Court File No. CV-20-00641220-00CL

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 GREEN GROWTH BRANDS INC., GGB CANADA INC., GREEN GROWTH BRANDS REALTY LTD. AND XANTHIC BIOPHARMA LIMITED

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

FIRST REPORT OF THE MONITOR

MAY 26, 2020

INTRODUCTION

1. On May 20, 2020, the Applicants brought an application (the "**CCAA Application**") before this Court returnable on May 20, 2020, seeking an initial order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") to, among other things, obtain a stay of proceedings to allow them an opportunity to market their business for sale.

2. On May 20, 2020, the Court granted an initial order in these proceedings (the "**Initial Order**") that, among other things, appointed Ernst & Young Inc. as monitor of the Applicants in these CCAA proceedings (in such capacity, the "**Monitor**"), approved a stay of proceedings for the initial 10-day period (the "**Stay Period**"), certain Court ordered charges, and approved the interim financing facilities (the "**DIP Agreement**") to be provided by All Js Greenspace LLC ("**All Js**").

3. The Court scheduled a comeback motion to be heard on May 29, 2020 (the "**Comeback Motion**").

PURPOSE

4. The purpose of this first report of the Monitor (the "**First Report**") is to provide information to the Court on:

   a. the Applicants' operations since the granting of the Initial Order;

   b. the Monitor's activities since its appointment;

   c. an update on the Applicants' Florida subsidiaries;

   d. the Applicants' motion for approval of:

      i. an extension of the Stay Period to August 15, 2020;

      ii. an Amended and Restated Initial Order;

      iii. the Applicants' proposed Sale and Investment Solicitation Process (the "**SISP**"); and

      iv. a fully binding and conditional acquisition agreement dated May 19, 2020 (the "**Stalking Horse Agreement**") entered into between Green Growth Brands Inc. ("**GGB**"), Capital Transfer Agency ULC in its capacity as Debenture Trustee under certain debentures issued by GGB (in such capacity, the "**Debenture Trustee**") and All Js (collectively with the Debenture Trustee, the "**Stalking Horse Bidder**") subject to completion of the SISP to seek more favourable offers, if any,

   in each case, substantially in the form included in the Applicants' Motion Record; and

   e. the Monitor's recommendations with respect to the above.

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Applicants, discussions with management of the Applicants ("**Management**"), and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report in respect of the Applicants' cash flow forecast:

   a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional

Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

b. some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

6. Future oriented financial information referred to in this First Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

7. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this Report concerning the Applicants and their business is based on the Information, and not independent factual determinations made by the Monitor.

8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND

9. GGB, one of the Applicants, is the parent corporation of a cannabis enterprise that is licensed to cultivate, process and sell cannabis in various jurisdictions within the United States (the "**GGB Group**"). A copy of the Applicants' corporate organization chart is attached as Exhibit B to the Whitaker Comeback Affidavit dated May 26, 2020. GGB is continued under the *Business Corporations Act* (Ontario) and is a public company whose common shares are listed for trading on the Canadian Securities Exchange ("**CSE**") and on the OTCQB venture market and maintains a registered head office address of 199 Bay Street, Suite 5300 Toronto, Ontario M5L 1B9.

10. GGB Canada Inc. ("**GGB Canada**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). GGB Canada has no assets other than its ownership interest in GGB's U.S. subsidiaries and its four employees are paid by its U.S. subsidiaries.

11. Green Growth Brands Realty Ltd. ("**GGB Realty**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). GGB Realty was previously incorporated when the GGB Group intended to expand its cannabis operations into Canada. This was ultimately not pursued. GGB Realty has no assets or employees.

12. Xanthic Biopharma Limited ("**Xanthic**") is a direct, wholly-owned subsidiary of GGB and is incorporated under the *Business Corporations Act* (Ontario). Xanthic previously

held certain cannabis related patents which have since lapsed. Xanthic has no assets or employees.

13. The GGB Group was created through a series of strategic partnerships and transactions between subsidiaries of GGB and various U.S. companies which held licenses for the production, cultivation, processing and retail of cannabis products through dispensaries in the states of Nevada, Massachusetts and Florida.

14. Until recently, the GGB Group operated two distinct lines of business: (a) cannabis cultivation, processing and production of products containing more than 0.3% tetrahydrocannabinol ("**THC**"), and the distribution of the THC products as a multi-state operator through wholesale and retail channels in medical and adult-use dispensaries in Florida, Massachusetts and Nevada (the "**MSO Business**"), and (b) cannabidiol ("**CBD**")-infused consumer product production, wholesale and retail operations online and through mall-based kiosk shops (the "**CBD Business**") (collectively, the "**Licensed Activities**"). None of the Applicants directly conduct any Licensed Activities.

15. The MSO Business continues to operate through five indirect, wholly-owned subsidiaries of GGB (the "**MSO Subsidiaries**"). The CBD Business was operated through six indirect, wholly-owned subsidiaries of GGB (the "**CBD Subsidiaries**") until March 19, 2020, when the CBD Business was indefinitely suspended due to, among other things, the onset of the COVID-19 pandemic. On April 3, 2020, the Ohio Court appointed a receiver over Green Growth Brands LLC and the other CBD Subsidiaries to distribute the assets of the CBD Subsidiaries and wind down their operations.

UPDATE ON THE APPLICANTS' OPERATIONS

16. Since the date of the Initial Order, the Applicants have focused on trying to maintain their existing operations. This included communicating with various stakeholders including their employees, suppliers and lenders.

17. The Applicants also made an initial draw request on the debtor-in-possession loan facility (the "**DIP Agreement**") entered into between GGB and All Js Greenspace LLC ("**All Js**" or the "**DIP Lender**") and approved by the Court in the Initial Order.

MONITOR'S ACTIVITIES TO DATE

18. Since the granting of the Initial Order, among other things, the Monitor has been:

    a. assisting the Applicants in their communications with stakeholders;

    b. responding to calls and e-mails received from creditors and other parties with respect to these CCAA proceedings;

c. reviewing the GGB Group's disbursements and the Applicants' funding requests to the DIP Lender; and

d. participating in discussions with Management with respect to the cash flow forecasts prepared by the Applicants.

19. The Applicants' weekly cash flow forecast for the period May 20, 2020 to August 15, 2020 (the "**Cash Flow Forecast**") as appended to the Pre-Filing Report of the Proposed Monitor dated May 20,2020 (the "**Pre-Filing Report**") is attached as Appendix "**A**" to this First Report. Given the limited number of business days that have elapsed since the date of the Pre-Filing Report, the Applicants do not anticipate any material change in the weekly cash flow forecast. The Monitor will continue to work with the Applicants to review actual receipts and disbursements and any variances, if any from the Cash Flow Forecast and provide an update to the Court in its next report.

