecast Payroll & Benefits is based on recent payroll amounts and benefit payments.
- [4] Forecast Leases & Loans is based on current payment terms and future forecast amounts for equipment leases.
- [5] Forecast Purchases is based on historical purchases of extraction and cultivation input materials.
- [6] Forecast Taxes include payments related to excise taxes, goods and sales taxes and other taxes.
- [7] Forecast Other Operating Disbursements includes insurance and other operating costs.
- [8] Forecast Debt Principal, Interest and Fee payments related to secured debt.
- [9] Forecast Professional Fees include legal and professional fees associated with the CCAA proceedings and are based on estimates provided by the advisors.

## APPENDIX "B"

## SALE AND INVESTMENT SOLICITATION PROCESS

On April 17, 2026, CanadaBis Capital Inc., 1998643 Alberta Ltd. (“**199**”), Stigma Pharmaceuticals Inc., 2103157 Alberta Ltd., and Full Spectrum Labs Ltd. (collectively, the “**Companies**”) commenced a proceeding (the “**CCAA Proceeding**”) under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”) before the Alberta Court of King’s Bench in the City of Calgary (the “**Court**”) pursuant to an order (the “**Initial Order**”) granted by the Court on the same day. Pursuant to the Initial Order, FTI Consulting Canada Inc. was appointed as monitor in the CCAA Proceeding (in such capacity, the “**Monitor**”).

On April 27, 2026, the Companies obtained an Amended and Restated Initial Order (as may be further amended or restated from time to time, the “**ARIO**”) from the Court. The ARIO provides, among other things, an extension of the Stay Period (as defined therein) until June 11, 2026.

On June 10, 2026, the Companies obtained an order (the “**Second ARIO**”) from the Court. The Second ARIO provides, among other things, an extension of the Stay Period (as defined therein) until September 11, 2026. The Companies expect to request further extensions of the Stay Period until they have completed their restructuring.

Also on June 10, 2026, the Court granted an order (the “**SISP Order**”) that, among other things, approved this sale and investment solicitation process (the “**SISP**”).

The purpose of the SISP is to identify one or more financiers for, purchasers of and/or investors in the Companies, the Business and/or Assets (each as defined below) to make an offer (each a “**Bid**”), and to complete the transactions contemplated by any such offer. Set forth below are the procedures (the “**SISP Procedures**”) that shall govern the SISP and any transactions consummated as a result thereof.

### 1. Defined Terms

The following capitalized terms have the following meanings when used in this SISP:

“**Acknowledgment of the SISP**” means an acknowledgment of the SISP in the form attached as Schedule “A”;

“**Additional Confidential Information**” means commercially sensitive information with respect to the Companies, the Business and/or Assets, which may include copies of material customer and vendor agreements, details of the equity and capital structure of the Business, and meetings with management and key employees;

“**Aggregate Bid**” means a combination of Portion Bids that do not overlap for Assets sought to be purchased;

“**Assets**” means the assets, undertakings and property of the Companies;

“**Auction**” has the meaning given to it in Section 15;

“**Auction Procedures**” has the meaning given to it in Section 15;

“**Back-Up Bid Expiration Date**” has the meaning given to it in Section 19;

“**Back-Up Bid**” has the meaning given to it in Section 15;

“**Back-Up Bidder**” has the meaning given to it in Section 15;

“**Bid**” has the meaning given to it in the introduction;

“**Business**” means the business carried on by the Companies, which consists primarily of the cultivation, extraction, product development, and sale of cannabis and cannabis products;

“**Business Day**” means any day, other than a Saturday, Sunday or statutory holiday in the Province of Alberta, on which commercial banks in Calgary, Alberta are open for business;

“**Companies**” has the meaning given to it in the introduction;

“**Confidentiality Agreement**” means the confidentiality agreement, upon terms satisfactory to the Companies, in consultation with the Monitor, entered into between the Companies and an Interested Party;

“**Court**” has the meaning given to it in the introduction;

“**Data Room**” means an electronic data room created and maintained by the Companies or the Monitor containing confidential information in respect of the Companies, the Business and the Assets, but which does not contain the Additional Confidential Information;

“**Form Purchase Agreement**” means the template purchase agreement posted in the Data Room;

“**Interested Party**” has the meaning given to it in Section 2;

“**Investment Proposal**” has the meaning given to it in Section 9;

“**Known Potential Bidders**” has the meaning given to it in Section 5(a);

“**Monitor**” has the meaning given to it in the introduction;

“**Notice**” has the meaning given to it in Section 5(b);

“**Outside Date**” means October 8, 2026, or such other date as the Companies, the Monitor, and the Successful Bidder(s) or the Back-Up Bidder, if applicable, may agree, acting reasonably;

“**Phase I Bid**” means an initial non-binding Bid submitted by an Interested Party pursuant to Section 9 hereof;

“**Phase I Bid Deadline**” has the meaning given to it in Section 9;

“**Phase I Bidder**” means a bidder submitting a Phase I Bid;

“**Phase I Deposit**” has the meaning given to it in Section 11(i);

“**Phase I Participant Requirements**” has the meaning given to it in Section 10 hereof;

“**Phase II Bid**” means a binding unconditional Bid submitted by a Qualified Phase I Bidder;

“**Phase II Bidder**” means a bidder submitting a Phase II Bid;

