Court File No. 19-CV-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC**.

Applicants

MOTION RECORD

December 31, 2019

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Applicants

INDEX

TAB 1

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(each an **"Applicant"** and collectively, the **"Applicants"**)

Applicants

NOTICE OF MOTION

(Re: Sales and Investment Solicitation Process and DIP Facility Agreement Approval)
(Returnable January 3, 2020)

The Applicants will make a motion to a Judge presiding over the Commercial List on January 3, 2020, at 9:30 a.m. (EST), or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

This motion is to be heard orally.

THIS MOTION IS FOR:

1. an Order substantially in the form attached to the Motion Record at Tab 3 (the "**SISP Order**"):

(a) authorizing the Applicants to commence the sale and investment solicitation process attached as Schedule "A" to the SISP Order (the "**SISP**") for the purpose of soliciting interest in and opportunities for a sale of or investment in all or part of the assets and business operations of the Applicants;

(b) approving the SISP and authorizing and directing the Applicants and the Monitor to perform their respective obligations thereunder and to do all things reasonably necessary to perform their obligations thereunder; and

(c) ordering that the Monitor and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor in performing its obligations under the SISP (as determined by the Court);

2. an Order substantially in the form attached to the Motion Record at Tab 4 (the "**DIP Facility Agreement Order**") approving the DIP Facility Agreement executed by the Applicants and SF V Bridge III, LP (the "**DIP Lender**") dated December 20, 2019 (the "**DIP Facility Agreement**"), a copy of which is attached as Schedule "A" to the DIP Facility Agreement Order; and

3. Such further relief as this Court deems just.

THE GROUNDS FOR THIS MOTION ARE:

Overview

4. The Applicants obtained an initial order on December 2, 2019 (as amended or restate from time to time, the "**Initial Order**") pursuant to the *Companies' Creditors Arrangement Act* (the "**CCAA**"). The Initial Order appointed Ernst & Young Inc. to act as the monitor (in such capacity, the "**Monitor**").

5. Pursuant to the Initial Order, the Applicants are authorized, subject to such requirements as are imposed by the CCAA, to pursue all avenues of sale or refinancing of its Business or Property (each as defined therein), in whole or part, subject to prior approval of the Court being obtained before any material sale or refinancing.

The SISP

6. The Applicants now seek to commence a SISP to solicit interest in and opportunities for a sale of or investment in all or part of its assets and business operations.

7. Specifically, the Applicants seek approval of the SISP process outline (the "**SISP Process**") attached as Schedule "A" to the SISP Order. The SISP Process sets out a two phase plan to implement the SISP ("**Phase 1**" and "**Phase 2**", respectively).

8. Phase 1 of the SISP is intended to solicit non-binding letters of interest from potential bidders by March 20, 2020 (the "**Phase 1 Bid Deadline**"). Following the Phase 1 Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, will assess the qualified letters of interest and determine which bidders shall be permitted to proceed to Phase 1 (the "**Phase 2 Qualified Bidders**").

9. Phase 2 will be determined by the Applicants, in consultation with DIP Lender and the Monitor, and with the approval of the Monitor. Upon determination of the Phase 2 Process, the Applicants, in consultation with DIP Lender and the Monitor, and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**") and the Bid Process Letter will be sent by the Monitor to all Phase 2 Qualified Bidders.

10. As outlined, the SISP Process requires binding LOIs by March 20, 2020. Further, the SISP Process contemplates a May 29, 2020, closing date for any transaction contemplated in an LOI.

11. The SISP Process provides a significant level of flexibility, which is intended to assist in maximizing value for stakeholders in light of the variety of transactional structures which may be proposed in letters of interest or formal offers from interested parties.

12. It is appropriate to initiate the SISP at this time as it provides sufficient time for the Applicants and the Monitor to properly execute the SISP before the maturity of the DIP Facility, which was approved by this Court on December 12, 2019.

13. The SISP Process provides opportunities for interested parties to submit bids and thereby optimizes the chances of securing the best possible price for the assets or the best possible investment in the continuing operations of the Applicants for the benefit of the Applicants' stakeholders as a whole.

14. The SISP Process accommodates a broad range of possible positive outcomes and represents the best option to maximize the value for the Applicants' stakeholders.

The DIP Facility Agreement

15. During the period of time since the Amended and Restated Initial Order was granted on December 12, 2019, the Applicants worked diligently with the DIP Lender and the Monitor to negotiate and draft a comprehensive DIP Facility Agreement outlining the terms and conditions upon which the DIP Facility will be made available to the Applicants during these CCAA proceedings.

16. On December 20, 2019, the Applicants and the DIP Lender executed the DIP Facility Agreement.

17. The Applicants now seek Court approval of the DIP Facility Agreement, the fundamental terms of which were already approved by this Court pursuant to the Amended and Restated Initial Order.

Other Grounds

18. The Applicants also rely on:

    (a) the provisions of the CCAA and the inherent and equitable jurisdiction of this Court; and

    (b) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

19. the Affidavit of Trevor Henry sworn December 31, 2019;

20. the Second Report of the Monitor, to be filed; and;

21. such further and other materials and evidence as counsel may advise and this Honourable Court may permit.

December 31, 2019

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TO: SERVICE LIST

Schedule "A"

SERVICE LIST

Court File No.: 19-CV-00632052-00CL

ONTARIO
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ONTARIO
SUPERIOR COURT OF JUSTICE
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Proceedings commenced at Toronto

NOTICE OF MOTION

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TAB 2

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(each an **"Applicant"** and collectively, the **"Applicants"**)

Applicants

AFFIDAVIT OF TREVOR HENRY
(Sworn December 31, 2019)

I, Trevor Henry, of the Municipality of Chatham-Kent, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

I. INTRODUCTION

1. I am the Chief Executive Officer of AgMedica Bioscience Inc. ("**AgMedica**"). As AgMedica's CEO, my primary responsibilities include managing the overall operations and resources of the company, making major corporate decisions, and acting as the main point of contact between the board of directors and the corporate operations team.

2. As such, I have knowledge of the matters hereinafter deposed to, save where I have obtained information from others. Where I have obtained information from others, I have stated the source of that information and believe it to be true.

3. This affidavit is sworn in support of a motion for:

(a) an order approving a sale and investment solicitation process (the "**SISP**") in the form attached to the Motion Record of the Applicants (the "**SISP Order**"). Capitalised terms used in this affidavit and not otherwise defined herein have the meanings set out in the SISP Process attached as **Exhibit "A"** to this affidavit (the "**SISP Process**"); and

(b) an order approving the DIP Facility Agreement executed by the Applicants and the DIP Lender dated December 20, 2019 (the "**DIP Facility Agreement**"), a copy of which is attached hereto as **Exhibit "B"**.

II. THE SISP

4. On December 2, 2019, AgMedica was granted an Initial Order (as amended or restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") before the Ontario Superior Court of Justice (the "**Court**"). Pursuant to the Initial Order, Ernst & Young Inc. was appointed to be monitor in the CCAA Proceedings (in such capacity, the "**Monitor**").

5. In the time since the Initial Order was granted, the Applicants have worked diligently, with the assistance of the Monitor, to develop a restructuring strategy. Such strategy includes the proposed SISP, which the Applicants hope to commence early in the New Year.

6. The proposed SISP is intended to solicit interest in and opportunities for a sale of or investment in all or part of the Applicants' assets (the "**Property**") and business operations (the "**Business**").

7. Prior to the date of the Initial Order, the Applicants had been conducting a review of strategic alternatives (the "**Review of Strategic Alternatives**"). It is contemplated that after the granting of the SISP Order, the Review of Strategic Alternatives will be continued under and be governed by this SISP Process.

8. At this time, the Applicants are seeking the Court's approval of the SISP because a sale of the Property or Business, or a recapitalization or investment in the Business, will be beneficial for all of the stakeholders of the Applicants.

9. The Applicants are seeking the approval of the SISP Process, which is comprised of two phases ("**Phase 1**" and "**Phase 2**", respectively).

Phase 1

10. Phase 1 of the SISP is intended to solicit non-binding letters of interest (each, an "**LOI**") from potential bidders. It consists of the following elements:

(a) ***Solicitation of Interest and Notice of Phase 1 of the SISP***: Phase 1 of the SISP Process describes a process to compile a list of "**Known Potential Bidders**" and a process to give notice of Phase 1 of the SISP to other parties including by way of a notice to be published in a national newspaper and by way of a press release. All Known Potential Bidders will be provided with a process summary or "**Teaser Letter**" and a non-disclosure agreement (an "**NDA**") by no later than January 17, 2020, and any other party who requests a copy of the Teaser Letter or is identified as a potential bidder will receive such material as soon as reasonably practicable;

(b) ***Identifying Phase 1 Qualified Bidders***: potential bidders who provide to the Applicants and the Monitor (i) an executed NDA (if an acceptable NDA has not previously been provided), (ii) a letter setting out the identity, contact information and full disclosure of direct and indirect principals of the potential bidder, and (iii) such form of financial disclosure and credit quality support or enhancement that allows the Applicants and Monitor, in consultation with the DIP Lender, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal, or Investment Proposal, will be deemed a "Phase 1 Qualified Bidder" if the Applicants, in their reasonable business judgment, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, determine such person is likely to be able to consummate a sale or investment transaction pursuant to the SISP;

(c) ***Delivery of Confidential Information Memorandum***: the Applicants, with the assistance of the Monitor, will prepare and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the opportunity to acquire or invest in the Business and Property of the Applicants pursuant to the SISP;

(d) ***Due Diligence***: Phase 1 Qualified Bidders will have access to further due diligence materials and information relating to the Property and Business, which may include, as appropriate, management presentations, access to electronic data rooms, on-site inspections, and other matters reasonably requested by a Phase 1 Qualified Bidder and as to which the Applicants, in their reasonable business judgement and after consulting with the Monitor, may agree;

(e) ***Phase 1 Bid Deadline for Delivery of non-binding letters of interest ("LOIs")***: the deadline for delivery of LOIs to the Monitor is 5:00 p.m. Eastern Time on or before March 20, 2020 (the "**Phase 1 Bid Deadline**"); and

(f) ***Qualified LOIs***: to be considered a "**Qualified LOI**" the LOI must be: (i) submitted by the Phase 1 Bid Deadline; (ii) indicate whether it is an offer to acquire all, substantially all or a portion of the Property (a "**Sale Proposal**") or make an investment in, restructure, reorganize or refinance the Business/the Applicants (an "**Investment Proposal**"); (iii) in the case of a Sale Proposal provide details including the purchase price, the Property expected to be subject to the transaction, a specific indication of financial capability and structure and financing of the transaction, conditions and approvals required, a description of any due diligence or any other material terms or conditions of the Sale Proposal; (iv) in the case of an Investment Proposal provide details including how the proposed investment will be structured, the aggregate equity and debt investment to be made, the underlying assumptions regarding the pro forma capital structure, a specific indication of the sources of capital and structure and financing of the transaction, conditions and approvals required, and a description of any due diligence or other material conditions required to complete the transaction.

11. If the SISP Order is approved on January 3, 2020, the Applicants expect to be in a position to begin distributing the Teaser to Known Potential Bidders beginning around January17, 2020 and that the Phase 1 Bid Deadline of March 20, 2020, is in my view appropriate to enable potential bidders to submit a non-binding LOI.

Preliminary Assessment of Qualified LOIs and Subsequent Process

12. After the Phase 1 Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, will assess the Qualified LOIs to determine if each Phase 1 Qualified Bidder that has submitted a Qualified LOI (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability to consummate such transaction, then such bidder will be deemed a "**Phase 2 Qualified Bidder**". The Applicants may, in their reasonable business judgement, after consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders, taking into account the factors identified below and any material impact on the operations and performance of the Applicants. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Monitor.

13. As part of such assessment, the Applicants, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, will determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business, (iii) the scope of the Property or Business to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

14. Once this process is determined, the Applicants, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, will prepare a bid process letter (the "**Bid Process Letter**"), which will be sent to all Phase 2 Qualified Bidders by March 20, 2020, and posted on the website maintained by the Monitor in respect of these CCAA Proceedings.

Phase 2 of the SISP - Formal Offers and Selection of Successful Bidder

15. Pursuant to the SISP Order, Phase 2 consists of the following elements:

(a) ***Formal Binding Offers***: Phase 2 Qualified Bidders will have the opportunity to submit a binding offer to purchase or make an investment in the Applicants or their Property and Business prior to 5:00 PM (Eastern Time) on April 17, 2020 or as may be modified in the Bid Process Letter, in consultation with and with the approval of the Monitor (the "**Phase 2 Bid Deadline**"). Bids received from Phase 2 Qualified Bidders will be assessed by the Applicants, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, to determine if they are Qualified Bids (see criteria set out below) and each Qualified Bid will be evaluated by the Applicants, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, to select the highest or otherwise best bid (the "**Successful Bid**"), provided that each Qualified Bid may be negotiated among the Applicants, in consultation with the Monitor and the DIP Lender, and the applicable Phase 2 Qualified Bidder, to improve such bid prior to selection of the Successful Bid and that the Applicants are under no obligation to enter into a Successful Bid; and

(b) ***Sale Approval Motion Hearing***: If a Successful Bid is selected, the Applicants will seek approval from the Court to consummate the Successful Bid (the "**Sale Approval Motion**").

16. The SISP sets out the criteria for a “**Qualified Bid**”, which include the following:

(a) the bid shall comply with all of the requirements set forth in respect of Phase 1 Qualified LOIs;

(b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Property or Business on terms and conditions reasonably acceptable to the Applicants and the Monitor;

(c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

(d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in United States dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;

(e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction;

(f) the bid is not conditioned on, among other things, the outcome of unperformed due diligence by the Phase 2 Qualified Bidder (apart from, to the extent applicable, to the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 1 Qualified Bidder) or obtaining financing, but may be conditioned upon the Applicants receiving the required approvals or amendments relating to the licenses required to operate the business, if necessary;

(g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

(h) for a Sales Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the purchase price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(i) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(j) the bid includes acknowledgments and representations of the Phase 2 Qualified Bidder that: (i) has had an opportunity to conduct any and all due diligence regarding the Property, Business and the Applicants prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 2 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, Property, or the

Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Debtors;

(k) the bid is received by the Phase 2 Bid Deadline; and

(l) the bid contemplates closing the transaction set out therein on or before May 29, 2020 (the "**Closing Date**").

17. The Applicants, in consultation with the DIP Lender and the Monitor, and with the approval of the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified Bid.

18. The SISP also sets out the criteria to be used in evaluating Qualified Bids, which includes, without limitation, the following: (a) the Purchase Price and the net value provided by such bid, (b) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, (c) the proposed transaction documents, (d) factors affecting the speed, certainty and value of the transaction, (e) the assets included or excluded from the bid, (f) any related restructuring costs, and (g) the likelihood and timing of consummating such transaction(s).

19. The Phase 2 process described above is subject to any adjustments made to supplement Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP. The SISP also permits the Applicants, in consultation with the DIP Lender and the Monitor, and with the consent of the Monitor, to bring a motion at any time seeking approval of a stalking horse agreement in respect of some or all of the Property and related bid procedures in respect of such Property. The Applicants may do so at any time, including during or after Phase 1, or during Phase 2.

20. The SISP is designed to be flexible since there are a number of different possible forms that the LOIs may take (including that there may be LOIs submitted for all or any portion of the Property or the Business as a whole). Phase 2 of the SISP must be sufficiently flexible to accommodate for the possibility that the Applicants may ultimately select combinations of final bids that together represent the best overall value for stakeholders.

21. It is my view that the pursuit of a possible sale or investment transaction is warranted at this time in order to maximize value for the Applicants' stakeholders. Any further delay in authorizing the SISP may discourage any previously interested parties from participating in the SISP Process.

22. Further, it is my view that the SISP Procedure provides an appropriate timeline to implement the SISP and seek to maximize value, and appropriately balances the interests of the Applicants' stakeholders. As previously noted, the SISP Procedure highly integrates the Monitor into the SISP decision making process.

23. The proposed process accommodates a broad a range of possible positive outcomes and represents the most beneficial path forward in the current circumstances to maximize value for the Applicants. At this stage in the proceedings, given the flexible structure of the proposed SISP, there is no better viable alternative available to the Applicants. Accordingly, no creditor of the Applicants have any *bona fide* reason to object to the SISP Procedure.

24. The proposed SISP was developed in consultation with the Monitor and their counsel and in my view represents a fair and commercially efficient process which allows a sufficient opportunity for the Applicants to optimize the chances of securing the best possible price for the

assets for sale or the best possible investment in the continuing operations of the Applicants for the benefit of their stakeholders as a whole.

III. DIP FACILITY AGREEMENT

25. During the period of time since the Amended and Restated Initial Order was granted on December 12, 2019, the Applicants worked diligently with the DIP Lender and the Monitor to negotiate and draft a comprehensive DIP Facility Agreement outlining the terms and conditions upon which the DIP Facility will be made available to the Applicants during these CCAA proceedings.

26. On December 20, 2019, the Applicants and the DIP Lender executed the DIP Facility Agreement. The DIP Facility will provide the Applicants with sufficient liquidity to, among other things, carry on business in the ordinary course throughout the SISP Process.

27. The Applicants now seek Court approval of the DIP Facility Agreement, the fundamental terms of which were already approved by the Court pursuant to the Amended and Restated Initial Order.

IV. CONCLUSION

28. This Affidavit is sworn in support of the within motion and for no other or improper purpose.

SWORN before me at the Municipality of Chatham-Kent, in the Province of Ontario, this 31st day of December, 2019. Commissioner for Taking Affidavits	**TREVOR HENRY**

EXHIBIT “A”

Sale and Investment Solicitation Process

Introduction

On December 2, 2019, AgMedica Bioscience Inc. ("**AgMedica**") and certain of its subsidiaries (collectively, the "**Applicants**") were granted an initial order (as amended or amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") by the Ontario Superior Court of Justice (the "**Court**"). The Initial Order, as amended and restated on December 12, 2019, among other things:

(a) stays all proceedings against the Applicants, their assets and their respective directors and officers;

(b) appoints Ernst & Young Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");

(c) authorizes the Applicants to enter into a debtor-in-possession financing agreement (the "**DIP Financing**") with SF V Bridge III, LP ("**Stabilis**" or the "**DIP Lender**") whereby Stabilis agreed to provide a maximum principal amount of $7.5 million in financing to the Applicants, as well as the charge (the "**DIP Charge**") over all of the present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof; and

(d) authorizes the Applicants, with the assistance of the Monitor, to pursue all avenues of sale of their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.