20. The Monitor has established a case website at www.ey.com/ca/GGBI (the "**Monitor's Website**"). All court documents and certain other documents will be posted on the Monitor's Website. Further, the Monitor has arranged for a toll-free hotline phone number 1-855-338-1758 for calls related to this matter and an e-mail address ggbi.monitor@ca.ey.com for e-mail correspondence with the Applicants' creditors and other parties related to the CCAA proceedings.

21. Pursuant to the Initial Order, the following notices have been posted on the Monitor's website, and/or sent to the Applicants' stakeholders since the date of the Initial Order:

a. On May 20, 2020, the Monitor posted a copy of the CCAA application materials, the Proposed Monitor's Report, and the Initial Order on the Monitor's Website;

b. On May 22, 2020, the Monitor sent a notice, which included information about the CCAA proceedings, the toll-free telephone number and the Monitor's email address (the "**Notice to Creditors**") to all known creditors, based on the contact information of such known creditors who have a claim against the Applicants of more than $1,000, provided by the Applicants (the "**Known Creditors**"), by email and prepaid ordinary mail. A copy of the Notice to Creditors was also posted on the Monitor's Website;

c. On May 26, 2020, the Monitor posted on the Monitor's Website a list showing the names of the Known Creditors and amounts owing per the Applicants' books and records; and

d. On May 25, 2020, the Monitor published the Notice to Creditors in the Globe and Mail (National Edition).

GGB FLORIDA POTENTIAL TRANSACTION

22. On May 13, 2020, GGB Green Holdings LLC received a non-binding letter of intent (an "**LOI**") from an interested party with respect to GGB Florida LLC and its subsidiaries (the "**Florida Subsidiaries**"). GGB Green Holdings LLC engaged in discussions with this party and on May 20, 2020, the LOI was executed. Based on the terms of the LOI, the potential buyer will acquire 100% of the membership interests of the Florida Subsidiaries, including, without limitation, all equity, assets, licenses, leases, and intellectual property held by them (the "**Florida Transaction**").

23. The LOI contemplates the execution of a definitive agreement on or before June 12, 2020 and closing of the Florida Transaction on or before July 12, 2020. The proposed purchase price is payable in cash and includes a non-refundable deposit payable to GGB Green Holdings LLC upon execution of a definitive agreement. Upon closing, it is expected that the Spring Oaks Notes and any other amounts secured against the assets of the Florida Subsidiaries shall be repaid such that the assets are transferred free and clear to the potential buyer. The LOI also contains a first right of refusal permitting the potential buyer an opportunity to match any competing offer received during the due diligence period contemplated by the LOI.

24. As set out in the Pre-Filing Report, GGB Green Holdings LLC previously entered into a forbearance agreement with Green Ops Group LLC to provide it with time to conclude a potential transaction. Pursuant to the forbearance agreement, GGB Green Holdings LLC agreed that if it had not entered into a definitive agreement on or prior to June 12, 2020 to sell the Florida Subsidiaries for an amount sufficient to repay any amounts owed to Green Ops Group LLC and secured against the Florida assets, it would voluntarily surrender the collateral to GGB Green Ops Group LLC. Accordingly, the Monitor expects that it is likely that the Florida Subsidiaries will be excluded from the transaction contemplated by the Stalking Horse Agreement or a Superior Offer (as described below) obtained pursuant to the SISP.

STAY EXTENSION / AMENDED AND RESTATED INITIAL ORDER

25. The Amended and Restated Initial Order proposes certain amendments to the Initial Order. Some of these details are highlighted below.

<u>Stay Extension</u>

26. The Stay Period is currently set to expire on May 29, 2020. The Applicants are requesting an extension of the Stay Period until August 15, 2020.

27. The Monitor is of the view that the requested extension of the Stay Period is appropriate for the following reasons:

   a. the Applicants require the extension in order to run the SISP;

   b. the Applicants have worked with the Monitor to develop the SISP, which is described in more detail herein. It is anticipated Phase I and likely Phase II of the SISP will be completed within the extended proposed Stay Period; and

   c. the Applicants continue to operate in good faith and with due diligence since the date of the Initial Order.

28. Based on the Cash Flow Forecast, and with the amendments to the DIP Lender's Charge as described below, the Monitor is of the view that the Applicants will have sufficient liquidity to fund their operations until August 15, 2020.

29. For the foregoing reasons, the Monitor supports the Applicants' request for an Order extending the Stay Period to August 15, 2020.

<u>Amendments to DIP Lender's Charge</u>

30. The maximum amount of the DIP Lender's Charge is proposed to increase from US$1,000,000 to US$7,500,000. The amount of the DIP Lender's Charge requested and approved in the Initial Order was determined relative to the initial DIP draw anticipated to be made during the 10-day stay period to fund operations in that period. The DIP Lender's Charge is proposed to increase to reflect the anticipated funding requirements of the GGB Group during the extended Stay Period and as set out in the Cash Flow Forecast. In addition, the increased DIP Lender's Charge reflects the maximum DIP Agreement amount available to the Applicants plus a provision for additional DIP Lender fees and expenses to be reimbursable by the Applicants to the DIP Lender pursuant to the DIP Agreement. The funding will be used to maintain ongoing operations and also to fund the SISP, which will enhance the prospects of a going-concern outcome. For the foregoing reasons, the Monitor supports the Applicants' request for an Order increasing the DIP Lender's Charge.

<u>Bid Protection Charge</u>

31. A fourth charge on the assets is proposed to secure the obligations to the Stalking Horse Bidder in respect of the Break Fee and Expense Reimbursement pursuant to the Stalking Horse Agreement. The maximum amount of the Bid Protection Charge is US$2,150,000. Given GGB's limited liquidity position and the value of the Stalking Horse Agreement to the SISP as set out below, the Monitor supports the Applicants' request for the Bid Protection Charge.

SUMMARY OF THE PROPOSED SALE AND INVESTMENT SOLICITATION PROCESS

The Stalking Horse Agreement

32. The Applicants are seeking approval of the SISP and the Stalking Horse Agreement.

33. The Stalking Horse Agreement provides that the Stalking Horse Bidder through, among other things, a credit bid, will purchase the following:

    a. 100% of the shares of GGB Canada Inc.;

    b. 100% of the shares of Xanthic Biopharma Limited;

    c. all intercompany indebtedness owed by GGB's subsidiaries other than the Excluded Subsidiaries as defined below (collectively, the "**Purchased Shares and Debt**"); and

    d. certain books and records, including among other things intellectual property, trade marks business names, patents, trade secrets, and confidential information (collectively, the "**Incidental Acquired Assets**" as defined in the Stalking Horse Agreement) (together the Purchased Shares and Debt and the Incidental Acquired Asset (the "**Purchased Assets**").