“**Phase II Bid Deadline**” has the meaning given to it in Section 9;

“**Portion Bid**” means a Bid for less than all, or substantially all of the Assets, that is otherwise a Qualified Phase I Bid or a Qualified Phase II Bid;

“**Portion Bidder**” means a Qualified Phase I Bidder and/or a Qualified Phase II Bidder that submits a Portion Bid;

“**Purchase Price**” has the meaning given to it in Section 11(a)(i);

“**Qualified Phase I Bid**” means a Phase I Bid that satisfies the conditions set out in Section 11. For greater certainty, a Portion Bid may be a Qualified Phase I Bid if it forms part of an Aggregate Bid;

“**Qualified Phase I Bidder**” means a bidder submitting a Qualified Phase I Bid;

“**Qualified Phase II Bid**” means a Phase II Bid that satisfies the conditions set out in Section 14. For greater certainty, a Portion Bid may be a Qualified Phase II Bid if it forms part of an Aggregate Bid;

“**Qualified Phase II Bidder**” means a bidder submitting a Qualified Phase II Bid;

“**Qualified Investment Bid**” is an Investment Proposal that is determined to be a Qualified Phase II Bid by the Companies and the Monitor pursuant to Section 14;

“**Qualified Sale Bid**” is a Sale Proposal that is determined to be a Qualified Phase II Bid by the Companies and the Monitor pursuant to Section 14;

“**Sale Approval Hearing**” has the meaning given to it in Section 18;

“**Sale Proposal**” has the meaning given to it in Section 9;

“**Senior Secured Lender**” means Servus Credit Union;

“**SISP**” has the meaning given to it in the introduction;

“**SISP Procedures**” has the meaning given to it in the introduction;

“**Successful Bid**” has the meaning given to it in Section 15;

“**Successful Bidder**” has the meaning given to it in Section 15; and

“**Teaser Letter**” has the meaning given to it in Section 5(c).

## 2. **The SISP Procedures**

The SISP shall consist of two phases. In the first phase, any interested party (an “**Interested Party**”) that meets the preliminary participant requirements set out herein, including executing a Confidentiality Agreement and an Acknowledgment of the SISP, shall be provided with access to the Data Room in order to prepare and submit a Phase I Bid by the Phase I Bid Deadline. Phase I Bidders that are determined by the Monitor, in consultation with the Companies, to be Qualified Phase I Bidders shall be invited to participate in the second phase wherein they will be given access to the Additional Confidential Information, if any, in order to complete diligence prior to submitting a Phase II Bid by the Phase II Bid Deadline.

The Monitor, in consultation with the Companies, shall supervise the SISP Procedures and each will generally consult with the other in respect of all matters arising out of this SISP. The Monitor shall direct and preside over the Auction, if applicable. In the event that there is disagreement as to the interpretation or application of this SISP, the Court will have the jurisdiction to hear and resolve such dispute.

## 3. **“As Is, Where Is”**

The sale of the Business or all or any part of the Assets or an investment in the Companies will be on an “as is, where is” basis and without surviving representations or warranties of any kind, nature or description by the Companies, the Monitor or any of their respective employees, officers, directors, agents or advisors, except to the extent set forth in any definitive transaction documents with a Successful Bidder.

By participating in this process, each Interested Party is deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the Business, the Assets or the Companies prior to making its Bid, that it has relied solely on its own independent review, investigation, and/or inspection of any documents and/or regarding the Business, the Assets or the Companies in making its Bid, and that it did not rely on any written or oral statements, representations, promises, warranties, conditions or guaranties whatsoever, whether express, implied, by operation of law or otherwise, regarding the Business, the Assets, or the Companies, or the completeness of any information provided in connection therewith, except as expressly stated in the terms of any definitive transaction documents.

#### 4. Timeline

The following table sets out the key milestones under the SISP:

<b>Milestone</b>	<b>Deadline</b>
Commencement of SISP	June 10, 2026
Distribution of the Notice, Teaser Letter, Confidentiality Agreement and Acknowledgement of the SISP	As soon as reasonably practicable following the date on which the SISP Order is granted
Phase I Bid Deadline (5:00 PM (Mountain Time))	July 15, 2026
Phase II Bid Deadline (5:00 PM (Mountain Time))	August 10, 2026
Selection of Successful Bid(s), Back-Up Bid(s), or Notification of Auction (if any)	August 17, 2026
Auction (if any)	No later than August 20, 2026
Sale Approval Hearing	As soon as practicable following selection of Successful Bids
Closing Date Deadline	A maximum of 4 weeks after the Sale Approval Hearing, but by no later than October 8, 2026

#### 5. Solicitation of Interest

As soon as is reasonably practicable:

- (a) the Monitor, with the assistance of the Companies, will prepare a list of potential bidders, including (i) parties that have approached the Companies or the Monitor indicating an interest in the opportunity; and (ii) strategic parties whom the Companies or the Monitor believe may be interested in purchasing all or part of the Business and Assets, or investing in the Companies, pursuant to the SISP (collectively, “**Known Potential Bidders**”);
- (b) the Monitor, with the assistance of the Companies, will cause a notice of the SISP and such other relevant information that the Companies, with the consent of the Monitor, consider appropriate (the “**Notice**”) to be published in *The Globe and Mail* (National Edition) and *Insolvency Insider*, and any other newspaper, journal or industry publication as the Companies and the Monitor consider appropriate, if any; and

- (c) the Monitor, in consultation with the Companies, will prepare: (i) a process summary (the “**Teaser Letter**”) describing the opportunity, outlining the process under the SISP, and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a Confidentiality Agreement, in each case in form and substance satisfactory to the Companies and the Monitor.