In this regard, the Applicants will conduct the sale and investment solicitation process (the "**SISP**") described herein, with the assistance and under the supervision of the Monitor and with the approval of the Court pursuant to a Court order dated January 3, 2019 (the "**SISP Order**"). The SISP is intended to solicit interest in an acquisition or refinancing of the business or a sale of the assets and/or the business of the Applicants by way of merger, reorganization, recapitalization, primary equity issuance or other similar transaction. The Applicants intend to provide all qualified interested parties with an opportunity to participate in the SISP.

This document (the "**SISP Procedure**") outlines the SISP, which is comprised of two phases ("**Phase 1**" and "**Phase 2**", respectively).

Opportunity

1. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Applicants' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or 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 Applicants' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

2. Prior to the date of the Initial Order, the Applicants had been conducting a review of strategic alternatives, including an initial public offering and alternative financing arrangement (the "**Review of Strategic Alternatives**"). From and after the date of the SISP Order, the Review of Strategic Alternatives will be continued under and be governed by this SISP Procedure. Any non-disclosure or confidentiality agreement delivered to any third parties in relation to the Review of Strategic Alternatives that has not expired will continue to remain in effect during this SISP.

3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Applicants, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

Timeline

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

Milestone	Deadline
Phase 1 Bid Deadline	March 20, 2020
Phase 2 Bid Deadline	April 17, 2020
Closing Date Deadline	May 29, 2020

Subject to any order of the Court, the dates set out in the SISP may be extended by the Applicants with the consent and approval of the Monitor and the DIP Lender.

Solicitation of Interest: Notice of the SISP

5. As soon as reasonably practicable, but in any event by no later than January 17, 2020:

(a) the Applicants, in consultation with the Monitor and the DIP Lender, will prepare a list of potential bidders, including (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the SISP, in each case whether or not such party has submitted a letter of intent or similar document in the Review of Strategic Alternatives (collectively, "**Known Potential Bidders**");

(b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Applicants and the DIP Lender, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition), and any other newspaper or journal as the Applicants, in consultation with the Monitor, consider appropriate, if any;

(c) the Applicants will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Applicants, in consultation with the Monitor and the DIP Lender, consider appropriate, designating dissemination in Canada; and

(d) the Applicants, in consultation with the Monitor and the DIP Lender, 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 non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor, and their respective counsel, and consistent with the form and substance of the non-disclosure agreement previously executed by interested parties under the Review of Strategic Alternatives (an "**NDA**").

6. the Applicants will send the Teaser Letter and NDA to each Known Potential Bidder by no later than January 24, 2020 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Applicants or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON-BINDING LOIs

Qualified Bidders and Delivery of Confidential Information Memorandum

7. Any party who wishes to participate in the SISP (a "**Potential Bidder**") must provide to the Applicants and the Monitor, unless the Monitor confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Applicants and the Monitor:

(a) an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder. If the Potential Bidder has previously delivered an NDA and letter of this nature to the Applicants or Monitor and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter to the Applicants or the Monitor unless otherwise requested by the Applicants or the Monitor; and

(b) such form of financial disclosure and credit quality support or enhancement that allows the Applicants and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal, or Investment Proposal (as defined herein), as applicable.

8. If the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, determine that a Potential Bidder: (i) has delivered the documents contemplated in paragraph 7 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". For greater certainty, no Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Monitor, in consultation with the DIP Lender.

9. At any time during Phase 1 of the SISP, the Applicants may, in their reasonable business judgment and after consultation with the DIP Lender and the Monitor and with the consent of the Monitor, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a Phase 1 Qualified Bidder for the purposes of the SISP.

10. The Applicants, with the assistance of the Monitor, will prepare and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the Opportunity (the "**Confidential Information Memorandum**"). The Applicants and the Monitor and their respective advisors make no representation or warranty as to the information contained in the Confidential Information Memorandum or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Applicants.

11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Applicants.

Due Diligence

12. The Applicants, in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Furthermore and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Applicants, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

Non-Binding Letters of Intent from Phase 1 Qualified Bidders

13. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (an "**LOI**") to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on March 20, 2020 (the "**Phase 1 Bid Deadline**").

14. Subject to paragraph 15, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:

(a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;

(b) it contains an indication of whether the Phase 1 Qualified Bidder is offering to:

(i) acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); or

(ii) make an investment in, restructure, reorganize or refinance the Business or the Applicants (an "**Investment Proposal**");

(c) in the case of a Sale Proposal, it identifies or contains the following:

(i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;

(ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

(iii) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;

(iv) a description of the conditions and approvals required for a final and binding offer;

(v) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(d) in the case of an Investment Proposal, it identifies or contains the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Applicants in Canadian dollars;

(iii) the underlying assumptions regarding the pro forma capital structure;

(iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;

(v) a description of the conditions and approvals required for a final and binding offer;

(vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

(vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and

(viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and

(e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Applicants, in consultation with the Monitor and the DIP Lender.

15. The Applicants, with the approval of the Monitor, and in consultation with the DIP Lender, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

16. Following the Phase 1 Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, will assess the Qualified LOIs. If it is determined by the Applicants, in consultation with the Monitor and the DIP Lender, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Applicants may, in their reasonable business judgment and after consultation with the DIP Lender and the Monitor and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 17 below and any material adverse impact on the operations and performance of the Applicants. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Monitor.

17. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Applicants, in consultation with the DIP Lender and the Monitor

and with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business, (iii) the scope of the Property or Business to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

18. Upon the determination by the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent by the Monitor to all Phase 2 Qualified Bidders as soon as practically possible following the Phase 1 Bid Deadline, and (ii) posted by the Monitor on the website the Monitor maintains in respect of the CCAA Proceedings.

19. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter, the Applicants may, in consultation with the DIP Lender and the Monitor and with the consent of the Monitor, at any time bring a motion to seek approval of a stalking horse agreement in respect of some or all of the Property and related bid procedures in respect of such Property or to establish further or other procedures for Phase 2.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

20. Paragraphs 21 to 31 below and the conduct of Phase 2 are subject to paragraphs 16 to 19, above, any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

21. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Applicants or their Property or Business shall submit a binding offer (a "**Phase 2 Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on April 17, 2020 or as may be modified in the Bid Process Letter, in consultation with and with the approval of the Monitor (the "**Phase 2 Bid Deadline**"):

    (a) the bid shall comply with all of the requirements set forth in paragraph 14 above in respect of Phase 1 Qualified LOIs;

    (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Applicants or their Property or Business and is consistent with any necessary terms and conditions established by the Applicants and the Monitor and communicated to Phase 2 Qualified Bidders;

(c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

(d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;

(e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

(f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 2 Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Applicants receiving the required approvals or amendments relating to the licences required to operate the business, if necessary;

(g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

(h) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the Purchase Price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(i) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(j) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that the Phase 2 Qualified Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Applicants prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 1 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;

(k) the bid is received by the Phase 2 Bid Deadline; and

(l) the bid contemplates closing the transaction set out therein on or before May 29, 2020.

22. Following the Phase 2 Bid Deadline, the Applicants and the Monitor will assess the Phase 2 Bids received. The Applicants, in consultation with the Monitor and the DIP Lender, and with the approval of the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 Bids received shall be deemed not to be Qualified Bids without the approval of the Monitor, in consultation with the DIP Lender. Only Phase 2 Qualified Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s).

23. The Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Phase 2 Bids to be a Qualified Bid.

24. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constituted a Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.

25. If the Applicants, in consultation with the Monitor and the DIP Lender, are not satisfied with the number or terms of the Qualified Bids, the Applicants may, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, extend the Phase 2 Bid Deadline, or the Applicants may seek Court approval of an amendment to the SISP.

26. The Applicants may, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, aggregate separate Phase 2 Bids from unaffiliated Phase 2 Qualified Bidders to create one Qualified Bid.

Evaluation of Competing Bids

27. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Applicants and the Monitor, in consultation with DIP Lender.

Selection of Successful Bid

28. The Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, will: (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Applicants, in consultation with the Monitor and the DIP Lender, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Applicants, with the assistance of the Monitor and in consultation with the DIP Lender, shall be subject to approval by the Court.

29. The Applicants shall have no obligation to enter into a Successful Bid, and it reserves the right, after consultation with the Monitor and the DIP Lender, to reject any or all Phase 2 Qualified Bids.

Sale Approval Motion Hearing

30. At the hearing of the motion to approve any transaction with a Successful Bidder (the "**Sale Approval Motion**"), the Applicants shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Applicants on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

31. All discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 Bid should be directed through the Monitor. Under no circumstances should the management of the Applicants be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.

32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

33. In addition to the consultation rights granted to the DIP Lender, herein, the Monitor may consult with any other parties with a material interest in the CCAA proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 32 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP

or involved in a bid) and as required by the Commitment Letter, provided that such parties shall have entered into confidentiality arrangements satisfactory to the Applicants and the Monitor.

Supervision of the SISP

34. The Monitor shall oversee, in all respects, the conduct of the SISP by the Applicants and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP Procedure, the SISP Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP.

35. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.

36. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, the Applicants, the DIP Lender or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Monitor.

37. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

38. Without limiting in any way the intent and effect of the applicable provisions of the DIP Financing in respect of the SISP, the Applicants shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) with the prior written approval of the Monitor and the DIP Lender if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of Monitor

<u>To the Monitor:</u>

Ernst and Young Inc.
EY Tower, 100 Adelaide Street West
PO Box 1
Toronto, ON M5H 0B3

Attention: Alex Morrison and Karen Fung

Email: alex.f.morrison@ca.ey.com
karen.l.fung@ca.ey.com

EXHIBIT "B"

DIP FACILITY LOAN AGREEMENT
DATED AS OF DECEMBER 20, 2019

WHEREAS the Borrowers (as defined below) have requested that the DIP Lender (as defined below) provides financing to fund certain of the Borrowers' cash requirements during the pendency of the Borrowers' proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in accordance with the terms and conditions set out herein;

AND WHEREAS the Borrowers and the DIP Lender negotiated and executed the Term Sheet (as defined below), which was approved by Mr. Justice McEwen on December 12, 2019 as set out in the SF DIP Order;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in accordance with the terms and subject to the conditions set out herein.

NOW THEREFORE in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms**: Capitalized terms that are not defined in the body of this Agreement have the meanings ascribed to them in Schedule A.

2. **Currency**: Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.

3. **Borrowers**: AgMedica Bioscience Inc., 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavivat Naturals Inc., World Wide Beverage Innovations Inc., Unique Beverages (USA) Inc. and Eseela Inc. (collectively, the "**Borrowers**", and any reference to the Borrowers shall be deemed to mean, "the Borrowers or any one of them").

4. **Borrower Agent**: AgMedica Bioscience Inc. (the "**Borrower Agent**") shall, on behalf of itself and the other Borrowers, provide all notices and other communications to the DIP Lender, and the DIP Lender shall provide all notices and other communications to the Borrower Agent, on behalf of itself and the other Borrowers. Unless otherwise specified, any notices or other communications provided by the Borrower Agent to the DIP Lender shall be deemed to be provided by the Borrower Agent for itself and on behalf of the other Borrowers and any notice or other communication provided by the DIP Lender to the Borrower Agent shall be deemed to be provided by the DIP Lender to the Borrowers.

5. **DIP Lender**: SF V Bridge III, LP (the "**DIP Lender**")

6. **DIP Facility and Loan Amount**: Subject to the terms and conditions hereof, the DIP Lender agrees to provide to the Borrowers a debtor-in-possession super-priority non-revolving credit facility (the "**DIP Facility**") in an amount up to $7,500,000 (the "**Loan**

Amount”). The DIP Facility is a non-revolving, multiple draw credit facility. The principal amount of any Advance that is repaid may not be re-borrowed and the available Loan Amount shall be automatically reduced by such repaid amount.

7. **DIP Advances**: Advances under the DIP Facility (each, an “**Advance**”) require a written notice to be delivered by the Borrower Agent to the DIP Lender (an “**Advance Notice**”), which Advance Notice has been approved by the Monitor and executed by an officer of the Borrower Agent, setting out: (a) the proposed amount of the requested Advance; (b) the date the Advance is required; (c) the Borrower that will receive the Advance; (d) the specific use for the proceeds of the Advance, together with a certification that such use is in accordance with the DIP Budget; (e) certification that the representations and warranties contained herein are true and correct as of such date; and (f) certification that no Event of Default has occurred or will occur after giving effect to the Advance. Except for the Second Advance, each Advance Notice shall be delivered by the Borrower Agent to the DIP Lender not less than three (3) Business Days prior to the requested date of the Advance. Each Advance shall be in the minimum amount of $1,000,000.

8. **Use of Proceeds**: The proceeds of the DIP Facility shall be used by the Borrowers solely in accordance with, and subject to, the DIP Budget and the Court Orders, to fund the ordinary course working capital and other general corporate purposes of the Borrowers, to pay Permitted Fees and Expenses, to pay the Commitment Fee and to repay the obligations owed by the Borrowers to Hillmount under the Hillmount Commitment Letter (up to a maximum principal amount of $1,000,000 plus the associated costs and fees or such other amount that is approved by the DIP Lender). No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender (in its sole and absolute discretion).

9. **Evidence of Indebtedness**: The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender’s register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

10. **Interest**: All amounts owing hereunder on account of principal, and overdue interest, fees and expenses, shall bear interest at the rate of 9.5% per annum (the “**Interest Rate**”).

All interest hereunder shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash, monthly in arrears on the first day of each calendar month following the month for which interest has accrued (each, an “**Interest Payment Date**”); provided that, interest on the Initial Advance and the Second Advance shall be paid from the proceeds of the Second Advance.

For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.

11. **Fees and Expenses**: The Borrowers shall pay all reasonable costs and expenses of the DIP Lender (including all reasonable fees, expenses and disbursements of outside counsel and any financial advisor) in connection with the DIP Facility, including the preparation of this Agreement, the administration of the DIP Facility (including the DIP Lender's standard administration and servicing fees and the DIP Lender's costs, fees and expenses to enter into hedge agreements in connection with the DIP Facility), the enforcement of any of the DIP Lender's rights and remedies available hereunder and under any other DIP Credit Documents and in connection with the CCAA Proceeding (collectively, "**Permitted Fees and Expenses**").

12. **DIP Budget**: Attached hereto as Schedule B is a rolling 14-week period detailed cash flow forecast (the "**DIP Budget**"), which is in form and substance satisfactory to the DIP Lender. On Wednesday of each week, the Borrower Agent, with the assistance of the Monitor, shall provide the DIP Lender with an updated rolling 13-week cash flow forecast substantially in the form of the DIP Budget (the "**Updated Cash Flow**") and a variance report (the "**Cash Flow Variance Report**"), certified by an officer of the Borrower Agent, showing on a line-by-line basis the actual receipts and disbursements and the total available liquidity for the last day of the prior week and noting therein all variances on a line-by-line basis from the amounts in the DIP Budget, with explanations for all material variances. The DIP Lender may, in its sole discretion, acting reasonably, agree to substitute the Updated Cash Flow for the then current DIP Budget, in which case the Updated Cash Flow shall thereafter be deemed to be the effective DIP Budget for the purposes hereof.

13. **Conditions Precedent to Second Advance**: The DIP Lender's agreement to make the Second Advance is subject to the satisfaction of the following conditions precedent:

(a) The DIP Lender shall have received an irrevocable direction from the Borrowers directing the DIP Lender to pay, with proceeds of the Second Advance, the Commitment Fee, interest on the Initial Advance from the date the Initial Advance was made to the first Interest Payment Date, interest on the Second Advance from the date the Second Advance is made to the first Interest Payment Date, the obligations owing to Hillmount under the Hillmount Commitment Letter, the DIP Lender's legal fees and expenses (and applicable taxes thereon) and the reasonable costs, fees and expenses of the DIP Lender incurred in connection with this DIP Facility (including the DIP Lender's standard administration and servicing fees);

(b) The DIP Lender shall have received an updated DIP Budget and the Cash Flow Variance Report in accordance with this Agreement, which shall be in form and substance satisfactory to the DIP Lender, in its sole discretion, and the proposed uses of the Second Advance shall be in accordance with Section 13(a) and otherwise consistent with the DIP Budget and acceptable to the DIP Lender, acting reasonably;

(c) The DIP Lender shall have received such other supporting documentation as it may reasonably request, including a payout statement/undertaking to discharge security from Hillmount evidencing that the obligations owed to Hillmount under the Hillmount Commitment Letter do not exceed the principal amount of $1,000,000 plus the associated costs and fees (or such other amount that is approved by the DIP Lender); and

(d) Each condition precedent set forth in Section 14 shall have been satisfied.

14. **Conditions Precedent to All Advances After Second Advance**: The DIP Lender's agreement to make each Advance under the DIP Facility after the Second Advance is subject to the satisfaction of the following conditions precedent:

(a) The SF DIP Order shall not have been amended, restated, modified, varied, vacated, stayed or set aside, without the prior written consent of the DIP Lender, in its sole discretion;

(b) The DIP Lender shall have received an Advance Notice in accordance with the terms hereof;

(c) All representations and warranties contained in this Agreement and the other DIP Credit Documents shall be true and correct on the date of such requested Advance with the same effect as if made on and as of such date;

(d) No Event of Default shall have occurred or will occur as a result of the requested Advance; and

(e) The DIP Lender shall have received an updated DIP Budget and the Cash Flow Variance Report in accordance with this Agreement, which shall be in form and substance satisfactory to the DIP Lender, in its sole discretion, and the proposed uses of the requested DIP Advance shall be consistent with the DIP Budget and acceptable to the DIP Lender, acting reasonably.

15. **DIP Charge**: All obligations of the Borrowers under or in connection with the DIP Facility, this Agreement, the other DIP Credit Documents, including without limitation, all principal, interest, fees, expenses (including the Permitted Fees and Expenses) and other amounts owing in respect of fees and expenses of the DIP Lender, together with the Initial Advance, (collectively, the "**DIP Obligations**") shall be secured by a Court-ordered super-priority charge on the Collateral in favour of the DIP Lender (the "**DIP Charge**").

16. **Priority of DIP Charge**: The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral, other than the Administration Charge.

17. **Repayment and Maturity Date**: All DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:

(a) nine months after the Amended Filing Date or such later date as agreed to in writing by the DIP Lender;

(b) the completion of a sale or sales of all or substantially all of the Borrowers' assets, property and undertaking, as approved by the DIP Lender, the Monitor and, where required, the Court;

(c) the implementation of a plan of compromise or arrangement pursuant to the CCAA Proceeding which has been approved by the requisite creditors of the Borrowers, the Court and the DIP Lender;

(d) the date on which the SF DIP Order expires without being extended or on which the CCAA Proceeding is terminated or dismissed; and

(e) an Event of Default in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations;

(such earliest date, the "**Maturity Date**").