34. The Purchased Assets exclude the Excluded Subsidiaries, which are comprised of:

    a. one subsidiary that is directly owned by GGB (Green Growth Brands Realty Ltd.);

    b. six subsidiaries of GGB Canada Inc. (Green Growth Brands LLC, together with its subsidiaries (collectively, these subsidiaries operated the CBD Business and are currently in receivership proceedings in the United States)); and

    c. potentially the Florida Subsidiaries if the Florida Sale, as defined in the Stalking Horse Agreement, is completed. The Florida Transaction described above would constitute a Florida Sale.

    A diagram showing the Excluded Subsidiaries is attached as Appendix "**B**" to this First Report.

35. The Purchase Price for the Purchased Assets will be the total of the (i) Credit Bid Amount, (ii) the Administration Amounts and (iii) the dollar amount of the Assumed Liabilities (all as defined in the Stalking Horse Agreement).

36. The Credit Bid Amount, which amount will be exchanged by the Stalking Horse Bidder for the Purchased Assets, consists of the aggregate of the secured debt owing by GGB as of the date of closing of the transaction set out in the Stalking Horse Agreement as follows:

a. Funds advanced pursuant to the DIP Agreement which has a maximum borrowing limit of US$7,200,000 plus certain fees and expenses of the DIP Lender reimbursable by the Applicants to the DIP Lender pursuant to the DIP Agreement;

b. Secured convertible debentures issued on May 17, 2019 in the aggregate principal amount of US$45,500,000 bearing interest at a rate of 15.00% per annum (the "**May Debentures**");

c. Secured convertible debentures issued pursuant to equity commitment letters entered into on August 14, 2019 with each of All Js and Chiron Ventures Inc. ("**Chiron**" and together with All Js, the "**Backstop Providers**") to subscribe for 8.00% secured convertible debentures (the "**Backstop Debentures**"). As of May 18, 2020, GGB has issued an aggregate principal amount of US$23,717,000 of Backstop Debentures, allocated amongst the Backstop Providers;

d. A promissory note issued on May 4, 2020 to All Js (the "**First All Js Secured Note**") in the principal amount of US$400,000, bearing interest at a rate of 5.00% per annum, due and payable on demand; and

e. A promissory note issued on May 12, 2020 to All Js (the "**Second All Js Secured Note**" and, together with the First All Js Secured Note, the "**All Js Secured Notes**") in the principal amount of US$400,000, bearing interest at a rate of 5.00% per annum, due and payable on demand.

37. The Administration Amounts represent amounts accrued and owing and directly secured by the Administration Charge which has a maximum of $1 million pursuant to the Proposed Amended and Restated Initial Order.

38. The Assumed Liabilities, among other certain contracts, consist of liabilities that the Stalking Horse Bidders become responsible for including:

a. A promissory note (as amended and restated) issued to GA Opportunities Corp. ("**GAOC**") in the principal amount of $39,000,000, bearing interest at a rate of 3.00% per annum, originally due on November 15, 2019 the ("**GAOC Note**"). This note has since been acquired by Green Ops Group LLC;

b. If there is no Florida Sale, 15.00% convertible notes in the principal amounts of US$5,800,000 and US$11,400,000 (the "**Convertible Spring Oaks Notes**") which related to a transaction with one of GGB's subsidiaries, GGB Florida LLC. These notes are now held by Green Ops Group LLC;

c. If there is no Florida Sale, a 15% secured note in the principal amount of US$1 million (the "**Working Capital Spring Oaks Note**") held by Green Ops Group LLC and, collectively with the Convertibles Spring Oaks Notes, the "**Spring Oaks Notes**"); and

d. Any proven Priority Claim amount upon closing, to a maximum of US$50,000, that is unpaid or cash collateralized on or before closing including under the directors and officers charge granted by the Proposed Amended and Restated Initial Order

39. Based upon the above, the Monitor estimates the approximate aggregate Purchase Price pursuant to the Stalking Horse Agreement to be as follows:

Illustrative Value of the Stalking Horse Agreement
amounts in USD

	Amount (note 1)		
Credit Bid Amount			
DIP Agreement	$ 7,200,000		
May Debentures	45,500,000		
Backstop Debentures	23,717,000		
All Js Secured Notes	800,000	$	**77,217,000**
Administration Amounts			
Administration Charge (note 2)			**714,286**
Assumed Liabilities (excluding Florida secured debt)			
GAOC Note (note 3)	27,857,143		
Priority Claims (note 4)	50,000		**27,857,143**
Illustrative Value of Stalking Horse APA with Florida Subsidiaries excluded		**$**	**105,788,429**
Assumed Liabilities - Florida secured debt			
Spring Oaks Notes			18,200,000
Illustrative Value of Stalking Horse APA with Florida Subsidiaries included		**$**	**123,988,429**

Note 1: All amounts to be updated for accrued interest to the date of transaction closing plus any recoverable fees and expenses.
Note 2: Wind up Fees of US$25,000 plus actual amounts accrued and owing and secured by the Administration Charge up to the maximum of Cdn $1million - amount converted to USD using an exchange rate of US$1:Cdn$1.4 for illustrative purposes only - actual exchange rate to be confirmed.
Note 3: Actual amount is Cdn$39,000,000 - amount converted to USD using an exchange rate of US$1:Cdn$1.4 for illustrative purposes only - actual exchange rate to be confirmed.
Note 4: Actual amounts to a maximum of US$50,000.

40. The Stalking Horse Agreement also contains a provision that if it is terminated or upon the closing of a Successful Bid (as defined in the SISP) of a third party, the Applicants shall pay All Js a break fee of US$2,000,000 (the "**Break Fee**") and reimburse All Js its actual fees and expenses related to the Stalking Horse Agreement up to a maximum of $150,000 (the "**Expense Reimbursement**").

The SISP

41. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Applicants, a sale of the Applicants' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof (other than the Excluded Subsidiaries) (the "**Property**") on a going concern basis, or a combination thereof, which may include a merger, reorganization, recapitalization, primary equity issuance or other similar transaction (the "**Transaction**").

42. Below is a summary of the proposed SISP. Reference should be made to the complete text of the proposed SISP attached as **Appendix "C"** to this First Report and included as **Exhibit "E"** to the Whitaker Comeback affidavit sworn May 26, 2020. Terms not defined herein are as defined in the SISP.