The Monitor, with the assistance of the Companies, will publish the Notice and send the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP to all Known Potential Bidders as soon as reasonably practicable following the date on which the SISP Order is granted and to any other party who requests a copy of the Teaser Letter, Confidentiality Agreement, and Acknowledgement of the SISP, or who is identified to the Companies or the Monitor as a potential bidder, as soon as reasonably practicable after such request or identification, as applicable.

## 6. **Role of Management of the Companies**

In the event that any party that is associated with the Board of Directors or management of the Companies intends to submit a Bid pursuant to the SISP, any such party must advise the Monitor of such intention in writing by June 30, 2026. Any such party shall be entitled to participate in the SISP as an Interested Party, provided that, and only to the extent that, any such party shall: (i) be excluded from participating in the SISP in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Monitor in its sole discretion; and (ii) be subject to such restrictions as the Monitor, in its sole discretion, determines to be necessary to ensure compliance with (i).

For greater certainty, any party (including the Senior Secured Lender) who participates in the submission of a Bid: (i) shall not be provided with the information about the identities of other Known Potential Bidders or the terms of any Bids; and (ii) shall not participate in the review or consideration of any Bids, the determination of any Qualified Bids, the selection of a Successful Bid(s), or the negotiation of final transaction document(s).

Notwithstanding anything else herein, any consultation rights afforded to the Senior Secured Lender under this SISP shall be conditional upon the Senior Secured Lender first confirming in writing to the Monitor that it does not intend to participate in the SISP in any capacity, including by submitting or making a Bid (including by way of credit bid), financing any Bid or bidder, or otherwise directly or indirectly supporting, sponsoring or participating in any Bid. In the absence of such written confirmation, the Senior Secured Lender shall not be entitled to any such consultation rights.

## 7. **Role of the Monitor**

The Monitor’s responsibilities pursuant to the SISP include:

- (a) consulting with the Companies, and where applicable, the Senior Secured Lender, in connection with the bidding procedures included in this SISP and the closing of the transaction contemplated in the Successful Bid(s);

- (b) supervision of the SISP Procedures;
- (c) reporting to the Court in connection with the SISP Procedures, including the bidding procedures described in this SISP, and the closing of the transaction contemplated in the Successful Bid(s);
- (d) conducting an Auction, if necessary, in accordance with the Auction Procedures attached hereto as Schedule "C"; and
- (e) with the assistance of the Companies, facilitating information requests, including the preparation or modification of financial information to assist with the bidding procedures described in this SISP and the closing of the transaction contemplated by the Successful Bid(s).

## **8. Access to Due Diligence Materials**

Only Interested Parties that satisfy the Phase I Participant Requirements will be eligible to receive access to the Data Room. If the Monitor, with the consent of the Companies, determines that a Phase I Bidder does not constitute a Qualified Phase I Bidder, then such Phase I Bidder shall not be eligible to receive the Additional Confidential Information, if any. For greater certainty, the Data Room shall not contain the Additional Confidential Information and either the Companies or the Monitor shall provide the Additional Confidential Information to a Qualified Phase I Bidder by alternative means.

The Monitor, with the assistance of the Companies, will be responsible for the coordination of all reasonable requests for additional information and due diligence access from Interested Parties. Neither the Companies nor the Monitor shall be obligated to furnish any additional due diligence information after the Phase I Bid Deadline other than the Additional Confidential Information, if any, to Qualified Phase I Bidders before the Phase II Bid Deadline. Neither the Companies nor the Monitor shall be obligated to furnish any due diligence information after the Phase II Bid Deadline, provided however that the Companies and the Monitor may, but are not obligated to, provide further information including, without limitation, financial information to the Successful Bidder. Neither the Companies nor the Monitor are responsible for, and will bear no liability with respect to, any information obtained by any party in connection with the sale of the Assets and the Business, or an investment in the Companies.

Without limiting the generality of any term or condition of any Confidentiality Agreement, unless otherwise agreed by the Companies and the Monitor, no Known Potential Bidder or Qualified Bidder shall be permitted to have any discussions with: (i) any counterparty to any contract with the Companies, any creditor of the Companies, any current or former director, manager, shareholder, officer, member or employee of the Companies (or any of them), other than in the normal course of business and which discussions shall be wholly unrelated to the Companies, the potential transaction, the confidential information, the SISP or the CCAA Proceedings; and (ii) any other Known Potential Bidder or Qualified Bidder regarding the SISP or any Bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, where any such communications are agreed to with

the consent of the Companies and the Monitor, such discussions shall be made in the presence of the Monitor.

**9. Bid Deadlines**

An Interested Party that wishes to make a Bid to: (i) acquire the Business or all, substantially all, or any part of the Assets, including any offer to acquire some or all of the Companies' intellectual property, accounts receivable and furniture, fixtures and equipment (a "**Sale Proposal**"); or (ii) make an investment in the Companies by way of private issuances, sale or placement of newly issued or treasury equity, equity-linked or debt securities, instruments or obligations of the Companies with one or more lenders and/or investors or security holders (an "**Investment Proposal**"), must deliver an executed copy of a Phase I Bid to the Monitor, at the email address specified in Schedule "B", so as to be received by it **not later than 5:00 p.m. (Mountain Time) on July 15, 2026**, or such other later date or time as may be agreed by the Companies and the Monitor (the "**Phase I Bid Deadline**").