The DIP Lender's commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all then outstanding DIP Obligations shall be repaid on the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or to give notice that the DIP Facility has expired and that the obligations hereunder are due and payable.

18. **Mandatory Prepayments**: Subject to the terms and conditions herein, the Borrowers shall prepay the DIP Obligations with 100% of each of the following amounts:

(a) insurance proceeds (net of deductibles) or expropriation awards received by a Borrower;

(b) the Net Proceeds from the sale of any of the Collateral other than the sale of inventory in the course of business;

(c) any extraordinary payments received by a Borrower;

(d) the net cash proceeds from the sale of any equity interests in a Borrower or its subsidiary or the receipt of capital contributions by a Borrower or its subsidiary; and

(e) the net cash proceeds received from the incurrence by a Borrower of any Indebtedness (except as permitted hereunder).

Notwithstanding the foregoing, the first $2,000,000 of Net Proceeds from the sale of the Non-Essential Real Property shall be applied or reserved to repay the DIP Obligations in such amount, and the balance shall be applied to repay the creditors having valid security on the Non-Essential Real Property that is sold in order of the priority of their security on such Non-Essential Real Property. After such creditors have been paid in full, any surplus Net Proceeds from the sale of Non-Essential Real Property shall be applied or reserved to repay the remaining balance of the DIP Obligations.

Notwithstanding the foregoing, the first $2,000,000 of Net Proceeds from the sale of the London Property shall be applied or reserved to repay the DIP Obligations in such amount, and the balance shall be applied to repay the creditors having valid security on the London Property in order of the priority of their security on the London Property. Thereafter, any surplus Net Proceeds from the sale of the London Property shall be applied or reserved to repay the remaining balance of the DIP Obligations.

Upon the making of any mandatory prepayment, the Borrowers shall compensate the DIP Lender for any loss, cost or expense (including any breakage costs in respect of any hedge agreement to which the DIP Lender or any of its Affiliates is a party) as a result of such prepayment. Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any mandatory prepayment made hereunder shall permanently reduce the Loan Amount and may not be re-borrowed.

19. **Optional Prepayment**: The Borrowers may voluntarily prepay any principal amount of the DIP Obligations. The Borrower Agent shall give written notice to the DIP Lender of each voluntary prepayment not less than fifteen (15) Business Days prior to such voluntary prepayment. Such notice shall be irrevocable and shall specify:

(a) the date on which the prepayment is to take place;

(b) the principal amount of the prepayment; and

(c) the Borrower that will make the prepayment.

Upon the making of any voluntary prepayment, the Borrowers shall compensate the DIP Lender for any loss, cost or expense (including any breakage costs in respect of any hedge agreement to which the DIP Lender or any of its Affiliates is a party) as a result of such prepayment. Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any voluntary prepayment made hereunder shall permanently reduce the Loan Amount and may not be re-borrowed.

20. **Payments**: All payments of principal, interest, fees and expenses by the Borrowers hereunder shall be made for value in the full amount due at or before 1:00 pm (New York time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment.

Each payment to be made by the Borrowers shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.

If any fees and expenses incurred by the Borrowers after the date of this Agreement are not paid by the Borrowers, the DIP Lender may, but shall have no duty to, pay all such fees and expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

All amounts received in repayment of DIP Obligations shall be applied as follows: (i) first, to outstanding interest and costs payable hereunder; (ii) second, to outstanding Permitted Fees and Expenses; and (iii) third, towards outstanding principal hereunder.

21. **Representations and Warranties**: Each Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Credit Documents, that:

(a) The transactions contemplated by this Agreement and the other DIP Credit Documents have been duly authorized, executed and delivered by or on behalf of the Borrowers, and upon the granting of the SF DIP Order:

(i) are within the powers of the Borrowers;

(ii) constitute legal, valid and binding obligations of the Borrowers;

(iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, other than breaches that are stayed by the Initial Order;

(iv) there is no requirement for the Borrowers to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement;

(b) The Business has been and will continue to be conducted in material compliance with applicable Law of each jurisdiction in which the Business has been or is being carried on, subject to the provisions of each Court Order made after the Filing Date;

(c) The Borrowers have obtained all Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations;

(d) No expropriation or casualty event has occurred with respect to any of the Collateral;

(e) No material pending or threatened litigation or proceeding exists against any Borrower or the Collateral, or seeking to enjoin or otherwise prevent or declare invalid or unlawful the occupancy, use, maintenance or operation of the Project or the conduct of the Business;

(f) No Event of Default has occurred and is continuing;

(g) Wellworth Health Corp. continues to wind down its operations and will cease to carry on any business (including the Business), except in its capacity as a Borrower hereunder;

(h) The proceeds of the Initial Advance were used to pay the operating costs and expenses of the Borrowers in accordance with the DIP Budget; and

(i) All factual information provided by or on behalf of the Borrowers to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

22. **Affirmative Covenants**: Each Borrower agrees and covenants to perform and do each of the following until the DIP Facility is permanently and indefeasibly repaid and cancelled:

(a) Comply with the provisions of the Court Orders including, without limitation, the SF DIP Order;

(b) Deliver to the DIP Lender (i) Updated Cash Flows and Cash Flow Variance Reports in accordance with Section 12 and (ii) such other reporting and other information from time to time as is reasonably requested by the DIP Lender;

(c) Deliver to DIP Lender, concurrently with the delivery thereof to the Monitor (i) copies of all monthly internal financial statements, liquidity and updates to the DIP Budget that are reported weekly, together with any related or supporting information provided to the Monitor and (ii) any written reports, commentary or analysis received by the Borrowers from the Monitor regarding the financial position of the Borrowers or otherwise;

(d) Provide the DIP Lender with a weekly status update regarding the status of the CCAA Proceeding, including any information which may otherwise be confidential, subject to same being maintained as confidential by the DIP Lender;

(e) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Borrowers and their subsidiaries (including any changes to the strategy of the Borrowers);

(f) Notify the DIP Lender forthwith of the occurrence of any Event of Default;

(g) Allow the DIP Lender, its directors, officers, employees, agents, advisors and representatives full access to the Borrowers' premises and all information and documentation of the Borrowers and their Affiliates on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any such directors, officers, employees, agents, advisors and representatives;

(h) Preserve, renew, maintain and keep in full force and effect its corporate existence and its Authorizations required in respect of the Business or any of the Collateral;

(i) Maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Borrowers, the Business or any of the Collateral is insured;

(j) Pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licences fees and other amounts necessary to preserve the Collateral to avoid any Encumbrance thereon and pay all amounts due under any utility contracts;

(k) Pay when due all principal interest, fees and other amounts payable by the Borrowers under this Agreement and the other DIP Credit Documents;

(l) Use commercially reasonable efforts to, by March 12, 2020, sell or execute agreements of purchase and sale with respect to the Non-Essential Real Property and the London Property on terms and conditions satisfactory to the DIP Lender, acting reasonably;

(m) Subject to Section 22(l), maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear excepted) all properties used or useful in the Business and make or cause to be made all appropriate repairs, renewals and replacements thereof;

(n) At the Borrowers' sole cost and expense, provide the DIP Lender with Phase 1 and Phase 2 environmental reports with respect to the real property located at 566 Riverview Drive, Chatham-Kent, Ontario and 650 Riverview Drive, Chatham-Kent Ontario by an environmental consultant satisfactory to the DIP Lender, which reports are in form and substance satisfactory to the DIP Lender, including that such reports are addressed to the DIP Lender and that such properties are not-contaminated sites (or, if contaminated, specifying the cost of remediation); and

(o) If requested by the DIP Lender, at the Borrowers' sole cost and expense, provide the DIP Lender with title insurance policies, in form and substance satisfactory to the DIP Lender, acting reasonably, by a title insurance company acceptable to the DIP Lender.

23. **Negative Covenants**: Each Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, in its sole discretion:

(a) Not seek any Court Order that may adversely impact the DIP Lender, without the DIP Lender's prior written consent and the approval of the Monitor, and otherwise, not seek any Court Order without prior consultation with the DIP Lender and the approval of the Monitor;

(b) Not utilize any Advance except in accordance with the permitted uses hereunder and the DIP Budget;

(c) Except as contemplated by this Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the Amended Filing Date (the "**Pre-Existing Debt**"), other than in accordance with the DIP Budget or as approved by the Monitor;

(d) Create, incur or permit to exist any Indebtedness other than Pre-Existing Debt, Advances and accounts payable in the ordinary course of Business and in accordance with the DIP Budget;

(e) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance, upon any of the Collateral;

(f) Except for the joint and several liability of the Borrowers hereunder, make any investments in or loans to or guarantee (or provide any other financial assistance with respect to) the Indebtedness or obligations of any other Person or entity or permit its Affiliates to do so;

(g) Change its jurisdiction of incorporation, chief executive office or registered office;

(h) Enter into, or amend, any transaction or series of related transactions with any Affiliate;

(i) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other Person or permit a change of control of any Borrower;

(j) Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral;

(k) Move any of the Collateral outside of the Province of Ontario, or except as contemplated by Section 22(l) or the ordinary course of business, sell, assign, lease, convey or otherwise dispose of any of the Collateral;

(l) Disclaim any contract that is material to the Business without the prior approval of the DIP Lender, acting reasonably, and the Monitor;

(m) Amend or renew, extend the term, disclaim or accept the surrender of any real property lease without the prior approval of the DIP Lender, acting reasonably, or consent of the Monitor;

(n) Except as required pursuant to (i) the terms of any compensation or benefit plan, program or arrangement as in effect on the date hereof or (ii) applicable Law, increase any termination or severance entitlements or pay any termination or severance payments or modify any compensation or benefit plans whatsoever;

(o) Create or acquire any new subsidiary;

(p) Purchase or redeem its shares or units or otherwise reduce its capital;

(q) Declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of any Borrower;

(r) Commencing in the fourth week following the issuance of the SF DIP Order and each week thereafter, if the actual net cash of the Borrowers for that week plus $500,000 (excluding Advances in excess of projected Advances in the DIP Budget and on the basis that payables of the Borrowers are paid when due in the ordinary course of business) does not exceed the forecasted net cash in the DIP Budget for that week, permit (i) the negative variance (as compared to the DIP Budget) of the aggregate receipts of the Borrowers for the prior four-week period to exceed 10% or (ii) the negative variance (as compared to the DIP Budget) of the aggregate operating disbursements (excluding professional fees and expenses) made by the Borrowers during the prior four-week period to exceed 10%; or

(s) Permit Wellworth Health Corp. to carry on any business (including the Business), except in its capacity as a Borrower hereunder, save and except what is required to continue to wind down its operations.

24. **Events of Default**: The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Failure of the Borrowers to pay any amounts to the DIP Lender when due and owing hereunder or otherwise;

(b) Failure of the Borrowers to perform or comply with any term or covenant of this Agreement or any other DIP Credit Document;

(c) The DIP Lender determines, in its sole discretion, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the Borrowers (individually or collectively) or their ability (individually or collectively) to comply with their obligations under this Agreement, any other DIP Credit Document or any Court Order;

(d) A Borrower fails to pay wages to its employees or to remit source deductions as they become due from time to time, but only with respect to Priority Payables;

(e) A Borrower fails to remit provincial sales taxes or goods and services taxes (or the equivalent) as they become due from time to time, but only with respect Priority Payables;

(f) The Initial Order or the SF DIP Order is amended, restated or otherwise varied without the consent of the DIP Lender or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interest of the DIP Lender, including any Court Order:

(i) terminating, lifting or amending the stay imposed by the CCAA Proceeding;

(ii) issuing a bankruptcy order against a Borrower;

(iii) appealing or granting leave to appeal the SF DIP Order;

(iv) granting any other claim or Encumbrance of equal or priority status to that of the DIP Lenders' Charge, except as permitted hereunder; or

(v) staying, reversing, vacating or otherwise modifying the DIP Credit Documents, the DIP Charge or prejudicially affecting the DIP Lenders or the Collateral;

(g) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against a Borrower, or any of its property or seized or levied upon, or a creditor takes possession of any property of a Borrower;

(h) Any violation or breach of any Court Order by any Borrower;

(i) Subject to the SF DIP Order, any other Court Order, or the prior written consent of the DIP Lender, any Borrower, with the exception of Wellworth Health Corp., ceases to carry on or maintain its Business or its assets in the ordinary course of the Business;

(j) Any representation or warranty made or given hereunder or under any other DIP Credit Document by the Borrowers is incorrect or misleading when made;

(k) Any proceeding, motion or application is commenced or filed by a Borrower, or if commenced by another Person, supported or otherwise consented to by a Borrower, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge, this Agreement, any other DIP Credit Document, the SF Loan Documents or the SF Security;

(l) Any Cannabis Law is repealed;

(m) The DIP Lender reasonably believes itself insecure due to a change or interpretation of the *Controlled Substances Act (CSA)* or related laws; or

(n) A New SF Event of Default occurs and is continuing.

25. **Remedies**: Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, elect to terminate the DIP Lender's commitment to make further Advances to the Borrowers and set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and any DIP Credit Documents and declare such amounts to be immediately due and payable without any periods of grace. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the SF DIP Order, upon ten (10) days' prior written notice to the Borrowers and the Monitor:

(a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manger over the Collateral;

(b) apply for a Court Order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;

(c) exercise the powers and rights of a secured creditor; and/or

(d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the other DIP Credit Documents, the Court Orders and applicable Law.

26. **Further Assurances:** The Borrowers shall, at their own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement and the other DIP Credit Documents.

27. **Joint & Several Liability:** Each Borrower shall be jointly and severally liable for all DIP Obligations regardless of which Borrower actually receives Advances under the DIP Facility or the amount of any such Advance received or the manner in which the DIP Lender accounts for such Advances on its books and records.

28. **Indemnity**: Each Borrower shall indemnify and hold harmless the DIP Lender, and its Affiliates and the officers, directors, employees, representatives, advisors, managers, solicitors and agents of the DIP Lender and its Affiliates (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of the Advances, this Agreement or the other DIP Credit Documents. Notwithstanding the foregoing, the Borrowers shall have no obligation to indemnify any Indemnified Person against such loss, liability, cost or expense to the extent that they are found by final judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnified Person. The DIP Lender shall not be responsible or liable to the Borrowers or any other Person for any indirect, consequential special or punitive damages.

29. **Judgement Currency**: If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Canadian dollars into another currency, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the DIP Lender could purchase Canadian dollars with such other currency at the buying spot rate of exchange in the New York foreign exchange market on the Business Day immediately preceding that on which any such judgment, or any relevant part thereof, is given. The obligations of the Borrowers in respect of any sum due to the DIP Lender hereunder and

under the other DIP Credit Documents shall, notwithstanding any judgment in a currency other than Canadian dollars, be discharged only to the extent that on the Business Day following receipt by the DIP Lender of any sum adjudged to be so due in such other currency the DIP Lender may, in accordance with normal banking procedures, purchase Canadian dollars with such other currency. If the amount of Canadian dollars so purchased is less than the sum originally due to the DIP Lender in Canadian dollars, the Borrowers agree, to the fullest extent that they may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the DIP Lender against such loss. If the amount of Canadian dollars so purchased exceeds the sum originally due to the DIP Lender in Canadian dollars, following repayment in full of the DIP Obligations, the DIP Lender shall remit such excess to the Borrowers.

30. **Withholdings and Tax Indemnity**: Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other DIP Credit Document shall be made free and clear of and without deduction or withholding for any Taxes; provided that, if any Borrower is required by applicable Law to deduct or withhold any Taxes from such payments, then:

(a) if such tax is an Indemnified Tax, the amount payable by the Borrowers shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and

(b) the Borrowers shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.

In addition, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law. The Borrowers shall indemnify the DIP Lender, within ten days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder) paid by the DIP Lender on or with respect to an amount payable by the Borrowers under or in respect of this Agreement or under any other DIP Credit Document together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the amount of such payment or liability delivered to the Borrowers shall be conclusive absent manifest error. Promptly after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority (but in any event within 30 days after the date of such payment), the Borrowers shall deliver to the Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender. If the DIP Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section, it shall, following repayment in full of the DIP Obligations, pay over such refund (or the amount of any credit in lieu of refund) to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund or credit in lieu of refund), net of all out-of-pocket expenses of the DIP Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit in lieu of refund), provided that the Borrowers, upon the request of the DIP Lender, agree to repay the amount paid over to the Borrowers (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to the DIP Lender in the event the DIP Lender is required to repay such refund or credit in lieu of refund to such Governmental Authority. Notwithstanding the foregoing, the DIP Lender shall not be required to make available its tax returns or any other information relating to its taxes that it deems confidential to the Borrowers or any other Person.

31. **Entire Agreement:** This Agreement and the other DIP Credit Documents, constitute the entire agreement between the parties related to the subject matter hereof and, as the definitive documents, supersede all prior correspondence, agreements, negotiations, discussions and understandings, including, without limitation, the Term Sheet. To the extent that there is any inconsistency between this Agreement and the other DIP Credit Documents, this Agreement shall prevail.

32. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Document shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement or any other DIP Credit Document shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed by the DIP Lender, in the case of a waiver or release, and the parties hereto, in the case of an amendment or other modification.

33. **Assignment**: The DIP Lender may assign this Agreement and its rights and obligations hereunder, in whole or in part, to any Person acceptable to the DIP Lender, in its sole discretion, in consultation with the Monitor. The Borrowers shall not be permitted to assign this Agreement nor any right and obligation hereunder without the written consent of the DIP Lender, in its sole discretion.

34. **Severability:** Any provision in this Agreement or any other DIP Credit Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or effecting the validity of enforceability of such provision in any other jurisdiction.

35. **No Third Party Beneficiary**: No Person, other than the Borrowers and the DIP Lender, are entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.

36. **Press Releases**: The Borrowers shall not issue any press release naming the DIP Lender without its prior approval, unless the Borrowers are required to do so by applicable Law.