Timeline of the Proposed SISP

43. The timeline of events pursuant to the proposed SISP are as follows:

Milestone	**Deadline**
The Monitor will arrange for notice of the SISP (the "**Notice**") to be published in The Globe and Mail (National Edition) and such other publications as the Monitor, in consultation with the Applicants, may deem appropriate; and The Applicant will issue a press release containing similar information as the Notice with Canada Newswire designating dissemination in Canada and major financial centres in the United States.	No later than five business days after approval of the SISP
Phase I Bid Deadline	**July 6, 2020** or such later other date or time as may be agreed by the Applicants, the Monitor, and the DIP Lender

Milestone	Deadline
Assessment of Phase I Bids and Bid Letter sent to Phase II Qualified Bidders: The Monitor will, in consultation with the Applicants, assess the Qualified Non-Binding LOIs and determine whether there is a reasonable prospect of obtaining a Superior Offer	**July 9, 2020** or by such other later date as may be agreed by the Monitor, the Applicants, and the DIP Lender
Phase II Bid Deadline	July 31, 2020
Auction Procedures - If the Monitor determines, in its reasonable business judgment, that one or more of the Qualified Bids is a Superior Offer, the Monitor will conduct an auction	As soon as practicable following the Phase II Bid Deadline
Outside Closing Date	August 31, 2020 or as agreed by the Monitor, the Applicants and the DIP Lender

<u>Key Aspects of the Proposed SISP</u>

44. To attract potential bidders, the Applicants will send out a press release through Canada Newswire and the Monitor will issue the Notice through The Globe and Mail (National Edition) and post the Notice on the Monitor's Website, within five business days after approval of the SISP.

45. During Phase I, the Monitor will solicit non-binding letters of interest from prospective strategic or financial parties to acquire the Property or to invest in the Applicants ("**Non-Binding LOIs**").

46. Potential Bidders (as defined in the SISP) will be required to submit an NDA and such form of financial disclosure or support that will allow the Applicants and the Monitor to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate their offers. Potential Bidders that submit the required documents and demonstrate to the satisfaction of the Monitor, their capability to consummate an offer will be deemed a "**Qualified Bidder**".

47. The Monitor will send each Qualified Bidder a confidential information memorandum (the "**CIM**") prepared by the Applicants, which contains additional information regarding the Applicants that are considered relevant to the potential Transaction.

48. Qualified Bidders that wish to pursue the potential Transaction shall deliver a non-binding letter of interest ("**Qualified Non-Binding LOI**") by July 6, 2020, or such later other date or time as may be agreed by the Applicants, the Monitor, and the DIP Lender (the "**Phase I Bid Deadline**") which must indicate, with the prescribed and required details, if it is an offer to:

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

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

49. Within three business days following the Phase I Bid Deadline, the Monitor will, in consultation with the Applicants, assess the Qualified Non-Binding LOIs and determine whether there is a reasonable prospect of obtaining a "**Superior Offer**". In order to qualify as a Superior Offer, an offer must be credible, financially viable, on terms no more burdensome than the terms contained in the Stalking Horse Agreement and provide for minimum cash consideration equal to the aggregate of: i) the value pursuant to the Stalking Horse Agreement as set out above; plus ii) the Break Fee; plus iii) the Expense Reimbursement; plus iv) an incremental overbid increment of US$250,000. Based on the illustrative calculation set out above, the Monitor estimates the threshold for a Superior Offer to be at least US$108.2 million for a transaction excluding the Florida Subsidiaries and at least US$126.4 million for a transaction including the Florida Subsidiaries.

50. If the Monitor determines that there is such a reasonable prospect, the Monitor will recommend to the Applicants that the SISP continue into Phase II in accordance with these SISP Procedures ("**Phase II**").

51. If the Applicants do not accept such recommendation, the Monitor will report to the Court that the Applicants do not accept such recommendation and will seek advice and directions from the Court with respect to the SISP.

52. If the Monitor, in consultation with the Applicants, determines that there is no reasonable prospect of a Qualified Non-Binding LOI resulting in a Superior Offer because no Qualified Non-Binding LOI is received or the Monitor determines that there is no reasonable prospect that an Qualified Non-Binding LOI will result in a Superior Offer the Monitor will advise the DIP Lender of such determination.

53. If the SISP is terminated pursuant to the Monitor's recommendation or pursuant to Court Order, the Applicants shall promptly take steps to complete the Transaction contemplated by the Stalking Horse Agreement and the Monitor shall notify each Qualified Bidder that submitted a Qualified Non-Binding LOI that the SISP has been terminated.

54. If the SISP continues into Phase II, Qualified Bidders will be provided access to additional documents and information through a data room (the "**Data Room**") including as appropriate, meetings with senior management of the Applicants.

55. The Monitor will manage the Data Room and coordinate all requests for information to be included into the Data Room, and will place reasonable and relevant information, if available, into the Data Room.

56. A Qualified Bidder that is not eliminated from the SISP in accordance with these SISP Procedures and that desires to participate in Phase II will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid (collectively a "**Qualified Bid**") to the Monitor by 5:00 PM (Toronto time) on a specified date as agreed by the Applicants, the Monitor, and the DIP Lender (the "**Phase II Bid Deadline**") estimated to be within 60 days of the approval of the SISP Order.

57. The Applicants and the Monitor will assess the bids received. Various factors may be considered in determining whether a bid is a Qualified Bid. The Applicants shall disqualify any Bids that are not deemed to be Qualified Bids. The Monitor shall exercise its reasonable business judgement when deciding whether to approve the Applicants' disqualification of any Bids. If the Monitor and Applicants disagree, the Monitor shall advise the Court and seek advised and direction from the Court.

58. If the Monitor determines, that one or more of the Qualified Bids is a Superior Offer, the Monitor will conduct an auction (the "**Auction**") at a specified date and time by teleconference or at such location as shall be timely communicated by the Monitor to all entities entitled to attend the Auction.

59. Following the conclusion of the Auction, the Monitor shall recommend to the Applicants that the highest or otherwise best offer (the "**Highest Bid**"), as established in the last round of the Auction, be selected and that a definitive agreement be negotiated and settled in respect of that Highest Bid, conditional upon Court approval and conditional on the Highest Bid closing within a set period of time after the Phase II Bid Deadline as shall be agreed to by the Monitor and DIP Lender.

<u>Monitor's Involvement in the Proposed SISP</u>

60. The Monitor has been working with the Applicants to develop the proposed SISP to seek the best alternatives for the benefit of the Applicants, their creditors and other stakeholders, while at the same time ensuring a fair and transparent process for bidders.

61. In addition to its involvement in the development of the proposed SISP itself, the Monitor will have significant involvement in assisting the Applicants with the development of materials for the SISP, and consultation and oversight throughout the SISP to monitor the effectiveness and fairness of the process. As indicated above, there are also certain key decision points under the proposed SISP that cannot be made without the approval of the Monitor.

62. The Applicants and the Monitor shall have the right to modify the SISP if, in their reasonable business judgement, such modification will enhance the process or better achieve the objectives of the SISP; provided that the CCAA service list will be advised of any substantive modification. The Monitor is of the view that this flexibility is appropriate to ensure the best possible outcome from the SISP.