All Phase II Bids must be submitted to the Monitor, at the email address specified in Schedule "B", so as to be received by it **not later than 5:00 p.m. (Mountain Time) on August 10, 2026**, or such other later date or time as may be agreed by the Companies and the Monitor (the "**Phase II Bid Deadline**").

**PHASE I – NON BINDING BIDS**

**10. Phase I Participant Requirements.**

To participate in Phase I of the SISP and to otherwise be considered for any purpose hereunder, each Interested Party must provide the Companies and the Monitor with an executed copy of each of the following prior to being provided with access to the Data Room: (i) a Confidentiality Agreement; and (ii) an Acknowledgement of the SISP (collectively, the "**Phase I Participant Requirements**").

**11. Qualified Phase I Bids**

Only Qualified Phase I Bidders shall be allowed to participate in Phase II of the SISP and be eligible to receive the Additional Confidential Information, if any.

In order for the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, to determine whether an Interested Party is a Qualified Phase I Bidder, the Interested Party must provide, in form and substance satisfactory to the Companies and the Monitor, each of the following on or before the Phase I Bid Deadline:

(a) Non-Binding Letter of Intent Describing the Phase I Bid: A non-binding letter of intent describing the material terms of the Phase I Bid, which includes the following information:

(i) Sale Proposal: In the case of a Sale Proposal, the material terms and conditions of the proposed transaction, including identification of the

Business or the Assets proposed to be acquired, the obligations to be assumed, the purchase price for the Business or Assets proposed to be acquired (the “**Purchase Price**”), and the structure and financing of the proposed transaction; and

- (ii) Investment Proposal: In the case of an Investment Proposal, the material terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Companies following completion of the proposed transaction, the direct or indirect investment target and the aggregate amount of equity and debt investment (including the sources of such capital, the underlying assumptions regarding the *pro forma* capital structure, as well as anticipated tranches of debt, debt service fees, interest and amortization) to be made in the Companies, and the debt, equity, or other securities, if any, proposed to be allocated to creditors of the Companies;
- (b) Purchase Price: Details of the aggregate and net purchase price or imputed value (in the case of an Investment Proposal), in Canadian dollars, including details of any liabilities to be assumed by the Phase I Qualified Bidder, key assumptions supporting the valuation, and any proposed deductions;
- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Monitor may reasonably conclude that the Interested Party has obtained, or shall obtain on or before the Phase II Bid Deadline, the necessary sources of financing that it shall require to close the contemplated transaction on or before the Outside Date, including, without limitation: (i) the sources of such financing and contact names and phone numbers required to verify same; and (ii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Companies and the Monitor demonstrating that the Phase I Bidder has, or will have, the ability to close the contemplated transaction;
- (d) Outstanding Due Diligence: a description of any additional due diligence required to be conducted in order to submit a Qualified Phase II Bid and the impact any additional due diligence may have on the final Purchase Price or imputed value;
- (e) Identification: Full written disclosure of the identity of each person (including any person that controls such person) that will be directly or indirectly sponsoring or participating in the Phase I Bid, including whether any prior or current member of the Companies’ board, management, any employee or consultant to the Companies or any creditor or shareholder of the Companies is involved in any way with the Phase I Bid or assisted with the Phase I Bid, and the complete terms of any such participation as well as evidence of corporate authority to sponsor or participate in the Phase I Bid;
- (f) Acknowledgment: An acknowledgement and representation that the Interested Party: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the

Assets to be acquired, or the liabilities to be assumed in making its Phase I Bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Monitor or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, or the liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents;

- (g) Authorization: Evidence, in form and substance reasonably satisfactory to the Companies and the Monitor, of authorization and approval from the Interested Party's board of directors (or comparable governing body) with respect to the submission, execution and delivery of the Phase I Bid, and identification of any anticipated shareholder, regulatory or other approvals outstanding, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
- (h) No Break or Termination Fee: Evidence that the Phase I Bid does not include any request for or entitlement to any break or termination fee, expense reimbursement or similar type of payment, and confirmation that the Interested Party shall be responsible for all of its costs and expenses associated with conducting due diligence and submitting a Bid;
- (i) Deposit: A cash deposit (the "**Phase I Deposit**") in an amount equal to 10% of the Purchase Price (in the case of a Sale Proposal) or imputed value (in the case of an Investment Proposal) that shall be paid to the Monitor in trust, which Phase I Deposit shall be held and dealt with in accordance with this SISP;
- (j) Employees: If applicable, the proposed number of employees of the Companies who are expected to become employees of the Phase I Bidder if determined to be the Successful Bidder;
- (k) Other: Such other information as may reasonably be requested by the Companies or the Monitor; and
- (l) Phase I Bid Deadline: The information contemplated by this section 11 is to be received by the Monitor, at the email address specified in Schedule "B" on or before the Phase I Bid Deadline.

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, may waive any one or more minor and non-material violations of the requirements specified for Qualified Phase I Bids and deem such non-compliant Bids to be Qualified Phase I Bids.