37. **Counterparts:** This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

38. **Notices**: Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person set forth below:

In the case of the DIP Lender:

767 Fifth Avenue
12th Floor
New York, New York
10153 U.S.A.

Attention: Joseph Podesta / Dave Ray
Email: josephpodesta@stabiliscap.com / DaveRay@stabiliscap.com

With a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario
M5H 4E3

Attention: Alex MacFarlane
Email: amacfarlane@blg.com

In the case of the Borrowers:

c/o AgMedica Bioscience Inc.
111 Heritage Road
Suite 200
Chatham, Ontario
N7M 5W7

Attention: Dr. Trevor Henry
Email: thenry@agmedica.ca

With a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
TD West Tower
Toronto-Dominion Centre

Toronto, Ontario
M5K 1K7

Attention: Rebecca L. Kennedy
Email: rkennedy@tgf.ca

In either case, with a copy to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto, Ontario
M5H 0B3

Attention: Alex Morrison
Email: alex.f.morrison@ca.ey.com

With a copy to:

McCarthy Tetrault
66 Wellington Street West
Suite 5300
Toronto, Ontario
M5K 1E6

Attention: James D. Gage
Email: jgage@mccarthy.ca

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 pm local time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

39. **English Language:** The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

40. **Interpretation**: In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation". The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person's successors and permitted assigns.

41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AS DIP LENDER:

SF V BRIDGE III, LP, by its general partner, STABILIS GP V, LLC

By: ______________________________
Name: Dave Ray
Title: Authorized Signatory

AS BORROWER:

AGMEDICA BIOSCIENCE INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

2472602 ONTARIO INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

2642466 ONTARIO INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8895309 CANADA INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

WELLWORTH HEALTH CORP.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8050678 CANADA INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8326851 CANADA INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

TAVIVAT NATURALS INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

WORLD WIDE BEVERAGE INNOVATIONS INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

UNIQUE BEVERAGES (USA) INC.

By: ________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

ESEELA INC.

By: ________________________
Name: Trevor Henry
Title: CEO

SCHEDULE A

DEFINITIONS

"**Administration Charge**" means the super-priority charge to be granted by the Court in an amount not exceeding $500,000 securing the fees and expenses of: (i) the Borrowers' CCAA counsel and (ii) the Monitor and its counsel;

"**Advance**" has the meaning given to that term in Section 7;

"**Advance Notice**" has the meaning given to that term in Section 7;

"**Affiliate**" of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where "control" means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

"**Agreement**" means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

"**Amended Filing Date**" means the date the SF DIP Order is made by the Court;

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence (including, without limitation, any of the foregoing relating to the Business, including, without limitation, any of the foregoing that is related to Cannabis or Cannabis-Related Activities) or similar authorization of any Governmental Authority related to the Borrowers, the Collateral or the Business;

"**Borrower Agent**" has the meaning given to that term in Section 4;

"**Borrowers**" has the meaning given to that term in Section 3;

"**Business**" means the production, distribution and sale of dried cannabis flower, pre-rolled cannabis joints, cannabis softgel capsules and cannabis oil, and the directly related activities of the Borrowers (except Wellworth Health Corp.);

"**Business Day**" means each day other than a Saturday, Sunday or any other day on which the DIP Lender is closed for business to the public;

"**Cannabis**" includes dried marijuana, fresh marijuana, cannabis oil and starting materials with respect thereto.

"**Cannabis Laws**" means the *Cannabis Act* (Canada), the *Cannabis Control Act, 2017* (Ontario) and any other applicable Law pertaining to Cannabis-Related Activities, and the regulations thereunder.

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

“**Cash Flow Variance Report**” has the meaning given to that term in Section 12;

“**CCAA**” has the meaning given to that term in the recitals;

“**CCAA Proceeding**” has the meaning given to that term in the recitals;

“**Collateral**” means all present and after-acquired assets and property of the Borrowers, real (including, without limitation, the London Property, the Non-Essential Real Property and the real property located at 510 and 566 Riverview Drive, Chatham-Kent, Ontario) and personal, tangible and intangible and all proceeds therefrom;

“**Commitment Fee**” means a commitment fee owing by the Borrowers to the DIP Lender for the establishment of the DIP Facility in the amount of $150,000, which fee shall be fully-earned on the date hereof and non-refundable;

“**Court**” has the meaning given to that term in recitals;

“**Court Order**” means an order of the Court, including the Initial Order as amended and restated by the SF DIP Order;

“**DIP Budget**” has the meaning given to that term in Section 12;

“**DIP Charge**” has the meaning given to that term in Section 15;

“**DIP Credit Documents**” means this Agreement and any other documents in respect of the DIP Facility as may be contemplated by this Agreement or required by the DIP Lender;

“**DIP Facility**” has the meaning given to that term in Section 6;

“**DIP Lender**” has the meaning given to that term in Section 5;

“**DIP Obligations**” has the meaning given to that term in Section 15;

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing;

“**Event of Default**” has the meaning given to that term in Section 24;

“**Excluded Taxes**” means any of the following Taxes imposed on or with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, or required to be withheld or deducted from a payment to any such recipient, (a) income, net profits, or capital taxes imposed on or measured by net income, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located or (ii) that are Other Connection Taxes and (b) any branch profits taxes or any similar tax imposed by the jurisdiction where a Borrower is located;

"**Existing SF Event of Default**" means an Event of Default (as defined in the SF Loan Agreement) that exists on the date hereof;

"**Filing Date**" means the date the Initial Order was made granting the Borrowers protection under the CCAA;

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hillmount**" means Hillmount Capital Inc.;

"**Hillmount Charge**" means the super-priority charge on the Collateral securing up to $1,000,000 pursuant to the Hillmount Commitment Letter in favour of the Hillmount effected by the Initial Order;

"**Hillmount Commitment Letter**" means the commitment letter dated November 27, 2019 between the Borrowers and Hillmount;

"**Indebtedness**" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers' acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

"**Indemnified Persons**" has the meaning given to that term in Section 28;

"**Indemnified Taxes**" means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes;

"**Initial Advance**" means the advance of $2,000,000 made on December 13, 2019 by the DIP Lender to [the Borrowers] pursuant to the Term Sheet;

"**Initial Order**" means the order of the Court dated December 2, 2019 in the CCAA Proceeding;

"**Interest Payment Date**" has the meaning given to that term in Section 10;

"**Interest Rate**" has the meaning given to that term in Section 10;

"**Law**" means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international. law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

"**Loan Amount**" has the meaning given to that term in Section 6;

"**London Property**" means the real property described on Schedule C, including the real property having the following municipal address: 1095 Wilton Grove Road, London, Ontario;

"**Maturity Date**" has the meaning given to that term in Section 17;

"**Monitor**" means Ernst & Young Inc., as the Court-appointed Monitor of the Borrowers in the CCAA Proceeding;

"**Net Proceeds**" means the applicable gross sale price, less applicable Taxes, customary closing adjustments, reasonable legal expenses for conveyancing of the applicable real property and realty commissions commensurate with industry standards, all subject to DIP Lender approval;

"**New SF Event of Default**" means an Event of Default (as defined in the SF Loan Agreement) that is not an Existing SF Event of Default;

"**Non-Essential Real Property**" means the real property described on Schedule D, including the real property having the following municipal addresses: 650 Riverview Drive, Chatham-Kent, Ontario, 715 Richmond Street, Chatham-Kent, Ontario and 830 Richmond Street, Chatham-Kent, Ontario;

"**Other Connection Taxes**" means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, or receipt of payments under any DIP Credit Document, or from the sale or assignment of an interest in any Advance or DIP Credit Document).

"**Other Taxes**" means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other DIP Credit Document or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement or any other DIP Credit Document (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 33)).

"**Permitted Encumbrance**" means Permitted Exceptions (as defined in the SF Loan Agreement) and Permitted Liens (as defined in the SF Loan Agreement) that exist on the Amended Filing Date, together with Encumbrances on the Collateral in favour of Stone Quest Capital Corp. and Kathleen Glynn Philipp that exist, and securing amounts that were outstanding, on the Amended Filing Date;

"**Permitted Fees and Expenses**" has the meaning given to that term in Section 11;

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"**Pre-Existing Debt**" has the meaning given to that term in Section 23(c);

"**Priority Payables**" means harmonized sales tax, sales Tax and any amount payable or accrued by the Borrowers which is secured by an Encumbrance (other than Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, or Taxes, and other statutory or other claims that have or may have priority over, or rank *pari passu* with, the DIP Charge;

"**Project**" has the meaning given to it in the SF Loan Agreement;

"**Second Advance**" means the initial Advance under this Agreement;

"**SF DIP Order**" means the amended and restated initial order of the Court dated December 12, 2019 in the CCAA Proceeding;

"**SF Loan Agreement**" means the loan agreement dated as of May 31, 2019 by and among 2472602 Ontario Inc., 2642466 Ontario Inc., AgMedica Bioscience Inc. and SF V Bridge III, LP, as amended or otherwise modified;

"**SF Loan Documents**" means the SF Loan Agreement and the other Loan Documents (as defined in the SF Loan Agreement);

"**SF Security**" means the Encumbrances on the Collateral granted to SF V Bridge III, LP as security for the obligations owing to SF V Bridge III, LP under or in connection with the SF Loan Documents;

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

“Term Sheet” means the term sheet dated December 10, 2019 between the parties hereto; and

“**Updated Cash Flow**” has the meaning given to that term in Section 12.

SCHEDULE B

DIP BUDGET

(See attached)

AgMedica Bioscience Inc.
Cash Flow Forecast for the period December 16, 2019 to March 13, 2020

(CDN)		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
Week Ending	**Note**	**20-Dec-19**	**27-Dec-19**	**3-Jan-20**	**10-Jan-20**	**17-Jan-20**	**24-Jan-20**	**31-Jan-20**	**7-Feb-20**	**14-Feb-20**	**21-Feb-20**	**28-Feb-20**	**6-Mar-20**	**13-Mar-20**	
Consolidated															
Opening Available Cash		770,025	1,656,766	1,269,039	674,792	860,080	1,010,573	1,097,320	1,187,539	843,962	1,128,876	982,069	1,135,203	773,052	**770,025**
Receipts															
Sales receipts	1	46,704	27,701	62,891	511,228	705,798	234,223	705,768	232,382	1,010,961	202,868	766,050	656,605	150,915	**5,314,094**
HST Refunds	2	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Other receipts	3	5,853	23,547	132,078	5,853	-	-	24,024	132,078	5,853	-	24,024	48,458	5,853	**407,622**
Total Receipts		52,557	51,248	194,969	517,081	705,798	234,223	729,792	364,460	1,016,814	202,868	790,074	705,064	156,768	**5,721,716**
Disbursements															
Production Costs	4	257,192	53,596	42,877	42,877	42,877	42,877	42,877	53,596	53,596	53,596	53,596	53,596	53,596	**846,750**
Payroll and expenses	5	357,176	-	237,176	-	317,176	-	237,176	-	237,176	80,000	237,176	-	237,176	**1,940,231**
Remittance to Receiver General	6	-	130,505	-	130,505	-	-	130,505	-	130,505	-	130,505	-	130,505	**783,031**
EHT and WSIB	7	8,596	-	10,280	-	8,596	-	10,280	-	-	8,596	10,280	-	-	**56,630**
Group Benefits	8	-	-	35,000	-	-	-	-	35,000	-	-	-	35,000	-	**105,000**
Royalties and Commissions	9	-	26,000	52,000	-	-	-	-	52,000	200,000	-	-	52,000	-	**382,000**
Selling, General & Admininstrative	10	100,000	67,123	76,134	53,698	53,698	53,698	73,698	67,123	67,123	67,123	67,123	84,123	4,300	**834,962**
Rent, Utilities, Insurance	11	7,700	1,751	57,463	64,713	3,500	10,901	-	123,551	3,500	10,901	-	123,418	3,500	**410,895**
Fixed Assets and capital expenditures	12	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Duties and Taxes	13	140,424	-	-	-	-	-	-	127,080	-	-	-	469,390	-	**736,893**
Funding Agreements and contractual commitments	14	89,458	-	1,000,000	-	89,458	-	-	-	-	89,458	-	-	-	**1,268,375**
Restructuring Costs	15	-	160,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	**600,000**
DIP Interest Payments, Legal Fee, and Commitment Fee	16	200,000	-	33,250	-	-	-	-	33,250	-	-	-	33,250	-	**299,750**
SF V Bridge III, LP Secured Debt	17	81,319	-	105,037	-	-	-	105,037	-	-	-	98,260	-	-	**389,652**
StoneQuest Secured Debt	17	-	-	-	-	-	-	-	76,438	-	-	-	76,438	-	**152,877**
Philipp Secured Debt	17	123,952	-	100,000	-	-	-	-	100,000	-	-	-	100,000	-	**423,952**
Total Disbursements		1,365,817	438,974	1,789,217	331,793	555,305	147,475	639,573	708,038	731,900	349,674	636,940	1,067,214	469,077	**9,230,998**
															-
Net Cash flow from Operations		(1,313,260)	(387,726)	(1,594,247)	185,288	150,493	86,748	90,219	(343,577)	284,914	(146,806)	153,134	(362,151)	(312,309)	**(3,509,282)**
DIP Draw/(Payback) for Operations		2,200,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	**3,200,000**
Closing Cash / (Indebtedness)		**1,656,766**	**1,269,039**	**674,792**	**860,080**	**1,010,573**	**1,097,320**	**1,187,539**	**843,962**	**1,128,876**	**982,069**	**1,135,203**	**773,052**	**460,744**	**460,744**
Hillmount DIP Facility															
Opening Balance		1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Draw/(Payback) for Operations		(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,000,000)
Closing Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement DIP Facility															
Opening Balance		-	3,200,000	3,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	-
Draw/(Payback) for Operations		3,200,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	4,200,000
Closing Balance		3,200,000	3,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000

SCHEDULE C

LONDON PROPERTY

Part Lot 13 and Part North ½ Lot 12 Concession 3; Designated Part 2, 33R3843; London/Westminster

SCHEDULE D

NON-ESSENTIAL REAL PROPERTY

650 Riverview Drive, Chatham, Ontario - Legal Description:

PIN 00528-0218(LT)

PT LT 19 CON 1 RALEIGH, DESIGNATED AS PTS 1 & 2 PL 24R5827 EXCEPT PT 5 PL 24R1370 & PTS 1 & 2 PL 24R10089; SUBJECT TO AN EASEMENT AS IN 277488; MUNICIPALITY CHATHAM-KENT

715 Richmond Street, Chatham, Ontario - Legal Description:

PIN 00528-0006(LT)

PT LT 20 CON 1 RALEIGH AS IN 628944 EXCEPT EASEMENT THEREIN; CHATHAM-KENT

830 Richmond Street, Chatham, Ontario - Legal Description:

PIN 00527-0019(R)

PT LT 20 CON 1 EASTERN BOUNDARY RALEIGH AS IN 586356; CHATHAM-KENT

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 **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**

Court File No. CV-19-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF TREVOR HENRY

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Lawyers for the Applicants

TAB 3

Court File No. CV-19-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MISTER	)	FRIDAY , THE 3RD
	)	
JUSTICE MCEWEN	)	DAY OF JANUARY, 2020

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 **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**
(each an "**Applicant**" and, collectively, the "**Applicants**")

ORDER
(Re: Approval of the SISP)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Trevor Henry sworn December 31, 2019 and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, the Monitor, and all other parties listed on the Counsel Slip, no one appearing for any other person, although duly served as it appears from the Affidavit of Service of Adam Driedger sworn December 31, 2019.

SERVICE

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

APPROVAL OF THE SALE AND INVESTMENT SOLICITATION PROCESS

2. **THIS COURT ORDERS** that the Applicants be and are hereby authorized and directed to commence immediately the sale and investment solicitation process attached hereto as Schedule "A" (the "**SISP**") for the purpose of soliciting interest in and opportunities for a sale of or investment in the assets and business operations of the Applicants. Capitalized terms used in this Order and not otherwise defined have the meanings given to them in the SISP.

3. **THIS COURT ORDERS** that the SISP is hereby approved and the Applicants and the Monitor are hereby authorized and directed to perform their respective obligations thereunder and to do all things reasonably necessary to perform their obligations thereunder.

4. **THIS COURT ORDERS** that the Monitor and its affiliates, partners, directors, employees, agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities, of any nature or kind, to any person in connection with or as a result of the SISP, except to the extent such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Monitor in performing its obligations under the SISP (as determined by this Court).

SCHEDULE "A"

Sale and Investment Solicitation Process

Introduction

On December 2, 2019, AgMedica Bioscience Inc. ("**AgMedica**") and certain of its subsidiaries (collectively, the "**Applicants**") were granted an initial order (as amended or amended and restated from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**" and the "**CCAA Proceedings**") by the Ontario Superior Court of Justice (the "**Court**"). The Initial Order, as amended and restated on December 12, 2019, among other things:

(a) stays all proceedings against the Applicants, their assets and their respective directors and officers;

(b) appoints Ernst & Young Inc. as the monitor of the Applicants (in such capacity, the "**Monitor**");

(c) authorizes the Applicants to enter into a debtor-in-possession financing agreement (the "**DIP Financing**") with SF V Bridge III, LP ("**Stabilis**" or the "**DIP Lender**") whereby Stabilis agreed to provide a maximum principal amount of $7.5 million in financing to the Applicants, as well as the charge (the "**DIP Charge**") over all of the present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof; and

(d) authorizes the Applicants, with the assistance of the Monitor, to pursue all avenues of sale of their assets or business, in whole or in part, subject to prior approval of the Court before any material sale or refinancing.

In this regard, the Applicants will conduct the sale and investment solicitation process (the "**SISP**") described herein, with the assistance and under the supervision of the Monitor and with the approval of the Court pursuant to a Court order dated January 3, 2019 (the "**SISP Order**"). The SISP is intended to solicit interest in an acquisition or refinancing of the business or a sale of the assets and/or the business of the Applicants by way of merger, reorganization, recapitalization, primary equity issuance or other similar transaction. The Applicants intend to provide all qualified interested parties with an opportunity to participate in the SISP.

This document (the "**SISP Procedure**") outlines the SISP, which is comprised of two phases ("**Phase 1**" and "**Phase 2**", respectively).

Opportunity

1. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Applicants' assets and business operations (the "**Opportunity**"). The Opportunity may include one or more of a restructuring, recapitalization or other form or 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 Applicants' assets (the "**Property**") and business operations (the "**Business**") as a going concern or otherwise.

2. Prior to the date of the Initial Order, the Applicants had been conducting a review of strategic alternatives, including an initial public offering and alternative financing arrangement (the "**Review of Strategic Alternatives**"). From and after the date of the SISP Order, the Review of Strategic Alternatives will be continued under and be governed by this SISP Procedure. Any non-disclosure or confidentiality agreement delivered to any third parties in relation to the Review of Strategic Alternatives that has not expired will continue to remain in effect during this SISP.

3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Monitor, the Applicants, or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, to the extent that the Court deems it appropriate to grant such relief and except as otherwise provided in such Court orders.