Monitor's Comments on the Proposed SISP and Stalking Horse Agreement

63. The Monitor is of the view that the proposed SISP is well structured and will provide for a robust canvassing of sale, restructuring and recapitalization options for the benefit of the Applicants and their creditors and other stakeholders. Some of the key benefits of the proposed SISP and Stalking Horse Agreement can be summarized as follows:

a. the Stalking Horse Agreement provides the Applicants with certainty that a transaction can be completed upon the conclusion of the SISP;

b. the Break Fee and Expense Reimbursement are reasonable in the circumstances giving regard to similar amounts in other CCAA proceedings;

c. the proposed SISP allows for ample notice of the opportunity, as it will canvass Potential Bidders through publication in a major daily newspaper and through a press release to generate interest amongst a broad base of potential bidders and interested parties;

d. the proposed SISP provides bidders with the ability to indicate their initial interest in a non-binding manner in Phase I and then complete further due diligence to understand the Applicants and their assets and business and determine whether to proceed further with a Phase II bid;

e. the proposed SISP will be carried out by the Applicants, under the oversight of the Monitor and under the ultimate oversight and supervision of the Court;

f. the factors to be considered in arriving at a Successful Bid are appropriate in the circumstances; and

g. the Monitor understands that the majority of the holders of GGB's secured debt support the Stalking Horse Agreement and the SISP.

64. The Monitor has instructed its counsel to perform a review of the security held by all of GGB's secured lenders and anticipates being able to update the Court at the Comeback Hearing with respect to the validity and enforceability of the security.

CONCLUSION AND RECOMMENDATIONS

65. For the reasons stated herein, the Monitor supports the relief sought by the Applicants in the Proposed Amended and Restated Initial Order, including but not limited to the extension of the Stay Period, an increase to the DIP Lender's Charge, the addition of the Bid Protection Charge, the Stalking Horse Agreement and the proposed SISP process and recommends the Court grant the Proposed Amended and Restated Initial Order and the SISP Order.

All of which is respectfully submitted this 26th day of May, 2020.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicants, and not in its corporate or personal capacity.

per:

Sharon Hamilton

Sharon Hamilton, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

Cash Flow Forecast

Green Growth Brands Inc.

Green Growth Brands Inc. (Canadian Company)

Green Growth Brands Inc. (Canadian Company)

(USD)		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	
Week Ending	**Note**	**23-May-20**	**30-May-20**	**6-Jun-20**	**13-Jun-20**	**20-Jun-20**	**27-Jun-20**	**4-Jul-20**	**11-Jul-20**	**18-Jul-20**	**25-Jul-20**	**1-Aug-20**	**8-Aug-20**	**15-Aug-20**	**13 Week**
Opening Available Cash		-	52,679	52,830	46,009	52,188	55,366	51,545	66,327	62,506	65,506	55,464	43,464	59,464	-
Disbursements															
Payroll Expenses & Group Benefits	1	-	3,750	-	-	-	-	-	-	-	-	-	-	-	**3,750**
Source Deductions	2	-	1,929	-	-	-	-	-	-	-	-	-	-	-	**1,929**
Selling, General & Administrative	3	-	143	3,000	-	3,000	-	3,000	-	3,000	-	3,000	-	3,000	**18,143**
Board Fees	4	-	7,143	-	-	-	-	-	-	-	-	-	-	-	**7,143**
Restructuring Costs	5	282,321	245,321	123,821	123,821	123,821	123,821	123,821	123,821	84,000	84,000	84,000	84,000	84,000	**1,690,571**
DIP Interest Payments & Commitment Fee	6	-	1,563	-	-	-	-	13,396	-	-	26,042	-	-	-	**41,000**
Total Disbursements		282,321	259,848	126,821	123,821	126,821	123,821	140,217	123,821	87,000	110,042	87,000	84,000	87,000	**1,762,536**
Net Cash flow from Operations		(282,321)	(259,848)	(126,821)	(123,821)	(126,821)	(123,821)	(140,217)	(123,821)	(87,000)	(110,042)	(87,000)	(84,000)	(87,000)	**(1,762,536)**
DIP Draw/(Payback) for Operations		375,000	490,000	460,000	650,000	310,000	930,000	255,000	2,550,000	230,000	210,000	305,000	100,000	335,000	**7,200,000**
Intercompany Transfer		(40,000)	(230,000)	(340,000)	(520,000)	(180,000)	(810,000)	(100,000)	(2,430,000)	(140,000)	(110,000)	(230,000)	-	(260,000)	**(5,390,000)**
Closing Cash / (Indebtedness)		**52,679**	**52,830**	**46,009**	**52,188**	**55,366**	**51,545**	**66,327**	**62,506**	**65,506**	**55,464**	**43,464**	**59,464**	**47,464**	**47,464**
Opening DIP Facility		-	375,000	865,000	1,325,000	1,975,000	2,285,000	3,215,000	3,470,000	6,020,000	6,250,000	6,460,000	6,765,000	6,865,000	-
Draw / (Repayment)		375,000	490,000	460,000	650,000	310,000	930,000	255,000	2,550,000	230,000	210,000	305,000	100,000	335,000	**7,200,000**
Closing DIP Facility		375,000	865,000	1,325,000	1,975,000	2,285,000	3,215,000	3,470,000	6,020,000	6,250,000	6,460,000	6,765,000	6,865,000	7,200,000	**7,200,000**

U.S. Home Office

U.S. Home Office

(USD)		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	
Week Ending	**Note**	**23-May-20**	**30-May-20**	**6-Jun-20**	**13-Jun-20**	**20-Jun-20**	**27-Jun-20**	**4-Jul-20**	**11-Jul-20**	**18-Jul-20**	**25-Jul-20**	**1-Aug-20**	**8-Aug-20**	**15-Aug-20**	**Total**
Opening Available Cash		-	26,675	29,400	31,775	25,233	32,183	25,608	27,983	24,859	30,634	33,534	28,234	28,209	-
Disbursements															
Payroll Expenses & Group Benefits	1	-	91,000	-	70,000	-	70,000	-	-	78,200	-	78,200	-	78,200	**465,600**
Selling, General & Administrative	2	3,325	25	3,625	25	3,050	325	3,625	25	3,025	850	3,100	25	3,050	**24,075**
Selling, General & Administrative (AP Catch-Up)	3	-	-	50,000	50,000	50,000	50,000	50,000	50,000	-	-	-	-	-	**300,000**
Rent, Utilities, Insurance, Property Taxes	4	-	-	4,000	66,517	-	-	4,000	23,517	43,000	-	4,000	-	66,517	**211,551**
Duties & Taxes	5	-	-	-	-	-	-	-	2,089,582	-	-	-	-	-	**2,089,582**
Restructuring	6	-	106,250	-	-	-	106,250	-	-	-	106,250	-	-	106,250	**425,000**
Total Disbursements		3,325	197,275	57,625	186,542	53,050	226,575	57,625	2,163,124	124,225	107,100	85,300	25	254,017	**3,515,808**
Net Cash flow from Operations		(3,325)	(197,275)	(57,625)	(186,542)	(53,050)	(226,575)	(57,625)	(2,163,124)	(124,225)	(107,100)	(85,300)	(25)	(254,017)	**(3,515,808)**
Intercompany Transfer		30,000	200,000	60,000	180,000	60,000	220,000	60,000	2,160,000	130,000	110,000	80,000	-	250,000	**3,540,000**
Closing Cash / (Indebtedness)		**26,675**	**29,400**	**31,775**	**25,233**	**32,183**	**25,608**	**27,983**	**24,859**	**30,634**	**33,534**	**28,234**	**28,209**	**24,192**	**24,192**

Green Growth Brands Inc.