## **12. Evaluation of Qualified Phase I Bids and Designation as Qualified Phase I Bidder**

The Companies and the Monitor, in consultation with the Senior Secured Lender, shall evaluate Qualified Phase I Bids on various grounds including, but not limited to: (i) the

Purchase Price or imputed or projected value, (ii) the treatment of creditors and related implied recovery for creditors (in each case, as applicable), (iii) the assumed liabilities, (iv) the number of employees assumed, (v) the certainty of closing the transactions contemplated by the Phase I Bid on or before the Outside Date, and (vi) any delay or other risks (including closing risks) in connection with the Qualified Phase I Bids.

In connection with its evaluation of Qualified Phase I Bids, the Monitor, in consultation with the Companies and, where applicable and permitted under this SISP, the Senior Secured Lender, may engage in discussions with any Qualified Phase I Bidder for the purpose of seeking clarifications in respect of its Qualified Phase I Bid, requesting additional information or revised documentation, and permitting such Qualified Phase I Bidder to cure any non-material defect, irregularity, omission or non-compliance in its Qualified Phase I Bid

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall have the option, in its discretion, to aggregate Portion Bids into an Aggregate Bid.

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall be under no obligation to accept the highest or best offer or any offer.

As soon as practicable after the Phase I Bid Deadline, the Monitor, with the consent of the Companies, will advise an Interested Party whether or not its Phase I Bid constitutes a Qualified Phase I Bid and that it is a Qualified Phase I Bidder and, if such Phase I Bidder is a Qualified Phase I Bidder, that it is invited to participate in Phase II of the SISP.

### **13. No Qualified Phase I Bids**

If no Qualified Phase I Bid is received, the Monitor may, in consultation with the Companies and the Senior Secured Lender: (i) extend the Phase I Bid Deadline, (ii) terminate this SISP; or (iii) seek the advice and direction of the Court.

## **PHASE II – BINDING BIDS**

### **14. Qualified Phase II Bid Requirements**

Only Qualified Phase I Bidders shall be entitled to submit a Phase II Bid. In order to be considered a Qualified Phase II Bid, as determined by the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies: (i) a Phase II Bid must satisfy all of the requirements for a Qualified Phase I Bid contained in Section 11, provided, however, that the Phase II Bid Deadline shall apply in lieu of the Phase I Bid Deadline, as set forth below, and; (ii) the Qualified Phase I Bidder must also submit the following, in form and substance satisfactory to the Companies and the Monitor, on or before the Phase II Bid Deadline:

- (a) Irrevocable Bid: A cover letter stating that the Phase II Bid is irrevocable until Court approval of the Successful Bid(s), provided that if such Phase II Bidder is selected as the Successful Bidder or the Back-Up Bidder, its Phase II Bid shall

remain irrevocable until the Back-Up Bid Expiration Date (as defined below), which includes:

- (i) Sale Proposal: In the case of a Sale Proposal, a duly authorized and executed definitive purchase agreement, together with all completed schedules thereto substantially in the form of the Form Purchase Agreement, together with a blackline comparing the purchase agreement submitted to the Form Purchase Agreement, which includes all or substantially all of the terms set out in the non-binding letter of intent submitted in Phase I; and
  - (ii) Investment Proposal: In the case of an Investment Proposal, a duly authorized and executed binding term sheet that includes all or substantially all of the terms set out in the non-binding investment proposal submitted in Phase I;
- (b) Unconditional Bid: Evidence that it is not conditioned on: (i) the outcome of unperformed due diligence including the review of any Additional Confidential Information; (ii) obtaining financing; and/or (iii) any other material closing conditions;
- (c) Proof of Financial Ability to Perform: Written evidence upon which the Companies and the Monitor may reasonably conclude that the Phase II Bidder has the necessary financial ability to fully fund and consummate the transaction contemplated by the Phase II Bid and satisfy its obligations under the definitive purchase agreement, including: (i) binding equity/debt commitment letters and/or guarantees (*i.e.*, bank guarantees) covering the full value of all cash consideration; (ii) evidence of the Phase II Bidder's internal resources; and/or (iii) any such other form of financial disclosure or credit-quality support information or enhancement requested by and reasonably acceptable to the Companies and the Monitor demonstrating that the Phase II Bidder has the ability to close the contemplated transaction;
- (d) Acknowledgment: An acknowledgement and representation that the Phase II Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents regarding the Companies, the Business and/or the Assets to be acquired, or liabilities to be assumed in making its Phase II Bid; (ii) did not rely upon any written or oral statements, representations, promises, warranties conditions or guaranties whatsoever, whether express or implied (by operation of law or otherwise) by the Companies, the Monitor or any of their respective employees, directors, officers, agents, advisors or other representatives, regarding the Companies, the Business, the Assets to be acquired, liabilities to be assumed, or the completeness of any information provided in connection therewith, except as expressly provided in any definitive transaction documents; and (iii) promptly will commence any governmental or regulatory review of the proposed transaction by the applicable competition, antitrust or other applicable governmental authorities, including those regulating in the cannabis sector;
- (e) Authorization: Evidence, in form and substance reasonably satisfactory to the Companies and the Monitor, of authorization and approval from the Interested

Party's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Phase II Bid, and confirmation that any other required approvals have been obtained;

- (f) Employees: If applicable, full details of the proposed number of employees of the Companies who will become employees of the Phase II Bidder if determined to be the Successful Bidder and the proposed terms and conditions of employment to be offered to those employees;
- (g) Other: Such other information as may reasonably be requested by the Companies or the Monitor; and
- (h) Phase II Bid Deadline: The information contemplated by this section 14 is to be received by the Monitor, at the email address specified in Schedule "B" hereto on or before the Phase II Bid Deadline.