Timeline

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

Milestone	**Deadline**
Phase 1 Bid Deadline	March 20, 2020
Phase 2 Bid Deadline	April 17, 2020
Closing Date Deadline	May 29, 2020

Subject to any order of the Court, the dates set out in the SISP may be extended by the Applicants with the consent and approval of the Monitor and the DIP Lender.

Solicitation of Interest: Notice of the SISP

5. As soon as reasonably practicable, but in any event by no later than January 17, 2020:

(a) the Applicants, in consultation with the Monitor and the DIP Lender, will prepare a list of potential bidders, including (i) parties that have approached the Applicants or the Monitor indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties who the Applicants, in consultation with the Monitor, believe may be interested in purchasing all or part of the Business and Property or investing in the Applicants pursuant to the SISP, in each case whether or not such party has submitted a letter of intent or similar document in the Review of Strategic Alternatives (collectively, "**Known Potential Bidders**");

(b) the Monitor will arrange for a notice of the SISP (and such other relevant information which the Monitor, in consultation with the Applicants and the DIP Lender, considers appropriate) (the "**Notice**") to be published in The Globe and Mail (National Edition), and any other newspaper or journal as the Applicants, in consultation with the Monitor, consider appropriate, if any;

(c) the Applicants will issue a press release with Canada Newswire setting out the information contained in the Notice and such other relevant information which the Applicants, in consultation with the Monitor and the DIP Lender, consider appropriate, designating dissemination in Canada; and

(d) the Applicants, in consultation with the Monitor and the DIP Lender, 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 non-disclosure agreement in form and substance satisfactory to the Applicants and the Monitor, and their respective counsel, and consistent with the form and substance of the non-disclosure agreement previously executed by interested parties under the Review of Strategic Alternatives (an "**NDA**").

6. the Applicants will send the Teaser Letter and NDA to each Known Potential Bidder by no later than January 24, 2020 and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Applicants or the Monitor as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

PHASE 1: NON-BINDING LOIs

Qualified Bidders and Delivery of Confidential Information Memorandum

7. Any party who wishes to participate in the SISP (a "**Potential Bidder**") must provide to the Applicants and the Monitor, unless the Monitor confirms to such Potential Bidder that the below documents were already provided to the satisfaction of, or are already available to, the Applicants and the Monitor:

(a) an NDA executed by it, and which shall inure to the benefit of any purchaser of the Business or Property, or any portion thereof, and a letter setting forth the identity of the Potential Bidder, the contact information for such Potential Bidder and full disclosure of the direct and indirect principals of the Potential Bidder. If the Potential Bidder has previously delivered an NDA and letter of this nature to the Applicants or Monitor and the NDA remains in effect, the Potential Bidder is not required to deliver a new NDA or letter to the Applicants or the Monitor unless otherwise requested by the Applicants or the Monitor; and

(b) such form of financial disclosure and credit quality support or enhancement that allows the Applicants and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Sale Proposal, or Investment Proposal (as defined herein), as applicable.

8. If the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, determine that a Potential Bidder: (i) has delivered the documents contemplated in paragraph 7 above; and (ii) has the financial capability based on the availability of financing, experience and other considerations, to be able to consummate a sale or investment pursuant to the SISP, then such Potential Bidder will be deemed to be a "**Phase 1 Qualified Bidder**". For greater certainty, no Potential Bidder shall be deemed not to be a Phase 1 Qualified Bidder without the approval of the Monitor, in consultation with the DIP Lender.

9. At any time during Phase 1 of the SISP, the Applicants may, in their reasonable business judgment and after consultation with the DIP Lender and the Monitor and with the consent of the Monitor, eliminate a Phase 1 Qualified Bidder from the SISP, in which case such bidder will be eliminated from the SISP and will no longer be a Phase 1 Qualified Bidder for the purposes of the SISP.

10. The Applicants, with the assistance of the Monitor, will prepare and send to each Phase 1 Qualified Bidder a confidential information memorandum providing additional information considered relevant to the Opportunity (the "**Confidential Information Memorandum**"). The Applicants and the Monitor and their respective advisors make no representation or warranty as to the information contained in the Confidential Information Memorandum or otherwise made available pursuant to the SISP, except to the extent expressly contemplated in any definitive sale or investment agreement with a successful bidder ultimately executed and delivered by the Applicants.

11. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and any transaction they enter into with the Applicants.

Due Diligence

12. The Applicants, in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Phase 1 Qualified Bidder such access to due diligence material and information relating to the Property and Business as they or the Monitor deem appropriate. Due diligence access may include management presentations, access to electronic data rooms, on-site inspections, and other matters which a Phase 1 Qualified Bidder may reasonably request and as to which the Applicants, in their reasonable business judgment and after consulting with the Monitor, may agree. The Monitor will designate a representative to coordinate all reasonable requests for additional information and due diligence access from Phase 1 Qualified Bidders and the manner in which such requests must be communicated. Neither the Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Phase 1 Qualified Bidders. Furthermore and for the avoidance of doubt, selected due diligence materials may be withheld from certain Phase 1 Qualified Bidders if the Applicants, in consultation with and with the approval of the Monitor, determine such information to represent proprietary or sensitive competitive information.

Non-Binding Letters of Intent from Phase 1 Qualified Bidders

13. A Phase 1 Qualified Bidder that wishes to pursue the Opportunity further must deliver a non-binding letter of interest (an "**LOI**") to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on March 20, 2020 (the "**Phase 1 Bid Deadline**").

14. Subject to paragraph 15, an LOI so submitted will be considered a qualified LOI (a "**Qualified LOI**") only if:

(a) it is submitted on or before the Phase 1 Bid Deadline by a Phase 1 Qualified Bidder;

(b) it contains an indication of whether the Phase 1 Qualified Bidder is offering to:

(i) acquire all, substantially all or a portion of the Property (a "**Sale Proposal**"); or

(ii) make an investment in, restructure, reorganize or refinance the Business or the Applicants (an "**Investment Proposal**");

(c) in the case of a Sale Proposal, it identifies or contains the following:

(i) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed by the Phase 1 Qualified Bidder and key assumptions supporting the valuation;

(ii) a description of the Property that is expected to be subject to the transaction and any of the Property expected to be excluded;

(iii) a specific indication of the financial capability of the Phase 1 Qualified Bidder and the expected structure and financing of the transaction;

(iv) a description of the conditions and approvals required for a final and binding offer;

(v) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer; and

(vi) any other terms or conditions of the Sale Proposal that the Phase 1 Qualified Bidder believes are material to the transaction;

(d) in the case of an Investment Proposal, it identifies or contains the following:

(i) a description of how the Phase 1 Qualified Bidder proposes to structure the proposed investment;

(ii) the aggregate amount of the equity and/or debt investment to be made in the Business or the Applicants in Canadian dollars;

(iii) the underlying assumptions regarding the pro forma capital structure;

(iv) a specific indication of the sources of capital for the Phase 1 Qualified Bidder and the structure and financing of the transaction;

(v) a description of the conditions and approvals required for a final and binding offer;

(vi) an outline of any additional due diligence required to be conducted in order to submit a final and binding offer;

(vii) all conditions to closing that the Phase 1 Qualified Bidder may wish to impose; and

(viii) any other terms or conditions of the Investment Proposal that the Phase 1 Qualified Bidder believes are material to the transaction; and

(e) in the case of either a Sale Proposal or an Investment Proposal, it contains such other information as reasonably requested by the Applicants, in consultation with the Monitor and the DIP Lender.

15. The Applicants, with the approval of the Monitor, and in consultation with the DIP Lender, may waive compliance with any one or more of the requirements specified above and deem such non-compliant bids to be a Qualified LOI. For the avoidance of doubt, the completion of any Sale Proposal or Investment Proposal shall be subject to the approval of the Court and the requirement of approval of the Court may not be waived.

Preliminary Assessment of Phase 1 Bids and Subsequent Process

16. Following the Phase 1 Bid Deadline, the Applicants, in consultation with the Monitor and the DIP Lender, will assess the Qualified LOIs. If it is determined by the Applicants, in consultation with the Monitor and the DIP Lender, that a Phase 1 Qualified Bidder that has submitted a Qualified LOI (i) has a *bona fide* interest in completing a Sale Proposal or Investment Proposal (as the case may be); and (ii) has the financial capability (based on availability of financing, experience and other considerations) to consummate such a transaction based on the financial information provided, then such Phase 1 Qualified Bidder will be deemed a "**Phase 2 Qualified Bidder**", provided that the Applicants may, in their reasonable business judgment and after consultation with the DIP Lender and the Monitor and with the approval of the Monitor, limit the number of Phase 2 Qualified Bidders (and thereby eliminate some bidders from the process) taking into account the factors identified in paragraph 17 below and any material adverse impact on the operations and performance of the Applicants. Only Phase 2 Qualified Bidders shall be permitted to proceed to Phase 2 of the SISP. No Phase 1 Qualified Bidder that has submitted a Qualified LOI shall be deemed not to be a Phase 2 Qualified Bidder without the approval of the Monitor.

17. As part of the assessment of Qualified LOIs and the determination of the process subsequent thereto, the Applicants, in consultation with the DIP Lender and the Monitor

and with the approval of the Monitor, shall determine the process and timing to be followed in pursuing Qualified LOIs based on such factors and circumstances as they consider appropriate in the circumstances including, but not limited to: (i) the number of Qualified LOIs received, (ii) the extent to which the Qualified LOIs relate to the same Property or Business or involve Investment Proposals predicated on certain Property or Business, (iii) the scope of the Property or Business to which any Qualified LOIs may relate, and (iv) whether to proceed by way of sealed bid or auction (with or without a stalking horse bidder) with respect to some or all of the Property.

18. Upon the determination by the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, of the manner in which to proceed to Phase 2 of the SISP, the Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, will prepare a bid process letter for Phase 2 (the "**Bid Process Letter**"), and the Bid Process Letter will be (i) sent by the Monitor to all Phase 2 Qualified Bidders as soon as practically possible following the Phase 1 Bid Deadline, and (ii) posted by the Monitor on the website the Monitor maintains in respect of the CCAA Proceedings.

19. Notwithstanding the process and deadlines outlined above with respect to Phase 1 of the SISP and the process to supplement Phase 2 by way of the Bid Process Letter, the Applicants may, in consultation with the DIP Lender and the Monitor and with the consent of the Monitor, at any time bring a motion to seek approval of a stalking horse agreement in respect of some or all of the Property and related bid procedures in respect of such Property or to establish further or other procedures for Phase 2.

PHASE 2: FORMAL OFFERS AND SELECTION OF SUCCESSFUL BIDDER

20. Paragraphs 21 to 31 below and the conduct of Phase 2 are subject to paragraphs 16 to 19, above, any adjustments made to Phase 2 in accordance with the Bid Process Letter and any further Court order regarding the SISP.

Formal Binding Offers

21. Phase 2 Qualified Bidders that wish to make a formal offer to purchase or make an investment in the Applicants or their Property or Business shall submit a binding offer (a "**Phase 2 Bid**") that complies with all of the following requirements to the Monitor at the address specified in Schedule "1" hereto (including by e-mail), so as to be received by them not later than 5:00 PM (Eastern Time) on April 17, 2020 or as may be modified in the Bid Process Letter, in consultation with and with the approval of the Monitor (the "**Phase 2 Bid Deadline**"):

    (a) the bid shall comply with all of the requirements set forth in paragraph 14 above in respect of Phase 1 Qualified LOIs;

    (b) the bid (either individually or in combination with other bids that make up one bid) is an offer to purchase or make an investment in some or all of the Applicants or their Property or Business and is consistent with any necessary terms and conditions established by the Applicants and the Monitor and communicated to Phase 2 Qualified Bidders;

(c) the bid includes a letter stating that the Phase 2 Qualified Bidder's offer is irrevocable until the selection of the Successful Bidder (as defined below), provided that if such Phase 2 Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder;

(d) the bid includes duly authorized and executed transaction agreements, including the purchase price, investment amount and any other key economic terms expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto;

(e) the bid includes written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Applicants and the Monitor to make a determination as to the Phase 2 Qualified Bidder's financial and other capabilities to consummate the proposed transaction;

(f) the bid is not conditioned on (i) the outcome of unperformed due diligence by the Phase 2 Qualified Bidder, apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which was withheld in Phase 1 from the Phase 2 Qualified Bidder, or (ii) obtaining financing, but may be conditioned upon the Applicants receiving the required approvals or amendments relating to the licences required to operate the business, if necessary;

(g) the bid fully discloses the identity of each entity that will be entering into the transaction or the financing, or that is participating or benefiting from such bid;

(h) for a Sale Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the Purchase Price offered upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(i) for an Investment Proposal, the bid includes a commitment by the Phase 2 Qualified Bidder to provide a non-refundable deposit in the amount of not less than 10% of the total new investment contemplated in the bid upon the Phase 2 Qualified Bidder being selected as the Successful Bidder;

(j) the bid includes acknowledgements and representations of the Phase 2 Qualified Bidder that the Phase 2 Qualified Bidder: (i) has had an opportunity to conduct any and all due diligence regarding the Property, the Business and the Applicants prior to making its offer (apart from, to the extent applicable, the disclosure of due diligence materials that represent proprietary or sensitive competitive information which were withheld in Phase 1 from the Phase 2 Qualified Bidder); (ii) it has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the Property in making its bid; and (iii) it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the Business, the Property, or the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the definitive transaction agreement(s) signed by the Applicants;

(k) the bid is received by the Phase 2 Bid Deadline; and

(l) the bid contemplates closing the transaction set out therein on or before May 29, 2020.

22. Following the Phase 2 Bid Deadline, the Applicants and the Monitor will assess the Phase 2 Bids received. The Applicants, in consultation with the Monitor and the DIP Lender, and with the approval of the Monitor, will designate the most competitive bids that comply with the foregoing requirements to be "**Qualified Bids**". No Phase 2 Bids received shall be deemed not to be Qualified Bids without the approval of the Monitor, in consultation with the DIP Lender. Only Phase 2 Qualified Bidders whose bids have been designed as Qualified Bids are eligible to become the Successful Bidder(s).

23. The Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, may waive strict compliance with any one or more of the requirements specified above and deem such non-compliant Phase 2 Bids to be a Qualified Bid.

24. The Monitor shall notify each Phase 2 Qualified Bidder in writing as to whether its Phase 2 Bid constituted a Qualified Bid within ten (10) business days of the Phase 2 Bid Deadline, or at such later time as the Monitor deems appropriate.

25. If the Applicants, in consultation with the Monitor and the DIP Lender, are not satisfied with the number or terms of the Qualified Bids, the Applicants may, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, extend the Phase 2 Bid Deadline, or the Applicants may seek Court approval of an amendment to the SISP.

26. The Applicants may, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, aggregate separate Phase 2 Bids from unaffiliated Phase 2 Qualified Bidders to create one Qualified Bid.

Evaluation of Competing Bids

27. A Qualified Bid will be evaluated based upon several factors including, without limitation: (i) the Purchase Price and the net value provided by such bid, (ii) the identity, circumstances and ability of the Phase 2 Qualified Bidder to successfully complete such transactions, (iii) the proposed transaction documents, (iv) factors affecting the speed, certainty and value of the transaction, (v) the assets included or excluded from the bid, (vi) any related restructuring costs, and (vii) the likelihood and timing of consummating such transaction, each as determined by the Applicants and the Monitor, in consultation with DIP Lender.

Selection of Successful Bid

28. The Applicants, in consultation with the DIP Lender and the Monitor and with the approval of the Monitor, will: (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated among the Applicants, in consultation with the Monitor and the DIP Lender, and the applicable Phase 2 Qualified Bidder, and may be amended, modified or varied to improve such Phase 2 Qualified Bid as a result of such negotiations, and (b) identify the highest or otherwise best bid (the "**Successful Bid**", and the Phase 2 Qualified Bidder making such Successful Bid, the "**Successful Bidder**") for any particular Property or the Business in whole or part. The determination of any Successful Bid by the Applicants, with the assistance of the Monitor and in consultation with the DIP Lender, shall be subject to approval by the Court.

29. The Applicants shall have no obligation to enter into a Successful Bid, and it reserves the right, after consultation with the Monitor and the DIP Lender, to reject any or all Phase 2 Qualified Bids.

Sale Approval Motion Hearing

30. At the hearing of the motion to approve any transaction with a Successful Bidder (the "**Sale Approval Motion**"), the Applicants shall seek, among other things, approval from the Court to consummate any Successful Bid. All the Phase 2 Qualified Bids other than the Successful Bid, if any, shall be deemed to be rejected by the Applicants on and as of the date of approval of the Successful Bid by the Court.

Confidentiality and Access to Information

31. All discussions regarding a Sale Proposal, Investment Proposal, LOI or Phase 2 Bid should be directed through the Monitor. Under no circumstances should the management of the Applicants be contacted directly without the prior consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process.

32. Participants and prospective participants in the SISP shall not be permitted to receive any information that is not made generally available to all participants relating to the number or identity of Potential Bidders, Phase 1 Qualified Bidders, Phase 2 Qualified Bidders, Phase 2 Qualified Bids, the details of any bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other bidders or Potential Bidders in connection with the SISP, except to the extent the Applicants, with the approval of the Monitor and consent of the applicable participants, are seeking to combine separate bids from Phase 1 Qualified Bidders or Phase 2 Qualified Bidders.

33. In addition to the consultation rights granted to the DIP Lender, herein, the Monitor may consult with any other parties with a material interest in the CCAA proceedings regarding the status of and material information and developments relating to the SISP to the extent considered appropriate by the Monitor (subject to paragraph 32 and taking into account, among other things, whether any particular party is a Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder or other participant or prospective participant in the SISP

or involved in a bid) and as required by the Commitment Letter, provided that such parties shall have entered into confidentiality arrangements satisfactory to the Applicants and the Monitor.

Supervision of the SISP

34. The Monitor shall oversee, in all respects, the conduct of the SISP by the Applicants and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP Procedure, the SISP Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP.

35. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between the Applicants or the Monitor and any Phase 1 Qualified Bidder, any Phase 2 Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be entered into with the Applicants.

36. Without limiting the preceding paragraph, the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Potential Bidder, Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, the Successful Bidder, the Applicants, the DIP Lender or any other creditor or other stakeholder of the Applicants, for any act or omission related to the process contemplated by this SISP Procedure, except to the extent such act or omission is the result from gross negligence or wilful misconduct of the Monitor. By submitting a bid, each Phase 1 Qualified Bidder, Phase 2 Qualified Bidder, or Successful Bidder shall be deemed to have agreed that it has no claim against the Monitor for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct of the Monitor.

37. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with the submission of any LOI, Phase 2 Bid, due diligence activities, and any further negotiations or other actions whether or not they lead to the consummation of a transaction.

38. Without limiting in any way the intent and effect of the applicable provisions of the DIP Financing in respect of the SISP, the Applicants shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) with the prior written approval of the Monitor and the DIP Lender if, in their reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP; provided that the Service List in this CCAA proceeding shall be advised of any substantive modification to the procedures set forth herein.

Schedule "1"

Address of Monitor

<u>To the Monitor:</u>

Ernst and Young Inc.
EY Tower, 100 Adelaide Street West
PO Box 1
Toronto, ON M5H 0B3

Attention: Alex Morrison and Karen Fung

Email: alex.f.morrison@ca.ey.com
karen.l.fung@ca.ey.com

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**

Court File No. CV-19-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Re: Approval of the SISP)

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
TD West Tower, Toronto-Dominion Centre
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Lawyers for the Applicants

TAB 4

Court File No. CV-19-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MISTER	)	FRIDAY , THE 3RD
	)	
JUSTICE MCEWEN	)	DAY OF JANUARY, 2020

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 **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**
(each an "**Applicant**" and, collectively, the "**Applicants**")

ORDER
(Re: Approval of the DIP Facility Agreement)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, among other things, approving the DIP Facility Agreement executed by the Applicants and SF V Bridge III, LP (the "**DIP Lender**") dated December 20, 2019 (the "**DIP Facility Agreement**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Trevor Henry sworn December 31, 2019, and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, the Monitor, and all other parties listed on the Counsel Slip, no one appearing for any other person, although duly served as it appears from the Affidavit of Service of Adam Driedger sworn December 31, 2019.

SERVICE

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

APPROVAL OF THE DIP FACILITY AGREEMENT

2. **THIS COURT ORDERS AND DECLARES** that: (i) the DIP Facility Agreement attached hereto as Schedule "A", and any fee arrangements, proceeds distributions, and terms and conditions contemplated therein are hereby approved *nunc pro tunc*; (ii) the Applicants are hereby authorized and directed to enter into the DIP Facility Agreement and to take, or cause to be taken, such steps and execute such additional documents as may be necessary or desirable for the performance thereof; and (iii) the Applicants, the DIP Lender, and the Monitor are hereby authorized and directed to perform their respective obligations in connection with the DIP Facility Agreement and to do all things reasonably necessary to perform their obligations thereunder.

____

SCHEDULE "A"

DIP FACILITY LOAN AGREEMENT
DATED AS OF DECEMBER 20, 2019

WHEREAS the Borrowers (as defined below) have requested that the DIP Lender (as defined below) provides financing to fund certain of the Borrowers' cash requirements during the pendency of the Borrowers' proceeding (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") before the Ontario Superior Court of Justice (Commercial List) (the "**Court**") in accordance with the terms and conditions set out herein;

AND WHEREAS the Borrowers and the DIP Lender negotiated and executed the Term Sheet (as defined below), which was approved by Mr. Justice McEwen on December 12, 2019 as set out in the SF DIP Order;

AND WHEREAS the DIP Lender has agreed to provide the DIP Facility (as defined below) in accordance with the terms and subject to the conditions set out herein.

NOW THEREFORE in consideration of the foregoing and their respective representations, warranties, covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereby agree as follows:

1. **Defined Terms**: Capitalized terms that are not defined in the body of this Agreement have the meanings ascribed to them in Schedule A.

2. **Currency**: Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada.

3. **Borrowers**: AgMedica Bioscience Inc., 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavivat Naturals Inc., World Wide Beverage Innovations Inc., Unique Beverages (USA) Inc. and Eseela Inc. (collectively, the "**Borrowers**", and any reference to the Borrowers shall be deemed to mean, "the Borrowers or any one of them").

4. **Borrower Agent**: AgMedica Bioscience Inc. (the "**Borrower Agent**") shall, on behalf of itself and the other Borrowers, provide all notices and other communications to the DIP Lender, and the DIP Lender shall provide all notices and other communications to the Borrower Agent, on behalf of itself and the other Borrowers. Unless otherwise specified, any notices or other communications provided by the Borrower Agent to the DIP Lender shall be deemed to be provided by the Borrower Agent for itself and on behalf of the other Borrowers and any notice or other communication provided by the DIP Lender to the Borrower Agent shall be deemed to be provided by the DIP Lender to the Borrowers.

5. **DIP Lender**: SF V Bridge III, LP (the "**DIP Lender**")

6. **DIP Facility and Loan Amount**: Subject to the terms and conditions hereof, the DIP Lender agrees to provide to the Borrowers a debtor-in-possession super-priority non-revolving credit facility (the "**DIP Facility**") in an amount up to $7,500,000 (the "**Loan**

Amount"). The DIP Facility is a non-revolving, multiple draw credit facility. The principal amount of any Advance that is repaid may not be re-borrowed and the available Loan Amount shall be automatically reduced by such repaid amount.

7. **DIP Advances**: Advances under the DIP Facility (each, an "**Advance**") require a written notice to be delivered by the Borrower Agent to the DIP Lender (an "**Advance Notice**"), which Advance Notice has been approved by the Monitor and executed by an officer of the Borrower Agent, setting out: (a) the proposed amount of the requested Advance; (b) the date the Advance is required; (c) the Borrower that will receive the Advance; (d) the specific use for the proceeds of the Advance, together with a certification that such use is in accordance with the DIP Budget; (e) certification that the representations and warranties contained herein are true and correct as of such date; and (f) certification that no Event of Default has occurred or will occur after giving effect to the Advance. Except for the Second Advance, each Advance Notice shall be delivered by the Borrower Agent to the DIP Lender not less than three (3) Business Days prior to the requested date of the Advance. Each Advance shall be in the minimum amount of $1,000,000.

8. **Use of Proceeds**: The proceeds of the DIP Facility shall be used by the Borrowers solely in accordance with, and subject to, the DIP Budget and the Court Orders, to fund the ordinary course working capital and other general corporate purposes of the Borrowers, to pay Permitted Fees and Expenses, to pay the Commitment Fee and to repay the obligations owed by the Borrowers to Hillmount under the Hillmount Commitment Letter (up to a maximum principal amount of $1,000,000 plus the associated costs and fees or such other amount that is approved by the DIP Lender). No proceeds may be used for any other purpose, except with the prior written approval of the DIP Lender (in its sole and absolute discretion).

9. **Evidence of Indebtedness**: The DIP Lender shall maintain a register evidencing Advances and repayments under the DIP Facility and all other amounts owing from time to time hereunder. The DIP Lender's register constitutes, in the absence of manifest error, *prima facie* evidence of the Indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

10. **Interest**: All amounts owing hereunder on account of principal, and overdue interest, fees and expenses, shall bear interest at the rate of 9.5% per annum (the "**Interest Rate**").

    All interest hereunder shall be computed on the basis of a year of 365 days and shall accrue and be calculated monthly and payable in cash, monthly in arrears on the first day of each calendar month following the month for which interest has accrued (each, an "**Interest Payment Date**"); provided that, interest on the Initial Advance and the Second Advance shall be paid from the proceeds of the Second Advance.

    For the purposes of the *Interest Act* (Canada) and disclosure thereunder, whenever any interest or fee to be paid under this Agreement is to be calculated on the basis of a period that is less than a calendar year, the yearly rate of interest to which the rate used in such calculation is equivalent is the rate so used multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days in the period that is less than a calendar year.

11. **Fees and Expenses**: The Borrowers shall pay all reasonable costs and expenses of the DIP Lender (including all reasonable fees, expenses and disbursements of outside counsel and any financial advisor) in connection with the DIP Facility, including the preparation of this Agreement, the administration of the DIP Facility (including the DIP Lender's standard administration and servicing fees and the DIP Lender's costs, fees and expenses to enter into hedge agreements in connection with the DIP Facility), the enforcement of any of the DIP Lender's rights and remedies available hereunder and under any other DIP Credit Documents and in connection with the CCAA Proceeding (collectively, "**Permitted Fees and Expenses**").

12. **DIP Budget**: Attached hereto as Schedule B is a rolling 14-week period detailed cash flow forecast (the "**DIP Budget**"), which is in form and substance satisfactory to the DIP Lender. On Wednesday of each week, the Borrower Agent, with the assistance of the Monitor, shall provide the DIP Lender with an updated rolling 13-week cash flow forecast substantially in the form of the DIP Budget (the "**Updated Cash Flow**") and a variance report (the "**Cash Flow Variance Report**"), certified by an officer of the Borrower Agent, showing on a line-by-line basis the actual receipts and disbursements and the total available liquidity for the last day of the prior week and noting therein all variances on a line-by-line basis from the amounts in the DIP Budget, with explanations for all material variances. The DIP Lender may, in its sole discretion, acting reasonably, agree to substitute the Updated Cash Flow for the then current DIP Budget, in which case the Updated Cash Flow shall thereafter be deemed to be the effective DIP Budget for the purposes hereof.

13. **Conditions Precedent to Second Advance**: The DIP Lender's agreement to make the Second Advance is subject to the satisfaction of the following conditions precedent:

    (a) The DIP Lender shall have received an irrevocable direction from the Borrowers directing the DIP Lender to pay, with proceeds of the Second Advance, the Commitment Fee, interest on the Initial Advance from the date the Initial Advance was made to the first Interest Payment Date, interest on the Second Advance from the date the Second Advance is made to the first Interest Payment Date, the obligations owing to Hillmount under the Hillmount Commitment Letter, the DIP Lender's legal fees and expenses (and applicable taxes thereon) and the reasonable costs, fees and expenses of the DIP Lender incurred in connection with this DIP Facility (including the DIP Lender's standard administration and servicing fees);

    (b) The DIP Lender shall have received an updated DIP Budget and the Cash Flow Variance Report in accordance with this Agreement, which shall be in form and substance satisfactory to the DIP Lender, in its sole discretion, and the proposed uses of the Second Advance shall be in accordance with Section 13(a) and otherwise consistent with the DIP Budget and acceptable to the DIP Lender, acting reasonably;

(c) The DIP Lender shall have received such other supporting documentation as it may reasonably request, including a payout statement/undertaking to discharge security from Hillmount evidencing that the obligations owed to Hillmount under the Hillmount Commitment Letter do not exceed the principal amount of $1,000,000 plus the associated costs and fees (or such other amount that is approved by the DIP Lender); and

(d) Each condition precedent set forth in Section 14 shall have been satisfied.

14. **Conditions Precedent to All Advances After Second Advance**: The DIP Lender's agreement to make each Advance under the DIP Facility after the Second Advance is subject to the satisfaction of the following conditions precedent:

(a) The SF DIP Order shall not have been amended, restated, modified, varied, vacated, stayed or set aside, without the prior written consent of the DIP Lender, in its sole discretion;

(b) The DIP Lender shall have received an Advance Notice in accordance with the terms hereof;

(c) All representations and warranties contained in this Agreement and the other DIP Credit Documents shall be true and correct on the date of such requested Advance with the same effect as if made on and as of such date;

(d) No Event of Default shall have occurred or will occur as a result of the requested Advance; and

(e) The DIP Lender shall have received an updated DIP Budget and the Cash Flow Variance Report in accordance with this Agreement, which shall be in form and substance satisfactory to the DIP Lender, in its sole discretion, and the proposed uses of the requested DIP Advance shall be consistent with the DIP Budget and acceptable to the DIP Lender, acting reasonably.

15. **DIP Charge**: All obligations of the Borrowers under or in connection with the DIP Facility, this Agreement, the other DIP Credit Documents, including without limitation, all principal, interest, fees, expenses (including the Permitted Fees and Expenses) and other amounts owing in respect of fees and expenses of the DIP Lender, together with the Initial Advance, (collectively, the "**DIP Obligations**") shall be secured by a Court-ordered super-priority charge on the Collateral in favour of the DIP Lender (the "**DIP Charge**").

16. **Priority of DIP Charge**: The DIP Charge shall rank ahead of any and all Encumbrances on the Collateral, other than the Administration Charge.

17. **Repayment and Maturity Date**: All DIP Obligations owing to the DIP Lender shall be due and payable on the earliest of the following:

(a) nine months after the Amended Filing Date or such later date as agreed to in writing by the DIP Lender;

(b) the completion of a sale or sales of all or substantially all of the Borrowers' assets, property and undertaking, as approved by the DIP Lender, the Monitor and, where required, the Court;

(c) the implementation of a plan of compromise or arrangement pursuant to the CCAA Proceeding which has been approved by the requisite creditors of the Borrowers, the Court and the DIP Lender;

(d) the date on which the SF DIP Order expires without being extended or on which the CCAA Proceeding is terminated or dismissed; and

(e) an Event of Default in respect of which the DIP Lender has elected, in its sole discretion, to accelerate the DIP Obligations;

(such earliest date, the "**Maturity Date**").

The DIP Lender's commitment to make Advances under the DIP Facility shall expire on the Maturity Date and all then outstanding DIP Obligations shall be repaid on the Maturity Date, without the DIP Lender being required to make demand upon the Borrowers or to give notice that the DIP Facility has expired and that the obligations hereunder are due and payable.

18. **Mandatory Prepayments**: Subject to the terms and conditions herein, the Borrowers shall prepay the DIP Obligations with 100% of each of the following amounts:

(a) insurance proceeds (net of deductibles) or expropriation awards received by a Borrower;

(b) the Net Proceeds from the sale of any of the Collateral other than the sale of inventory in the course of business;

(c) any extraordinary payments received by a Borrower;

(d) the net cash proceeds from the sale of any equity interests in a Borrower or its subsidiary or the receipt of capital contributions by a Borrower or its subsidiary; and

(e) the net cash proceeds received from the incurrence by a Borrower of any Indebtedness (except as permitted hereunder).

Notwithstanding the foregoing, the first $2,000,000 of Net Proceeds from the sale of the Non-Essential Real Property shall be applied or reserved to repay the DIP Obligations in such amount, and the balance shall be applied to repay the creditors having valid security on the Non-Essential Real Property that is sold in order of the priority of their security on such Non-Essential Real Property. After such creditors have been paid in full, any surplus Net Proceeds from the sale of Non-Essential Real Property shall be applied or reserved to repay the remaining balance of the DIP Obligations.

Notwithstanding the foregoing, the first $2,000,000 of Net Proceeds from the sale of the London Property shall be applied or reserved to repay the DIP Obligations in such amount, and the balance shall be applied to repay the creditors having valid security on the London Property in order of the priority of their security on the London Property. Thereafter, any surplus Net Proceeds from the sale of the London Property shall be applied or reserved to repay the remaining balance of the DIP Obligations.

Upon the making of any mandatory prepayment, the Borrowers shall compensate the DIP Lender for any loss, cost or expense (including any breakage costs in respect of any hedge agreement to which the DIP Lender or any of its Affiliates is a party) as a result of such prepayment. Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any mandatory prepayment made hereunder shall permanently reduce the Loan Amount and may not be re-borrowed.

19. **Optional Prepayment**: The Borrowers may voluntarily prepay any principal amount of the DIP Obligations. The Borrower Agent shall give written notice to the DIP Lender of each voluntary prepayment not less than fifteen (15) Business Days prior to such voluntary prepayment. Such notice shall be irrevocable and shall specify:

(a) the date on which the prepayment is to take place;

(b) the principal amount of the prepayment; and

(c) the Borrower that will make the prepayment.

Upon the making of any voluntary prepayment, the Borrowers shall compensate the DIP Lender for any loss, cost or expense (including any breakage costs in respect of any hedge agreement to which the DIP Lender or any of its Affiliates is a party) as a result of such prepayment. Each such prepayment shall be accompanied by the amount of accrued interest on the amount prepaid. Any voluntary prepayment made hereunder shall permanently reduce the Loan Amount and may not be re-borrowed.

20. **Payments**: All payments of principal, interest, fees and expenses by the Borrowers hereunder shall be made for value in the full amount due at or before 1:00 pm (New York time) on the day such amount is due by deposit or transfer thereof to an account designated by the DIP Lender. Payments received after such time shall be deemed to have been made on the next following Business Day. If any payment is due on a day which is not a Business Day, such payment shall be due on the next following Business Day and interest shall accrue until but excluding the actual date of payment.

Each payment to be made by the Borrowers shall be made in full without deduction, set-off or counterclaim of any kind or for any reason. All payments required hereunder shall be made in lawful currency of Canada.

If any fees and expenses incurred by the Borrowers after the date of this Agreement are not paid by the Borrowers, the DIP Lender may, but shall have no duty to, pay all such fees and expenses whereupon such amounts shall be added to and form part of the DIP Obligations and shall reduce the availability under the DIP Facility.

All amounts received in repayment of DIP Obligations shall be applied as follows: (i) first, to outstanding interest and costs payable hereunder; (ii) second, to outstanding Permitted Fees and Expenses; and (iii) third, towards outstanding principal hereunder.

21. **Representations and Warranties**: Each Borrower represents and warrants to the DIP Lender, upon which the DIP Lender relies in entering into this Agreement and the other DIP Credit Documents, that:

(a) The transactions contemplated by this Agreement and the other DIP Credit Documents have been duly authorized, executed and delivered by or on behalf of the Borrowers, and upon the granting of the SF DIP Order:

(i) are within the powers of the Borrowers;

(ii) constitute legal, valid and binding obligations of the Borrowers;

(iii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach or violation of, or conflict with, any of the terms or provisions of its constating documents or by-laws or any contracts or instruments to which it is a party or pursuant to which any of its assets or property may be affected, other than breaches that are stayed by the Initial Order;

(iv) there is no requirement for the Borrowers to make any filing with, give any notice to or obtain any licence, permit, certificate, registration, authorization, consent or approval of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement;

(b) The Business has been and will continue to be conducted in material compliance with applicable Law of each jurisdiction in which the Business has been or is being carried on, subject to the provisions of each Court Order made after the Filing Date;

(c) The Borrowers have obtained all Authorizations for the operation of the Business, which Authorizations remain, and after entering into the DIP Facility will remain, in full force and effect, and no proceedings have been commenced to revoke or amend any such Authorizations;

(d) No expropriation or casualty event has occurred with respect to any of the Collateral;

(e) No material pending or threatened litigation or proceeding exists against any Borrower or the Collateral, or seeking to enjoin or otherwise prevent or declare invalid or unlawful the occupancy, use, maintenance or operation of the Project or the conduct of the Business;

(f) No Event of Default has occurred and is continuing;

(g) Wellworth Health Corp. continues to wind down its operations and will cease to carry on any business (including the Business), except in its capacity as a Borrower hereunder;

(h) The proceeds of the Initial Advance were used to pay the operating costs and expenses of the Borrowers in accordance with the DIP Budget; and

(i) All factual information provided by or on behalf of the Borrowers to the DIP Lender for the purposes of or in connection with this Agreement or any transaction contemplated herein is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.