Nevada

(USD)		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	
Week Ending	Note	**23-May-20**	**30-May-20**	**6-Jun-20**	**13-Jun-20**	**20-Jun-20**	**27-Jun-20**	**4-Jul-20**	**11-Jul-20**	**18-Jul-20**	**25-Jul-20**	**1-Aug-20**	**8-Aug-20**	**15-Aug-20**	**Total**
Opening Available Cash		1,700,000	1,871,023	623,921	258,364	253,039	322,714	257,389	258,742	249,391	364,674	379,956	251,924	267,207	**1,700,000**
Sales Receipts	1	454,300	536,900	582,355	582,355	582,355	582,355	664,955	664,955	664,955	664,955	664,955	664,955	664,955	**7,975,300**
Total Receipts		454,300	536,900	582,355	582,355	582,355	582,355	664,955	664,955	664,955	664,955	664,955	664,955	664,955	**7,975,300**
Disbursements															
Merchandise Vendor Payments	2	38,500	91,000	211,500	234,250	234,250	234,250	183,750	183,750	183,750	183,750	183,750	183,750	183,750	**2,330,000**
Merchandise Vendor Payments (AP Catch-Up)	3	164,633	164,633	164,633	164,633	164,633	164,633	164,633	164,633	-	-	-	-	-	**1,317,066**
Production Costs (excl. Payroll)	4	31,028	31,028	31,028	37,234	37,234	37,234	37,234	44,680	44,680	44,680	44,680	44,680	44,680	**510,101**
Payroll Expenses & Group Benefits	5	-	254,504	-	275,000	-	275,000	-	300,000	-	300,000	-	300,000	-	**1,704,504**
Selling, General & Administrative	6	49,116	119,116	69,116	76,562	76,562	126,562	121,242	121,242	121,242	121,242	171,242	121,242	121,242	**1,415,727**
Selling, General & Administrative (AP Catch-Up)	7	-	-	100,000	100,000	100,000	100,000	100,000	100,000	-	-	-	-	-	**600,000**
Rent, Utilities, Insurance, & Property Taxes	8	-	56,742	-	-	-	-	56,742	-	-	-	56,742	-	-	**170,227**
Duties & Taxes	9	-	1,066,978	631,635	-	-	260,000	-	-	200,000	-	456,572	-	-	**2,615,184**
Total Disbursements		283,277	1,784,002	1,207,912	887,679	612,679	1,197,679	663,601	914,306	549,672	649,672	912,986	649,672	349,672	**10,662,811**
Net Cash flow from Operations		171,023	(1,247,102)	(625,557)	(305,325)	(30,325)	(615,325)	1,353	(249,351)	115,282	15,282	(248,032)	15,282	315,282	**(2,687,511)**
Intercompany Transfer		-	-	260,000	300,000	100,000	550,000	-	240,000	-	-	120,000	-	-	**1,570,000**
Closing Cash / (Indebtedness)		**1,871,023**	**623,921**	**258,364**	**253,039**	**322,714**	**257,389**	**258,742**	**249,391**	**364,674**	**379,956**	**251,924**	**267,207**	**582,489**	**582,489**

Massachusetts

(USD)		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	
Week Ending	Note	**23-May-20**	**30-May-20**	**6-Jun-20**	**13-Jun-20**	**20-Jun-20**	**27-Jun-20**	**4-Jul-20**	**11-Jul-20**	**18-Jul-20**	**25-Jul-20**	**1-Aug-20**	**8-Aug-20**	**15-Aug-20**	**Total**
Opening Available Cash		-	9,890	11,962	6,887	11,087	6,087	10,178	6,175	11,175	10,375	10,265	10,462	10,462	-
Disbursements															
Payroll Expenses & Group Benefits	1	-	9,000	-	10,800	-	10,800	-	-	10,800	-	10,800	-	10,800	**63,000**
Selling, General & Administrative (AP Catch-Up)	2	-	-	25,000	25,000	25,000	25,000	25,000	25,000	-	-	-	-	-	**150,000**
Rent, Utilities, Insurance, Property Taxes	3	110	18,928	75	-	-	110	19,003	-	-	110	19,003	-	-	**57,338**
Total Disbursements		110	27,928	25,075	35,800	25,000	35,910	44,003	25,000	10,800	110	29,803	-	10,800	**270,338**
Net Cash flow from Operations		(110)	(27,928)	(25,075)	(35,800)	(25,000)	(35,910)	(44,003)	(25,000)	(10,800)	(110)	(29,803)	-	(10,800)	**(270,338)**
Intercompany Transfer		10,000	30,000	20,000	40,000	20,000	40,000	40,000	30,000	10,000	-	30,000	-	10,000	**280,000**
Closing Cash / (Indebtedness)		**9,890**	**11,962**	**6,887**	**11,087**	**6,087**	**10,178**	**6,175**	**11,175**	**10,375**	**10,265**	**10,462**	**10,462**	**9,662**	**9,662**

Green Growth Brands Inc.