**15. Evaluation of Qualified Phase II Bids and Subsequent Actions**

The Companies and the Monitor, in consultation with the Senior Secured Lender, shall evaluate Qualified Phase II Bids on various grounds including, but not limited to: (i) the Purchase Price or imputed or projected value, (ii) the treatment of creditors and related implied recovery for creditors (in each case, as applicable), (iii) the assumed liabilities, (iv) the number of employees assumed, (v) the certainty of closing the transactions contemplated by the Qualified Phase II Bid on or before the Outside Date, and (vi) any delay or other risks (including closing risks) in connection with the Qualified Phase II Bids.

In connection with its evaluation of Qualified Phase II Bids, the Monitor, in consultation with the Companies and, where applicable and permitted under this SISP, the Senior Secured Lender, may engage in discussions with any Qualified Phase II Bidder for the purpose of seeking clarifications in respect of its Qualified Phase II Bid, requesting additional information or revised documentation, and inviting or requesting that such Qualified Phase II Bidder improve, increase or otherwise enhance the terms of its Qualified Phase II Bid, in each case prior to determining whether to proceed with an Auction or to select a Successful Bid and any Back-Up Bid.

Following such evaluation, if one or more Qualified Phase II Bids are received, the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, may: (i) select one or more Qualified Phase II Bids as the "**Successful Bid**", and the party or parties making such Successful Bid(s) will be the "**Successful Bidder**"; or (ii) proceed to an auction (the "**Auction**") in accordance with the procedures set out in the attached Schedule "C" (the "**Auction Procedures**") to identify the Successful Bid. The determination of any Successful Bid by the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall be subject to approval by the Court.

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall have the option to aggregate Portion Bids into an Aggregate Bid.

Notwithstanding anything to the contrary herein, the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall be permitted to include Qualified Investment Bids or Qualified Sale Bids in the Auction, including to the extent such Qualified Phase II Bids are Portion Bids.

Following the selection of the Successful Bid, the Companies shall take such steps as may be necessary to finalize definitive transaction documents for the Successful Bid(s) with the Successful Bidder(s) prior to Court approval of the Successful Bid(s).

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, may conditionally accept one or more (if for distinct and compatible transactions that are Portion Bids) Qualified Phase II Bids, which acceptance will be conditional upon the failure of the transaction(s) contemplated by the Successful Bid to close (the “**Back-Up Bid**”, and Qualified Phase II Bidder making such Back-Up Bid being the “**Back-Up Bidder**”).

As soon as reasonably practicable and by no later than four Business Days after the Phase II Bid Deadline, the Monitor shall advise the Qualified Phase II Bidders whether one or more Qualified Phase II Bids have been selected as the Successful Bid(s) and any Back-Up Bid(s), or whether the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, has determined that it is necessary to conduct an Auction pursuant to the SISP Procedures. If an Auction is to be conducted, the Monitor, as soon as reasonably practicable and by no later than August 17, 2026, will advise the Qualified Phase II Bidders of the date, time, location and the rules (if any) of the Auction in accordance with the Auction Procedures.

**16. No Qualified Phase II Bids**

If no Qualified Phase II Bid is received, the Monitor may, in consultation with the Companies and the Senior Secured Lender: (i) extend the Phase II Bid Deadline, (ii) terminate the SISP; or (iii) seek the advice and direction of the Court.

**17. Allocation of Purchase Price**

The Companies reserve the right to allocate the Purchase Price of a Successful Bid, acting reasonably and in consultation with the Monitor, at a later date for distribution purposes.

**APPROVAL MOTION**

**18. Approval Motion**

The Companies shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid(s) and Back-Up Bid(s) as soon as practicable following the determination by the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, of the Successful Bidder(s) and the execution of definitive documents (the “**Sale Approval Hearing**”). The Companies will be deemed to have accepted the Successful Bid(s) only when it has been approved by the Court. All Qualified Phase II

Bids (other than the Successful Bid(s) and the Back-Up Bid(s)) shall be deemed rejected on and as of the date of approval of the Successful Bid(s) by the Court.

**19. Back-Up Bidder**

If a Successful Bidder fails to close the transaction contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then the Companies will be deemed to have accepted the Back-Up Bid(s) and will proceed with the transaction pursuant to the terms thereof. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Companies and the Back-Up Bidder may agree, acting reasonably (the “**Back-Up Bid Expiration Date**”).

**MISCELLANEOUS**

**20. Information From Interested Parties**

Each Interested Party shall comply with all reasonable requests for additional information by the Companies or the Monitor regarding such Interested Party and its contemplated transaction. Failure by an Interested Party to comply with requests for additional information will be a basis for the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, to determine that the Interested Party is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as applicable.