22. **Affirmative Covenants**: Each Borrower agrees and covenants to perform and do each of the following until the DIP Facility is permanently and indefeasibly repaid and cancelled:

(a) Comply with the provisions of the Court Orders including, without limitation, the SF DIP Order;

(b) Deliver to the DIP Lender (i) Updated Cash Flows and Cash Flow Variance Reports in accordance with Section 12 and (ii) such other reporting and other information from time to time as is reasonably requested by the DIP Lender;

(c) Deliver to DIP Lender, concurrently with the delivery thereof to the Monitor (i) copies of all monthly internal financial statements, liquidity and updates to the DIP Budget that are reported weekly, together with any related or supporting information provided to the Monitor and (ii) any written reports, commentary or analysis received by the Borrowers from the Monitor regarding the financial position of the Borrowers or otherwise;

(d) Provide the DIP Lender with a weekly status update regarding the status of the CCAA Proceeding, including any information which may otherwise be confidential, subject to same being maintained as confidential by the DIP Lender;

(e) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the Business and affairs of the Borrowers and their subsidiaries (including any changes to the strategy of the Borrowers);

(f) Notify the DIP Lender forthwith of the occurrence of any Event of Default;

(g) Allow the DIP Lender, its directors, officers, employees, agents, advisors and representatives full access to the Borrowers' premises and all information and documentation of the Borrowers and their Affiliates on reasonable notice and during normal business hours and cause management thereof to fully cooperate with any such directors, officers, employees, agents, advisors and representatives;

(h) Preserve, renew, maintain and keep in full force and effect its corporate existence and its Authorizations required in respect of the Business or any of the Collateral;

(i) Maintain in full force all policies and contracts of insurance that are now in effect (or renewals thereof) under which the Borrowers, the Business or any of the Collateral is insured;

(j) Pay when due all applicable Taxes and other amounts that are Priority Payables, permitting and licences fees and other amounts necessary to preserve the Collateral to avoid any Encumbrance thereon and pay all amounts due under any utility contracts;

(k) Pay when due all principal interest, fees and other amounts payable by the Borrowers under this Agreement and the other DIP Credit Documents;

(l) Use commercially reasonable efforts to, by March 12, 2020, sell or execute agreements of purchase and sale with respect to the Non-Essential Real Property and the London Property on terms and conditions satisfactory to the DIP Lender, acting reasonably;

(m) Subject to Section 22(l), maintain or cause to be maintained in good repair, working order and condition (ordinary wear and tear excepted) all properties used or useful in the Business and make or cause to be made all appropriate repairs, renewals and replacements thereof;

(n) At the Borrowers' sole cost and expense, provide the DIP Lender with Phase 1 and Phase 2 environmental reports with respect to the real property located at 566 Riverview Drive, Chatham-Kent, Ontario and 650 Riverview Drive, Chatham-Kent Ontario by an environmental consultant satisfactory to the DIP Lender, which reports are in form and substance satisfactory to the DIP Lender, including that such reports are addressed to the DIP Lender and that such properties are not-contaminated sites (or, if contaminated, specifying the cost of remediation); and

(o) If requested by the DIP Lender, at the Borrowers' sole cost and expense, provide the DIP Lender with title insurance policies, in form and substance satisfactory to the DIP Lender, acting reasonably, by a title insurance company acceptable to the DIP Lender.

23. **Negative Covenants**: Each Borrower covenants and agrees not to do the following, other than with the prior written consent of the DIP Lender, in its sole discretion:

(a) Not seek any Court Order that may adversely impact the DIP Lender, without the DIP Lender's prior written consent and the approval of the Monitor, and otherwise, not seek any Court Order without prior consultation with the DIP Lender and the approval of the Monitor;

(b) Not utilize any Advance except in accordance with the permitted uses hereunder and the DIP Budget;

(c) Except as contemplated by this Agreement or any Court Order, and except as otherwise required by Law, make any payment of any Indebtedness or obligations existing as at the Amended Filing Date (the "**Pre-Existing Debt**"), other than in accordance with the DIP Budget or as approved by the Monitor;

(d) Create, incur or permit to exist any Indebtedness other than Pre-Existing Debt, Advances and accounts payable in the ordinary course of Business and in accordance with the DIP Budget;

(e) Except for Permitted Encumbrances, create or permit to exist any Encumbrance or provide or seek or support a motion by another Person to provide any Encumbrance, upon any of the Collateral;

(f) Except for the joint and several liability of the Borrowers hereunder, make any investments in or loans to or guarantee (or provide any other financial assistance with respect to) the Indebtedness or obligations of any other Person or entity or permit its Affiliates to do so;

(g) Change its jurisdiction of incorporation, chief executive office or registered office;

(h) Enter into, or amend, any transaction or series of related transactions with any Affiliate;

(i) Change its name, fiscal year end or accounting policies or amalgamate, consolidate with, merge into, dissolve or enter into any similar transaction with any other Person or permit a change of control of any Borrower;

(j) Enter any restrictive covenants or agreements which might affect the value or liquidity of any Collateral;

(k) Move any of the Collateral outside of the Province of Ontario, or except as contemplated by Section 22(l) or the ordinary course of business, sell, assign, lease, convey or otherwise dispose of any of the Collateral;

(l) Disclaim any contract that is material to the Business without the prior approval of the DIP Lender, acting reasonably, and the Monitor;

(m) Amend or renew, extend the term, disclaim or accept the surrender of any real property lease without the prior approval of the DIP Lender, acting reasonably, or consent of the Monitor;

(n) Except as required pursuant to (i) the terms of any compensation or benefit plan, program or arrangement as in effect on the date hereof or (ii) applicable Law, increase any termination or severance entitlements or pay any termination or severance payments or modify any compensation or benefit plans whatsoever;

(o) Create or acquire any new subsidiary;

(p) Purchase or redeem its shares or units or otherwise reduce its capital;

(q) Declare or pay any dividends, or distributions to shareholders, or repay any shareholders' loans, interest thereon or share capital of any Borrower;

(r) Commencing in the fourth week following the issuance of the SF DIP Order and each week thereafter, if the actual net cash of the Borrowers for that week plus $500,000 (excluding Advances in excess of projected Advances in the DIP Budget and on the basis that payables of the Borrowers are paid when due in the ordinary course of business) does not exceed the forecasted net cash in the DIP Budget for that week, permit (i) the negative variance (as compared to the DIP Budget) of the aggregate receipts of the Borrowers for the prior four-week period to exceed 10% or (ii) the negative variance (as compared to the DIP Budget) of the aggregate operating disbursements (excluding professional fees and expenses) made by the Borrowers during the prior four-week period to exceed 10%; or

(s) Permit Wellworth Health Corp. to carry on any business (including the Business), except in its capacity as a Borrower hereunder, save and except what is required to continue to wind down its operations.

24. **Events of Default**: The occurrence of any one or more of the following events shall constitute an event of default (each, an "**Event of Default**") under this Agreement:

(a) Failure of the Borrowers to pay any amounts to the DIP Lender when due and owing hereunder or otherwise;

(b) Failure of the Borrowers to perform or comply with any term or covenant of this Agreement or any other DIP Credit Document;

(c) The DIP Lender determines, in its sole discretion, acting reasonably, that a material adverse change has occurred after the date hereof in respect of the business, affairs or financial condition of the Borrowers (individually or collectively) or their ability (individually or collectively) to comply with their obligations under this Agreement, any other DIP Credit Document or any Court Order;

(d) A Borrower fails to pay wages to its employees or to remit source deductions as they become due from time to time, but only with respect to Priority Payables;

(e) A Borrower fails to remit provincial sales taxes or goods and services taxes (or the equivalent) as they become due from time to time, but only with respect Priority Payables;

(f) The Initial Order or the SF DIP Order is amended, restated or otherwise varied without the consent of the DIP Lender or any Court Order is issued, dismissed, stayed, reversed, vacated, amended or restated and such issuance, dismissal, stay, reversal, vacation, amendment or restatement adversely affects or would reasonably be expected to adversely affect the interest of the DIP Lender, including any Court Order:

(i) terminating, lifting or amending the stay imposed by the CCAA Proceeding;

(ii) issuing a bankruptcy order against a Borrower;

(iii) appealing or granting leave to appeal the SF DIP Order;

(iv) granting any other claim or Encumbrance of equal or priority status to that of the DIP Lenders' Charge, except as permitted hereunder; or

(v) staying, reversing, vacating or otherwise modifying the DIP Credit Documents, the DIP Charge or prejudicially affecting the DIP Lenders or the Collateral;

(g) The appointment of a receiver and manager, receiver, interim receiver or similar official or any process of any court becomes enforceable against a Borrower, or any of its property or seized or levied upon, or a creditor takes possession of any property of a Borrower;

(h) Any violation or breach of any Court Order by any Borrower;

(i) Subject to the SF DIP Order, any other Court Order, or the prior written consent of the DIP Lender, any Borrower, with the exception of Wellworth Health Corp., ceases to carry on or maintain its Business or its assets in the ordinary course of the Business;

(j) Any representation or warranty made or given hereunder or under any other DIP Credit Document by the Borrowers is incorrect or misleading when made;

(k) Any proceeding, motion or application is commenced or filed by a Borrower, or if commenced by another Person, supported or otherwise consented to by a Borrower, seeking the invalidation, subordination or other challenge of the terms of the DIP Facility, the DIP Charge, this Agreement, any other DIP Credit Document, the SF Loan Documents or the SF Security;

(l) Any Cannabis Law is repealed;

(m) The DIP Lender reasonably believes itself insecure due to a change or interpretation of the *Controlled Substances Act (CSA)* or related laws; or

(n) A New SF Event of Default occurs and is continuing.

25. **Remedies**: Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, elect to terminate the DIP Lender's commitment to make further Advances to the Borrowers and set-off, consolidate or accelerate all amounts outstanding under the DIP Facility and any DIP Credit Documents and declare such amounts to be immediately due and payable without any periods of grace. Upon the occurrence of an Event of Default, the DIP Lender may, subject to the SF DIP Order, upon ten (10) days' prior written notice to the Borrowers and the Monitor:

(a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manger over the Collateral;

(b) apply for a Court Order, on terms satisfactory to the Monitor and the DIP Lender, providing the Monitor with the power, in the name of and on behalf of the Borrowers, to take all necessary steps in the CCAA Proceeding to realize on the Collateral;

(c) exercise the powers and rights of a secured creditor; and/or

(d) exercise all such other rights and remedies available to the DIP Lender under this Agreement, the other DIP Credit Documents, the Court Orders and applicable Law.

26. **Further Assurances:** The Borrowers shall, at their own expense, from time to time do, execute and deliver, or cause to be done, executed and delivered, all such further acts, documents (including, without limitation, certificates, declarations, affidavits, reports and opinions) as the DIP Lender may reasonably request for the purpose of giving effect to this Agreement and the other DIP Credit Documents.

27. **Joint & Several Liability:** Each Borrower shall be jointly and severally liable for all DIP Obligations regardless of which Borrower actually receives Advances under the DIP Facility or the amount of any such Advance received or the manner in which the DIP Lender accounts for such Advances on its books and records.

28. **Indemnity**: Each Borrower shall indemnify and hold harmless the DIP Lender, and its Affiliates and the officers, directors, employees, representatives, advisors, managers, solicitors and agents of the DIP Lender and its Affiliates (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), losses, damages, liabilities or expenses of any kind or nature whatsoever which may be incurred by or suited against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of the Advances, this Agreement or the other DIP Credit Documents. Notwithstanding the foregoing, the Borrowers shall have no obligation to indemnify any Indemnified Person against such loss, liability, cost or expense to the extent that they are found by final judgment of a court of competent jurisdiction to arise from the gross negligence or willful misconduct of such Indemnified Person. The DIP Lender shall not be responsible or liable to the Borrowers or any other Person for any indirect, consequential special or punitive damages.

29. **Judgement Currency**: If, for the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder in Canadian dollars into another currency, the parties hereto agree, to the fullest extent permitted by law, that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the DIP Lender could purchase Canadian dollars with such other currency at the buying spot rate of exchange in the New York foreign exchange market on the Business Day immediately preceding that on which any such judgment, or any relevant part thereof, is given. The obligations of the Borrowers in respect of any sum due to the DIP Lender hereunder and

under the other DIP Credit Documents shall, notwithstanding any judgment in a currency other than Canadian dollars, be discharged only to the extent that on the Business Day following receipt by the DIP Lender of any sum adjudged to be so due in such other currency the DIP Lender may, in accordance with normal banking procedures, purchase Canadian dollars with such other currency. If the amount of Canadian dollars so purchased is less than the sum originally due to the DIP Lender in Canadian dollars, the Borrowers agree, to the fullest extent that they may effectively do so, as a separate obligation and notwithstanding any such judgment, to indemnify the DIP Lender against such loss. If the amount of Canadian dollars so purchased exceeds the sum originally due to the DIP Lender in Canadian dollars, following repayment in full of the DIP Obligations, the DIP Lender shall remit such excess to the Borrowers.

30. **Withholdings and Tax Indemnity**: Any and all payments by or on account of any obligation of the Borrowers hereunder or under any other DIP Credit Document shall be made free and clear of and without deduction or withholding for any Taxes; provided that, if any Borrower is required by applicable Law to deduct or withhold any Taxes from such payments, then:

(a) if such tax is an Indemnified Tax, the amount payable by the Borrowers shall be increased so that after making all required deductions or withholdings (including deductions or withholdings applicable to additional amounts payable under this Section), the DIP Lender receives an amount equal to the amount it would have received had no such deductions or withholdings been made; and

(b) the Borrowers shall make such deductions and timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Law.

In addition, the Borrowers shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable Law. The Borrowers shall indemnify the DIP Lender, within ten days after demand therefor, for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed on or attributable to amounts payable hereunder) paid by the DIP Lender on or with respect to an amount payable by the Borrowers under or in respect of this Agreement or under any other DIP Credit Document together with any penalties, interest and expenses arising in connection therewith and with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate from the DIP Lender as to the amount of such payment or liability delivered to the Borrowers shall be conclusive absent manifest error. Promptly after any payment of Indemnified Taxes or Other Taxes by the Borrowers to a Governmental Authority (but in any event within 30 days after the date of such payment), the Borrowers shall deliver to the Lender the original or certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the relevant return reporting such payment or other evidence of such payment reasonably satisfactory to the DIP Lender. If the DIP Lender determines, in its sole discretion, that it has received a refund of any Taxes or Other Taxes as to which it has been indemnified by the Borrowers or with respect to which the Borrowers have paid additional amounts pursuant to this Section, it shall, following repayment in full of the DIP Obligations, pay over such refund (or the amount of any credit in lieu of refund) to the Borrowers (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrowers under this Section with respect to the Taxes or Other Taxes giving rise to such refund or credit in lieu of refund), net of all out-of-pocket expenses of the DIP Lender, and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund or credit in lieu of refund), provided that the Borrowers, upon the request of the DIP Lender, agree to repay the amount paid over to the Borrowers (plus any interest, penalties or other charges imposed by the relevant Governmental Authority) to the DIP Lender in the event the DIP Lender is required to repay such refund or credit in lieu of refund to such Governmental Authority. Notwithstanding the foregoing, the DIP Lender shall not be required to make available its tax returns or any other information relating to its taxes that it deems confidential to the Borrowers or any other Person.

31. **Entire Agreement:** This Agreement and the other DIP Credit Documents, constitute the entire agreement between the parties related to the subject matter hereof and, as the definitive documents, supersede all prior correspondence, agreements, negotiations, discussions and understandings, including, without limitation, the Term Sheet. To the extent that there is any inconsistency between this Agreement and the other DIP Credit Documents, this Agreement shall prevail.

32. **Amendments and Waivers:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder or under any other DIP Credit Document shall operate as a waiver hereof or thereof unless made in writing and delivered in accordance with the terms of this Agreement. A waiver, amendment, release or modification of this Agreement or any other DIP Credit Document shall not be established by conduct, custom or course of dealing and shall occur, if applicable, solely by an instrument in writing duly executed by the DIP Lender, in the case of a waiver or release, and the parties hereto, in the case of an amendment or other modification.

33. **Assignment**: The DIP Lender may assign this Agreement and its rights and obligations hereunder, in whole or in part, to any Person acceptable to the DIP Lender, in its sole discretion, in consultation with the Monitor. The Borrowers shall not be permitted to assign this Agreement nor any right and obligation hereunder without the written consent of the DIP Lender, in its sole discretion.

34. **Severability:** Any provision in this Agreement or any other DIP Credit Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or effecting the validity of enforceability of such provision in any other jurisdiction.

35. **No Third Party Beneficiary**: No Person, other than the Borrowers and the DIP Lender, are entitled to rely upon this Agreement, and the parties expressly agree that this Agreement does not confer any rights upon any Person not a signatory hereto.

36. **Press Releases**: The Borrowers shall not issue any press release naming the DIP Lender without its prior approval, unless the Borrowers are required to do so by applicable Law.

37. **Counterparts:** This Agreement may be executed in any number of counterparts and delivered by e-mail, including in PDF format, each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.

38. **Notices**: Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by electronic mail to the attention of the Person set forth below:

In the case of the DIP Lender:

767 Fifth Avenue
12th Floor
New York, New York
10153 U.S.A.

Attention: Joseph Podesta / Dave Ray
Email: josephpodesta@stabiliscap.com / DaveRay@stabiliscap.com

With a copy to:

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Toronto, Ontario
M5H 4E3

Attention: Alex MacFarlane
Email: amacfarlane@blg.com

In the case of the Borrowers:

c/o AgMedica Bioscience Inc.
111 Heritage Road
Suite 200
Chatham, Ontario
N7M 5W7

Attention: Dr. Trevor Henry
Email: thenry@agmedica.ca

With a copy to:

Thornton Grout Finnigan LLP
100 Wellington Street West
Suite 3200
TD West Tower
Toronto-Dominion Centre

Toronto, Ontario
M5K 1K7

Attention: Rebecca L. Kennedy
Email: rkennedy@tgf.ca

In either case, with a copy to the Monitor:

Ernst & Young Inc.
100 Adelaide Street West
Toronto, Ontario
M5H 0B3

Attention: Alex Morrison
Email: alex.f.morrison@ca.ey.com

With a copy to:

McCarthy Tetrault
66 Wellington Street West
Suite 5300
Toronto, Ontario
M5K 1E6

Attention: James D. Gage
Email: jgage@mccarthy.ca

Any such notice shall be deemed to be given and received, when received, unless received after 5:00 pm local time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

39. **English Language:** The parties hereto confirm that this Agreement and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

40. **Interpretation**: In this Agreement, words signifying the singular include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation". The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. References in this Agreement to a Section or Schedule are to be construed as references to a Section or Schedule of or to this Agreement unless the context requires otherwise. Subject to any limitations set forth herein, references to contracts, agreements or instruments are deemed to include all amendments, supplements, restatements or replacements to or of such contracts, agreements or instruments. References to a Person includes that Person's successors and permitted assigns.