Florida

Florida

(USD)		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	
Week Ending	Note	**23-May-20**	**30-May-20**	**6-Jun-20**	**13-Jun-20**	**20-Jun-20**	**27-Jun-20**	**4-Jul-20**	**11-Jul-20**	**18-Jul-20**	**25-Jul-20**	**1-Aug-20**	**8-Aug-20**	**15-Aug-20**	**Total**
Opening Available Cash		175,071	175,071	30,776	(20,674)	(236,126)	(284,326)	(380,793)	(746,428)	(806,694)	(842,694)	(871,911)	(1,245,996)	(1,256,446)	**175,071**
Investor Agreements	1	-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Total Receipts		-	500,000	-	-	-	-	-	-	-	-	-	-	-	500,000
Disbursements															
Production Costs	2	-	198,000	6,450	29,950	3,200	19,050	183,300	29,400	4,000	18,800	184,750	10,000	29,400	**716,300**
Production Costs (AP Catch-Up)	3	-	334,250	20,000	20,000	20,000	20,000	-	-	-	-	-	-	-	**414,250**
Payroll Expenses & Group Benefits	4	-	-	-	27,000	-	27,000	-	-	27,000	-	27,000	-	27,000	**135,000**
Selling, General & Administrative	5	-	20,417	25,000	10,417	5,000	10,417	35,000	10,417	5,000	10,417	35,000	-	5,000	**172,083**
Rent, Utilities, Insurance, Property Taxes	6	-	-	-	108,085	-	-	127,335	450	-	-	127,335	450	-	**363,655**
Rent, Utilities, Insurance, Property Taxes (AP Catch-Up)	7	-	91,629	-	-	-	-	-	-	-	-	-	-	-	**91,629**
Capital Expenditure	8	-	-	-	20,000	20,000	20,000	20,000	20,000	-	-	-	-	-	**100,000**
Total Disbursements		-	644,295	51,450	215,452	48,200	96,467	365,635	60,267	36,000	29,217	374,085	10,450	61,400	**1,992,917**
Net Cash flow from Operations		-	(144,295)	(51,450)	(215,452)	(48,200)	(96,467)	(365,635)	(60,267)	(36,000)	(29,217)	(374,085)	(10,450)	(61,400)	**(1,492,917)**
Intercompany Transfer		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Cash / (Indebtedness)		**175,071**	**30,776**	**(20,674)**	**(236,126)**	**(284,326)**	**(380,793)**	**(746,428)**	**(806,694)**	**(842,694)**	**(871,911)**	**(1,245,996)**	**(1,256,446)**	**(1,317,846)**	**(1,317,846)**

IN THE MATTER OF THE CCAA OF GREEN GROWTH BRANDS INC., GGB CANADA INC., GREEN GROWTH BRANDS REALTY LTD. AND XANTHIC BIOPHARMA LIMITED (each an "Applicant" and collectively, the "Applicants").

Notes to the Unaudited Cash Flow Forecast of the Applicants

Disclaimer

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants have relied upon unaudited financial information and the Applicants have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Applicants and additional assumptions discussed below with respect to the requirements and impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing. Since the Cash Flow Forecast is based on assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

Overview

The Cash Flow Forecast includes receipts and disbursements of the Applicants and of its US subsidiaries during the Cash Flow Forecast period. The Applicants, with the assistance of Ernst & Young Inc., in its capacity as the proposed monitor of the Applicants (the "**Proposed Monitor**"), have prepared the Cash Flow Forecast based primarily on estimated disbursements related to the CCAA proceedings and the ongoing operations.

Business Unit: Green Growth Brands Inc. – Located in Toronto, Ontario

	Category	**Description**
1	Payroll Expenses & Group Benefits	This includes net payroll and benefits for one employee until the week ending May 30th, after which no staff will be directly employed by Green Growth Brands Inc.
2	Source Deductions	Represents employee and employer payroll source deductions to be remitted to the CRA.
3	Selling, General & Administrative	This includes a provision for software subscription fees, Canadian Securities Exchange fees, reimbursable employee expenses and other administrative related expenses.
4	Board Fees	Represents Board fees for the two Canadian entity board members for services in March April and May.
5	Restructuring Costs	Fees owing to or estimated to be incurred by the Applicant's legal counsel, the Monitor and the Monitor's legal counsel in connection with the CCAA filing.

	Category	Description
6	DIP Interest Payments & Commitment Fee	As per the DIP Agreement, interest is compounded monthly, payable in arrears on the first of the month at a rate of 5% per annum.

Business Unit: U.S. Home Office – GGB Holdings (Columbus, Ohio)

	Category	Description
1	Payroll Expenses & Group Benefits	This includes net payroll and benefits for twelve head office employees. Employees are paid on the 15th and 30th of the month for the period in arrears.
2	Selling, General & Administrative	This includes software subscription fees, network fees, postage fees, office supplies, cleaning expenses, and office equipment lease expenses.
3	Selling, General & Administrative (AP Catch-Up)	Management has conducted a detailed review of outstanding amounts owing and determined which vendors are necessary to continuing operations. Amounts forecasted reflect payments to these vendors. The majority relate to the provision of professional services, insurance, and store construction and design. Management notes that there are additional payables outstanding that have not been included in the Cash Flow Forecast at this time.
4	Rent, Utilities, Insurance, & Property Taxes	This includes property insurance, directors and officer's insurance, utilities and rent related to the home office.
5	Duties & Taxes	Amounts reflected include $1.1 million in federal tax owing for fiscal 2019 and $1.0 million in installments required to be made for fiscal 2020.
6	Restructuring	Represents fees owing to and to be incurred by U.S. legal counsel, Akerman LLP.

Business Unit: Nevada

	Category	Description
1	Sales Receipts	This includes cash and debit card receipts from retail and wholesale sales.
2	Merchandise Vendor Payments	This includes expenses related to the purchase of current product and inventory for the period following the CCAA filing.
3	Merchandise Vendor Payments (AP Catch-Up)	This includes amounts owed to key vendors that supplied product and inventory received prior to the CCAA filing. Management has performed a vendor by vendor analysis to determine if these vendors are required for ongoing operations and will continue to supply goods and services going forward. Management notes that there are additional payables outstanding to other vendors that have not been included in the Cash Flow Forecast at this time.

	Category	Description
4	Production Costs (excl. Payroll)	Costs included relate to cultivation, such as fertilizer and other consumables, utilities necessary to grow the plants, and rent and utilities of the cultivation facility.
5	Payroll Expenses & Group Benefits	This includes gross payroll (including the employee and employer portion of source deductions) and benefits for approximately one-hundred employees. These costs also include employees required for the cultivation of plants.
6	Selling, General & Administrative	This includes software subscription fees, network fees, postage fees, office supplies, cleaning expenses, and office equipment lease expenses.
7	Selling, General & Administrative (AP Catch-Up)	This includes amounts owing for expenses incurred prior to the CCAA filing and that are due to vendors that Management has assessed as necessary to continuing operations. Expenses relate to supplies and marketing and include rent for April and May. There currently exist additional payable outstanding to other vendors that have not been included in the Cash Flow Forecast at this time.
8	Rent, Utilities, Insurance, & Property Taxes	This includes rent for the home office as well as dispensaries.
9	Duties & Taxes	Represents the remittance of sales and use tax in Nevada for the months of February, March and April as well as the estimated on-going sales and use tax due during the cash flow forecast period.

Business Unit: Massachusetts

	Category	Description
1	Payroll Expenses & Group Benefits	This includes gross payroll (including the employee and employer portion of source deductions) and benefits for three employees. Employees are paid on the 15th and 30th of the month for the period in arrears.
2	Selling, General & Administrative (AP Catch-Up)	This represents payments for expenses that are pre-filing and are due to vendors involved with ongoing construction of dispensaries.
3	Rent, Utilities, Insurance & Property Taxes	This includes rent and utilities for one dispensary.