**21. Deposits**

All deposits shall be held by the Monitor in a non-interest-bearing account designated solely for such purpose. A deposit made by a Successful Bidder shall be dealt with in accordance with the definitive documents for the transactions contemplated by the Successful Bid. Deposits provided by Phase I Bidders not selected as either a Qualified Phase I Bidder or a Qualified Phase II Bidder shall be returned to such Phase I Bidder or Phase II Bidder as soon as practicable, and in any event no later than seven (7) Business Days of being advised that it is not a Qualified Phase I Bidder or a Qualified Phase II Bidder, as the case may be. Deposits provided by Qualified Phase II Bidders not selected as either a Successful Bidder or a Back-Up Bidder shall be returned to such Qualified Phase II Bidders as soon as practicable, and in any event no later than seven (7) Business Days following Court approval of the Successful Bid. In the case of Back-Up Bid(s), the deposit shall be retained by the Monitor until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder as soon as practicable, and in any event no later than seven (7) Business Days thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Back-Up Bid.

**22. Modifications and Termination**

The Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, shall have the right to adopt such other rules for the SISP Procedures (including rules that may depart from those set forth herein) that will better promote the sale of the Business or all or any part of the Assets or investment in the Companies under this SISP. The Companies, in consultation with the Monitor, shall apply to the Court if it

wishes to materially modify or terminate the process set out in this SISP. For certainty, any amendments to the Phase I Bid Deadline or the Phase II Bid Deadline or other dates set out in this SISP, including those relating to the Auction, shall not constitute a material modification, provided that any extensions to the Phase I Bid Deadline or the Phase II Bid Deadline are not longer than fourteen calendar days.

**23. Other**

Neither the Companies nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s). Any such claim shall be the sole liability of the parties that submitted such Successful Bid(s) and Back-Up Bid(s).

Neither the Companies nor the Monitor shall have any liability whatsoever to any person or party, including without limitation, to any Known Potential Bidder, Phase I Bidder, Phase II Bidder, a Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a Bid, each Interested Party shall be deemed to have agreed that it has no claim against the Companies or the Monitor for any reason, matter or thing whatsoever related to this SISP.

**SCHEDULE “A”**

**Acknowledgement of the SISP**

The undersigned hereby acknowledges receipt of the Sale and Investment Solicitation Process approved by the Order of the Honourable Justice Armstrong of the Alberta Court of King’s Bench dated June 10, 2026 (the “**SISP**”) and that compliance with the terms and provisions of the SISP is required in order to participate in the SISP and for any Bids to be considered by the Companies.

This \_\_\_\_ day of \_\_\_\_\_, 2026.

[NAME]

By:

\_\_\_\_\_  
[Signing Officer]

**SCHEDULE “B”  
ADDRESS PARTICULARS**

**To the Monitor:**

**FTI Consulting Canada Inc.**

TD South Tower  
79 Wellington Street West, Suite 2010  
Toronto, ON M5K 1G8

Attention: Jeffrey Rosenberg; Kamran Hamidi  
Phone: (416) 649-8073; (416) 649-8068  
Email: jeffrey.rosenberg@fticonsulting.com; kamran.hamidi@fticonsulting.com

**With a copy to:**

**Fasken Martineau DuMoulin LLP**

First Canadian Centre  
350 7th Avenue SW  
Suite 3400  
Calgary, AB T2P 3N9

Attention: Jessica Cameron; Dylan Chochla  
Phone: (403) 261-9468; (416) 868-3425  
Email: jcameron@fasken.com; dchochla@fasken.com

**To the Companies:**

**Thornton Grout Finnigan LLP**

TD West Tower, Toronto-Dominion Centre  
100 Wellington Street West, Suite 3200  
Toronto, ON M5K 1K7

Attention: Mitchell Grossell; Derek Harland; Andrew Nesbitt  
Phone: (416) 304-7978; (416) 304-1127 ; (416) 307-2413  
Email: mgrossell@tgf.ca; dharland@tgf.ca; anesbitt@tgf.ca

## SCHEDULE "C" AUCTION PROCEDURES

### Auction

1. If the Monitor, in consultation with the Senior Secured Lender and with the consent of the Companies, decides to conduct an Auction pursuant to the SISP Procedures, the Monitor will notify the Qualified Phase II Bidders who made a Qualified Phase II Bid that the Auction will be held at a date, time, and location to be determined by the Monitor, in consultation with the Companies, provided that it is a date that is not later than August 20, 2026. Capitalized terms used but not defined herein have the meaning given to them in the SISP Procedures.

The Auction shall be conducted in accordance with the following procedures:

- (a) Participation at the Auction. Only a Qualified Phase II Bidder is eligible to participate in the Auction (each, an "**Auction Participant**" and collectively, the "**Auction Participants**"). Each Auction Participant must inform the Monitor whether it intends to participate in the Auction by no later than 12:00 p.m. (Mountain Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Auction Participants, the Monitor, the Companies, and the Senior Secured Lender, and their respective counsel and other advisors, and any other parties acceptable to the Companies and the Monitor, shall be permitted to attend the Auction.
- (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Phase II Bid at the beginning of the Auction shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "**Opening Bid**" for each following round. In each round, an Auction Participant may submit no more than one Overbid. Only an Auction Participant who bids in a round (including the Auction Participant that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction. For greater certainty, an Aggregate Bid may be determined to be the Opening Bid for any round including the opening round.
- (c) Monitor Shall Conduct the Auction. The Monitor and its advisors shall direct and preside over the Auction. At the start of the Auction, the Monitor shall provide the terms of the Opening Bid to all Auction Participants participating at the Auction. The determination by the Monitor, in consultation with the Companies, of which Qualified Phase II Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor reasonably deems relevant to the value of the Qualified Phase II Bid, including, among other things, the following: (i) the amount and nature of the consideration, including the value of any non-cash consideration; (ii) the proposed assumption of any liabilities and the related implied impact on recoveries for creditors; (iii) the number of employees assumed by the Auction Participant; (iv) the Monitor's reasonable assessment of the certainty of the Auction Participant to close the proposed transaction on or before the Outside Date; (v) the likelihood, extent and impact of any potential delays in closing; (vi) the impact of