41. **Governing Law and Jurisdiction:** This Agreement shall be governed by, and construed in accordance with, the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The parties hereby attorn and submit to the non-exclusive jurisdiction of the Court.

[remainder of page left intentionally blank; signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

AS DIP LENDER:

SF V BRIDGE III, LP, by its general partner,
STABILIS GP V, LLC

By: ______________________________________
Name: Dave Ray
Title: Authorized Signatory

AS BORROWER:

AGMEDICA BIOSCIENCE INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

2472602 ONTARIO INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

2642466 ONTARIO INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8895309 CANADA INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

WELLWORTH HEALTH CORP.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8050678 CANADA INC.

By: ______________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

8326851 CANADA INC.

By: ________________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

TAVIVAT NATURALS INC.

By: ________________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

WORLD WIDE BEVERAGE INNOVATIONS INC.

By: ________________________________
Name: Trevor Henry
Title: CEO

AS BORROWER:

UNIQUE BEVERAGES (USA) INC.

By: ______________________________

Name: Trevor Henry

Title: CEO

AS BORROWER:

ESEELA INC.

By: ______________________________

Name: Trevor Henry

Title: CEO

SCHEDULE A

DEFINITIONS

“**Administration Charge**” means the super-priority charge to be granted by the Court in an amount not exceeding $500,000 securing the fees and expenses of: (i) the Borrowers’ CCAA counsel and (ii) the Monitor and its counsel;

“**Advance**” has the meaning given to that term in Section 7;

“**Advance Notice**” has the meaning given to that term in Section 7;

“**Affiliate**” of any Person means, at the time such determination is made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the power to direct the management and policies of such Person, whether through the ownership of voting securities or otherwise;

“**Agreement**” means this DIP Facility Loan Agreement, including all Schedules, as it may be modified, amended, revised, restated, replaced, supplemented or otherwise changed from time to time and at any time hereafter;

“**Amended Filing Date**” means the date the SF DIP Order is made by the Court;

“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence (including, without limitation, any of the foregoing relating to the Business, including, without limitation, any of the foregoing that is related to Cannabis or Cannabis-Related Activities) or similar authorization of any Governmental Authority related to the Borrowers, the Collateral or the Business;

“**Borrower Agent**” has the meaning given to that term in Section 4;

“**Borrowers**” has the meaning given to that term in Section 3;

“**Business**” means the production, distribution and sale of dried cannabis flower, pre-rolled cannabis joints, cannabis softgel capsules and cannabis oil, and the directly related activities of the Borrowers (except Wellworth Health Corp.);

“**Business Day**” means each day other than a Saturday, Sunday or any other day on which the DIP Lender is closed for business to the public;

“**Cannabis**” includes dried marijuana, fresh marijuana, cannabis oil and starting materials with respect thereto.

“**Cannabis Laws**” means the *Cannabis Act* (Canada), the *Cannabis Control Act, 2017* (Ontario) and any other applicable Law pertaining to Cannabis-Related Activities, and the regulations thereunder.

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

"**Cash Flow Variance Report**" has the meaning given to that term in Section 12;

"**CCAA**" has the meaning given to that term in the recitals;

"**CCAA Proceeding**" has the meaning given to that term in the recitals;

"**Collateral**" means all present and after-acquired assets and property of the Borrowers, real (including, without limitation, the London Property, the Non-Essential Real Property and the real property located at 510 and 566 Riverview Drive, Chatham-Kent, Ontario) and personal, tangible and intangible and all proceeds therefrom;

"**Commitment Fee**" means a commitment fee owing by the Borrowers to the DIP Lender for the establishment of the DIP Facility in the amount of $150,000, which fee shall be fully-earned on the date hereof and non-refundable;

"**Court**" has the meaning given to that term in recitals;

"**Court Order**" means an order of the Court, including the Initial Order as amended and restated by the SF DIP Order;

"**DIP Budget**" has the meaning given to that term in Section 12;

"**DIP Charge**" has the meaning given to that term in Section 15;

"**DIP Credit Documents**" means this Agreement and any other documents in respect of the DIP Facility as may be contemplated by this Agreement or required by the DIP Lender;

"**DIP Facility**" has the meaning given to that term in Section 6;

"**DIP Lender**" has the meaning given to that term in Section 5;

"**DIP Obligations**" has the meaning given to that term in Section 15;

"**Encumbrance**" means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, easement, encroachment, servitude, restriction on use, right of occupation, any matter capable of registration against title, option, right of first offer or refusal or similar right, restriction on voting (in the case of any voting or equity interest), right of pre-emption or privilege or any contract to create any of the foregoing;

"**Event of Default**" has the meaning given to that term in Section 24;

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to the DIP Lender or any other recipient of any payment to be made by or on account of any DIP Obligations, or required to be withheld or deducted from a payment to any such recipient, (a) income, net profits, or capital taxes imposed on or measured by net income, and franchise taxes imposed (i) by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or conducts business, in which its principal office is located or in which its applicable lending office is located or (ii) that are Other Connection Taxes and (b) any branch profits taxes or any similar tax imposed by the jurisdiction where a Borrower is located;

"**Existing SF Event of Default**" means an Event of Default (as defined in the SF Loan Agreement) that exists on the date hereof;

"**Filing Date**" means the date the Initial Order was made granting the Borrowers protection under the CCAA;

"**Governmental Authority**" means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, body, board, tribunal or dispute settlement panel or other law or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise, any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

"**Hillmount**" means Hillmount Capital Inc.;

"**Hillmount Charge**" means the super-priority charge on the Collateral securing up to $1,000,000 pursuant to the Hillmount Commitment Letter in favour of the Hillmount effected by the Initial Order;

"**Hillmount Commitment Letter**" means the commitment letter dated November 27, 2019 between the Borrowers and Hillmount;

"**Indebtedness**" of any Person means, at any date, without duplication, (a) all obligations of such Person for borrowed money, including by way of overdraft and drafts or orders accepted as representing extensions of credit, (b) all obligations of such Person evidenced by bonds, debentures, the face amount of all bankers' acceptances, letters of credit, letters of guarantee and similar instruments, notes, letters of credit or other similar instruments, including obligations under any arrangement providing for the leasing of any property, which property has been or is to be sold or transferred in contemplation of such leasing, (c) all obligations of such Person to pay the deferred purchase price of property or services, (d) all obligations of such Person as lessee which are capitalized in accordance with generally accepted accounting principles (or other applicable accounting standards) consistently applied in Canada, (e) all indebtedness, liabilities and obligations secured by an Encumbrance on any asset of such Person, whether or not the same is otherwise indebtedness, liabilities or obligations of such Person, which, for greater certainty will not include rent paid or payable by such Person in the ordinary course, (f) all indebtedness, liabilities and obligations of others which is, directly or indirectly, guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire, (g) all indebtedness, liabilities and obligations in respect of financial instruments which are classified as a liability on the balance sheet of such Person, (h) all obligations of such Person to otherwise assure a creditor against loss, (i) all hedging obligations and (j) all obligations of such Person for trade accounts and contracts;

"**Indemnified Persons**" has the meaning given to that term in Section 28;

"**Indemnified Taxes**" means (a) Taxes other than Excluded Taxes and (b) to the extent not otherwise described in (a), Other Taxes;

"**Initial Advance**" means the advance of $2,000,000 made on December 13, 2019 by the DIP Lender to [the Borrowers] pursuant to the Term Sheet;

"**Initial Order**" means the order of the Court dated December 2, 2019 in the CCAA Proceeding;

"**Interest Payment Date**" has the meaning given to that term in Section 10;

"**Interest Rate**" has the meaning given to that term in Section 10;

"**Law**" means any federal, provincial, county, territorial, district, municipal, local, foreign, supranational or international. law, statute, ordinance, regulation, by-law, rule, code, treaty or rule of common law or otherwise of, or any order, judgment, injunction, decree or similar authority enacted, issued, promulgated, enforced or entered by, any Governmental Authority;

"**Loan Amount**" has the meaning given to that term in Section 6;

"**London Property**" means the real property described on Schedule C, including the real property having the following municipal address: 1095 Wilton Grove Road, London, Ontario;

"**Maturity Date**" has the meaning given to that term in Section 17;

"**Monitor**" means Ernst & Young Inc., as the Court-appointed Monitor of the Borrowers in the CCAA Proceeding;

"**Net Proceeds**" means the applicable gross sale price, less applicable Taxes, customary closing adjustments, reasonable legal expenses for conveyancing of the applicable real property and realty commissions commensurate with industry standards, all subject to DIP Lender approval;

"**New SF Event of Default**" means an Event of Default (as defined in the SF Loan Agreement) that is not an Existing SF Event of Default;

"**Non-Essential Real Property**" means the real property described on Schedule D, including the real property having the following municipal addresses: 650 Riverview Drive, Chatham-Kent, Ontario, 715 Richmond Street, Chatham-Kent, Ontario and 830 Richmond Street, Chatham-Kent, Ontario;

"**Other Connection Taxes**" means, with respect to the DIP Lender and any other recipient of any payment to be made by or on account of any DIP Obligations, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing the Tax (other than a connection arising from the execution, delivery, enforcement of, or performance under, or receipt of payments under any DIP Credit Document, or from the sale or assignment of an interest in any Advance or DIP Credit Document).

"**Other Taxes**" means any and all present or future stamp, recording, filing, documentary or similar taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other DIP Credit Document or from the execution, delivery or enforcement of, or performance under or otherwise with respect to this Agreement or any other DIP Credit Document (other than Excluded Taxes and Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 33)).

"**Permitted Encumbrance**" means Permitted Exceptions (as defined in the SF Loan Agreement) and Permitted Liens (as defined in the SF Loan Agreement) that exist on the Amended Filing Date, together with Encumbrances on the Collateral in favour of Stone Quest Capital Corp. and Kathleen Glynn Philipp that exist, and securing amounts that were outstanding, on the Amended Filing Date;

"**Permitted Fees and Expenses**" has the meaning given to that term in Section 11;

"**Person**" means any individual, sole proprietorship, partnership, firm, entity, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, Governmental Authority, and where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

"**Pre-Existing Debt**" has the meaning given to that term in Section 23(c);

"**Priority Payables**" means harmonized sales tax, sales Tax and any amount payable or accrued by the Borrowers which is secured by an Encumbrance (other than Administration Charge) which ranks or is capable of ranking prior to or *pari passu* with the DIP Charge, including amounts accrued or owing for wages, vacation pay, termination pay (only where it is a priority payable), employee deductions, or Taxes, and other statutory or other claims that have or may have priority over, or rank *pari passu* with, the DIP Charge;

"**Project**" has the meaning given to it in the SF Loan Agreement;

"**Second Advance**" means the initial Advance under this Agreement;

"**SF DIP Order**" means the amended and restated initial order of the Court dated December 12, 2019 in the CCAA Proceeding;

"**SF Loan Agreement**" means the loan agreement dated as of May 31, 2019 by and among 2472602 Ontario Inc., 2642466 Ontario Inc., AgMedica Bioscience Inc. and SF V Bridge III, LP, as amended or otherwise modified;

"**SF Loan Documents**" means the SF Loan Agreement and the other Loan Documents (as defined in the SF Loan Agreement);

"**SF Security**" means the Encumbrances on the Collateral granted to SF V Bridge III, LP as security for the obligations owing to SF V Bridge III, LP under or in connection with the SF Loan Documents;

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

"Term Sheet" means the term sheet dated December 10, 2019 between the parties hereto; and

"**Updated Cash Flow**" has the meaning given to that term in Section 12.

SCHEDULE B

DIP BUDGET

(See attached)

AgMedica Bioscience Inc.
Cash Flow Forecast for the period December 16, 2019 to March 13, 2020

(CDN)		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Total
Week Ending	**Note**	**20-Dec-19**	**27-Dec-19**	**3-Jan-20**	**10-Jan-20**	**17-Jan-20**	**24-Jan-20**	**31-Jan-20**	**7-Feb-20**	**14-Feb-20**	**21-Feb-20**	**28-Feb-20**	**6-Mar-20**	**13-Mar-20**	
Consolidated															
Opening Available Cash		770,025	1,656,766	1,269,039	674,792	860,080	1,010,573	1,097,320	1,187,539	843,962	1,128,876	982,069	1,135,203	773,052	**770,025**
Receipts															
Sales receipts	1	46,704	27,701	62,891	511,228	705,798	234,223	705,768	232,382	1,010,961	202,868	766,050	656,605	150,915	**5,314,094**
HST Refunds	2	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Other receipts	3	5,853	23,547	132,078	5,853	-	-	24,024	132,078	5,853	-	24,024	48,458	5,853	**407,622**
Total Receipts		52,557	51,248	194,969	517,081	705,798	234,223	729,792	364,460	1,016,814	202,868	790,074	705,064	156,768	**5,721,716**
Disbursements															
Production Costs	4	257,192	53,596	42,877	42,877	42,877	42,877	42,877	53,596	53,596	53,596	53,596	53,596	53,596	**846,750**
Payroll and expenses	5	357,176	-	237,176	-	317,176	-	237,176	-	237,176	80,000	237,176	-	237,176	**1,940,231**
Remittance to Receiver General	6	-	130,505	-	130,505	-	-	130,505	-	130,505	-	130,505	-	130,505	**783,031**
EHT and WSIB	7	8,596	-	10,280	-	8,596	-	10,280	-	-	8,596	10,280	-	-	**56,630**
Group Benefits	8	-	-	35,000	-	-	-	-	35,000	-	-	-	35,000	-	**105,000**
Royalties and Commissions	9	-	26,000	52,000	-	-	-	-	52,000	200,000	-	-	52,000	-	**382,000**
Selling, General & Admininstrative	10	100,000	67,123	76,134	53,698	53,698	53,698	73,698	67,123	67,123	67,123	67,123	84,123	4,300	**834,962**
Rent, Utilities, Insurance	11	7,700	1,751	57,463	64,713	3,500	10,901	-	123,551	3,500	10,901	-	123,418	3,500	**410,895**
Fixed Assets and capital expenditures	12	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Duties and Taxes	13	140,424	-	-	-	-	-	-	127,080	-	-	-	469,390	-	**736,893**
Funding Agreements and contractual commitments	14	89,458	-	1,000,000	-	89,458	-	-	-	-	89,458	-	-	-	**1,268,375**
Restructuring Costs	15	-	160,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	**600,000**
DIP Interest Payments, Legal Fee, and Commitment Fee	16	200,000	-	33,250	-	-	-	-	33,250	-	-	-	33,250	-	**299,750**
SF V Bridge III, LP Secured Debt	17	81,319	-	105,037	-	-	-	105,037	-	-	-	98,260	-	-	**389,652**
StoneQuest Secured Debt	17	-	-	-	-	-	-	-	76,438	-	-	-	76,438	-	**152,877**
Philipp Secured Debt	17	123,952	-	100,000	-	-	-	-	100,000	-	-	-	100,000	-	**423,952**
Total Disbursements		1,365,817	438,974	1,789,217	331,793	555,305	147,475	639,573	708,038	731,900	349,674	636,940	1,067,214	469,077	**9,230,998**
															-
Net Cash flow from Operations		(1,313,260)	(387,726)	(1,594,247)	185,288	150,493	86,748	90,219	(343,577)	284,914	(146,806)	153,134	(362,151)	(312,309)	**(3,509,282)**
DIP Draw/(Payback) for Operations		2,200,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	**3,200,000**
Closing Cash / (Indebtedness)		**1,656,766**	**1,269,039**	**674,792**	**860,080**	**1,010,573**	**1,097,320**	**1,187,539**	**843,962**	**1,128,876**	**982,069**	**1,135,203**	**773,052**	**460,744**	**460,744**
Hillmount DIP Facility															
Opening Balance		1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	1,000,000
Draw/(Payback) for Operations		(1,000,000)	-	-	-	-	-	-	-	-	-	-	-	-	(1,000,000)
Closing Balance		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Replacement DIP Facility															
Opening Balance		-	3,200,000	3,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	-
Draw/(Payback) for Operations		3,200,000	-	1,000,000	-	-	-	-	-	-	-	-	-	-	4,200,000
Closing Balance		3,200,000	3,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000	4,200,000

SCHEDULE C

LONDON PROPERTY

Part Lot 13 and Part North ½ Lot 12 Concession 3; Designated Part 2, 33R3843; London/Westminster

SCHEDULE D

NON-ESSENTIAL REAL PROPERTY

650 Riverview Drive, Chatham, Ontario - Legal Description:

PIN 00528-0218(LT)

PT LT 19 CON 1 RALEIGH, DESIGNATED AS PTS 1 & 2 PL 24R5827 EXCEPT PT 5 PL 24R1370 & PTS 1 & 2 PL 24R10089; SUBJECT TO AN EASEMENT AS IN 277488; MUNICIPALITY CHATHAM-KENT

715 Richmond Street, Chatham, Ontario - Legal Description:

PIN 00528-0006(LT)

PT LT 20 CON 1 RALEIGH AS IN 628944 EXCEPT EASEMENT THEREIN; CHATHAM-KENT

830 Richmond Street, Chatham, Ontario - Legal Description:

PIN 00527-0019(R)

PT LT 20 CON 1 EASTERN BOUNDARY RALEIGH AS IN 586356; CHATHAM-KENT

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 **AGMEDICA BIOSCIENCE INC., 2472602 ONTARIO INC., 2642466 ONTARIO INC., 8895309 CANADA INC., WELLWORTH HEALTH CORP., 8050678 CANADA INC., 8326851 CANADA INC., TAVIVAT NATURALS INC., WORLDWIDE BEVERAGE INNOVATIONS INC., UNIQUE BEVERAGES (USA) INC., and ESEELA INC.**

Court File No. CV-19-00632052-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Re: Approval of the DIP Facility Agreement)

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Court File No.: 19-CV-00632052-00CL

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