the contemplated transaction on any actual or potential litigation; (vii) the net economic effect of any changes from the Opening Bid of the previous round; (viii) the net after-tax consideration to be received by the Companies; and (ix) such other considerations as the Monitor deems relevant in its reasonable business judgment (collectively, the “**Bid Assessment Criteria**”). For greater certainty, the Monitor, in consultation with the Companies, may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed. All Bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Auction Participants that are participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Back-Up Bid.

- (d) Terms of Overbids. An “**Overbid**” is any Bid made at the Auction subsequent to the Monitor’s announcement of the Opening Bid. To submit an Overbid, in any round of the Auction, a Qualified Phase II Bidder must comply with the following conditions:
- (i) *Minimum Overbid Increment:* Any Overbid shall be made in CAD\$50,000 increments (the “**Minimum Overbid Increment**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time plus any additional Minimum Overbid Increments.
  - (ii) *The Bid Requirements same as for Qualified Phase II Bids:* Except as modified herein, an Overbid must comply with the bid requirements contained herein, provided, however, that the Phase II Bid Deadline shall not apply. Any Overbid made by an Auction Participant must provide that it remains irrevocable and binding on the Auction Participant and open for acceptance until the closing of the Successful Bid(s).
  - (iii) *Announcing Overbids:* At the end of each round of bidding, the Monitor shall announce the identity of the Auction Participant and the material terms of the then highest and/or best Overbid, including the nature of the proposed transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Companies based on, among other things, the Bid Assessment Criteria. For greater certainty, an Aggregate Bid may be determined to be the highest and/or best Overbid.
  - (iv) *Consideration of Overbids:* The Monitor reserves the right, in consultation with the Companies, to make one or more adjournments in the Auction to, among other things: (A) facilitate discussions between the Companies and individual Auction Participants; (B) allow individual Auction Participants

to consider how they wish to proceed; (C) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (D) give Auction Participants the opportunity to provide the Monitor with such additional evidence as it, or the Companies, may require, that the Auction Participant has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed transaction at the prevailing Overbid amount. The Monitor and Companies may have clarifying discussions with an Auction Participant, and the Monitor, with the consent of the Companies, may allow an Auction Participant to make technical clarifying changes to its Overbid following such discussions.

- (v) *Portion Bids*: Notwithstanding the forgoing, each Portion Bidder entitled to participate in the Auction shall be entitled to submit an Overbid with respect to the Assets on which it is bidding without being required to submit an Overbid with respect to all Assets or the applicable Opening Bid; provided that any Aggregate Bid that is an Overbid shall be subject to these Auction Procedures as any other Overbid, including that such Aggregate Bid that is an Overbid shall be subject to the Minimum Overbid Increment. Portion Bids can be aggregated with any other Qualified Phase II Bid, as determined by the Companies and the Monitor.
- (vi) *Failure to Bid*: If at the end of any round of bidding an Auction Participant (other than a Portion Bidder, or the Auction Participant that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Auction Participant shall not be entitled to continue to participate in the next round of the Auction.
- (e) Discussion with other Bidders. Auction Participants shall not strategize or have discussions with other Auction Participants for the purpose of submitting an Overbid without the consent of the Monitor.
- (f) Additional Procedures. The Monitor may, in consultation with the Companies, adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction and the order of bidding, provided they are not inconsistent with any of the provisions of the SISP Procedures and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Auction Participants.
- (g) Closing the Auction. The Auction shall be closed after the Monitor, in consultation with the Companies and their respective legal counsel, has: (i) reviewed the final Overbid of each Auction Participant on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (ii) identified the Successful Bid and the Back-Up Bid and advised the Auction Participants

participating in the Auction of such determination. One or more Portion Bids can, in the discretion of the Monitor, form part of a Successful Bid and Back-Up Bid so long as such Portion Bids do not overlap in respect of the Assets sought to be purchased and in such case, such Portion Bid(s) shall be included in the definition of Successful Bidder or Back-Up Bid, as applicable.

- (h) Finalizing Documentation. Promptly following a Bid of an Auction Participant being declared the Successful Bid or the Back-Up Bid, the applicable Auction Participant shall execute and deliver such revised and updated definitive transaction agreements as may be required to reflect and evidence the Successful Bid or Back-Up Bid.
- (i) Qualified Investment Bids. Notwithstanding any other provision of this SISP, if an Auction Participant submits a Qualified Investment Bid that the Companies or the Monitor consider would result in a greater value being received for the benefit of the Companies' creditors than the Qualified Sale Bids, then the Monitor, with the consent of the Companies, may allow such Auction Participant to participate in the Auction, notwithstanding that such Qualified Investment Bid may not otherwise comply with the terms of these Auction Procedures. In such case, the Monitor, with the consent of the Companies, may adopt appropriate rules to facilitate such Auction Participant's participation in the Auction.