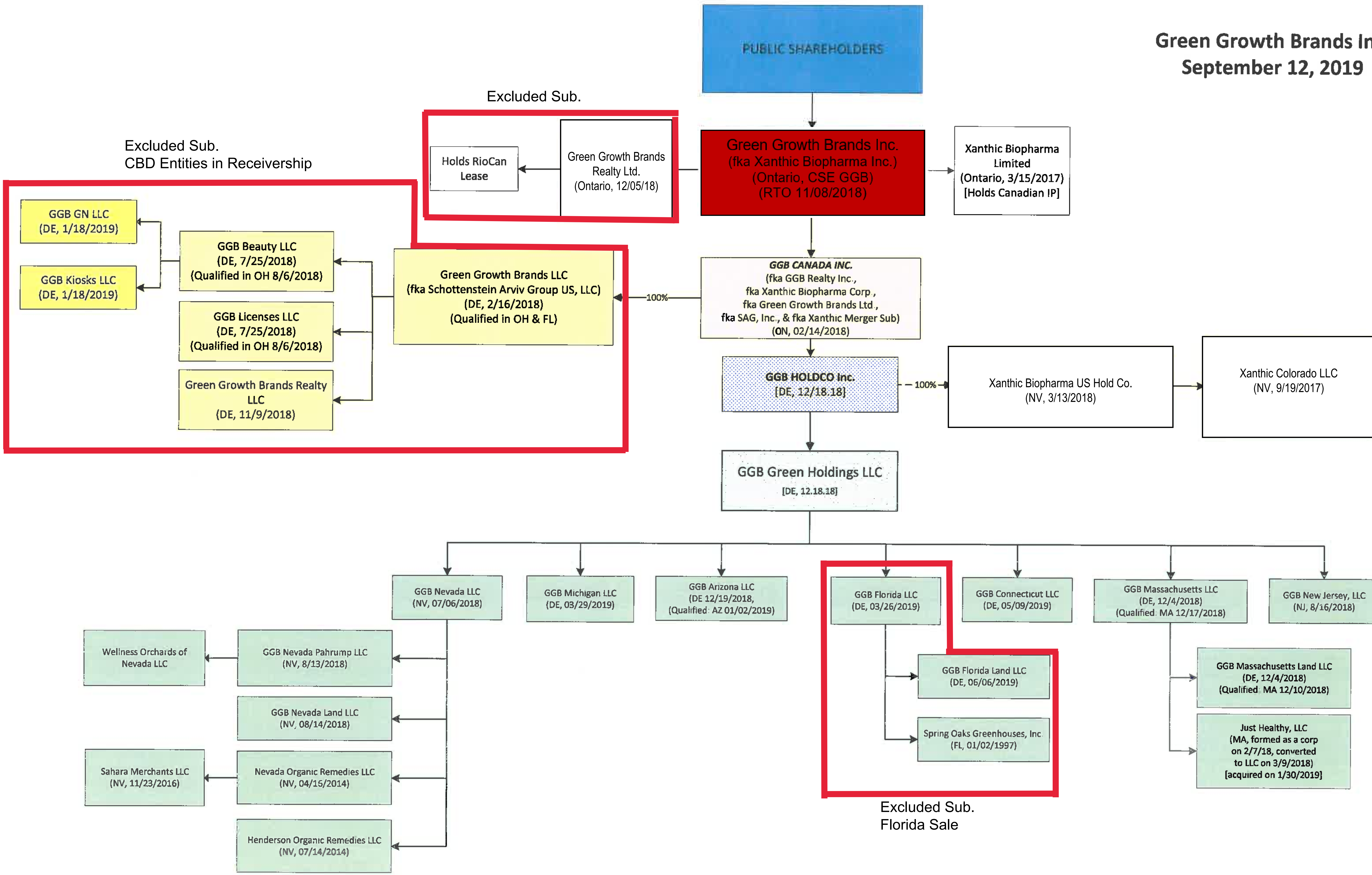
Business Unit: Florida

	Category	Description
1	Investor Agreements	This represents the second instalment in financing committed by WMB Resources LLC.
2	Production Costs	Costs included relate to cultivation, such as fertilizer and other consumables, utilities necessary to grow the plants, and rent of the facility.
3	Production Costs (AP Catch-Up)	This includes payments for expenses incurred prior to the CCAA filing related to production costs such as facility rent, fertilizer and other consumables.
4	Payroll Expenses & Group Benefits	This includes gross payroll (including the employee and employer portion of source deductions) and benefits for five employees including employees involved in the cultivation of plants. Employees are paid on the 15th and 30th of the month for the period in arrears.
5	Selling, General & Administrative	This includes software subscription fees, network fees, postage fees, office supplies, and cleaning expenses. Also included are fees of the medical director, security personnel, and a real estate broker.
6	Rent, Utilities, Insurance & Property Taxes	This includes flood insurance as well as rent and utilities for the home office as well as 5 dispensaries.
7	Rent, Utilities, Insurance & Property Taxes (AP Catch-Up)	Costs included relate to 5 dispensaries and the associated operating leases.
8	Capital Expenditure	Costs included relate to trucks and other equipment necessary for cultivation.

Appendix B

Excluded Subsidiaries

Green Growth Brands Inc.
September 12, 2019



Appendix C

SISP

Sale and Investment Solicitation Process

INTRODUCTION

Overview

On May 20, 2020, Green Growth Brands Inc. ("**GGB**"), GGB Canada Inc., Xianthic Biopharma Limited, and Green Growth Brands Realty Ltd. (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 May 29, 2020, 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**"); and

(c) authorizes the Applicants to enter into a debtor-in-possession financing agreement (the "**DIP Financing**") with All Js Greenspace LLC ("**All Js**" or the "**DIP Lender**") whereby All Js agreed to provide a maximum principal amount of US$7.2 million in financing to GGB for its benefit and the benefit of its subsidiaries and grants a corresponding charge (the "**DIP Charge**") over all of the Applicants' present and future assets, property and undertakings of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**").

On May 29, 2020, **t**he Applicants obtained an Order (the "**SISP Order**") that, among other things, (i) approved the sale and investment solicitation process described herein (the "**SISP**"), and (ii) authorized GGB to enter into a fully binding and conditional acquisition agreement (the "**Stalking Horse Agreement**") between GGB, Capital Transfer Agency ULC in its capacity as Debenture Trustee under certain debentures issued by GGB (in such capacity, the "**Debenture Trustee**") and All Js (collectively with the Debenture Trustee, the "**Stalking Horse Bidder**") pursuant to which the Stalking Horse Bidder through, among other things, a credit bid, made an offer to purchase the Purchased Assets (as defined in the Stalking Horse Agreement).

The Applicants will conduct the SISP described herein under the supervision of the Monitor. Under the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Applicants, a sale of the Property on a going concern basis, or a combination thereof, which may include a merger, reorganization, recapitalization, primary equity issuance or other similar transaction (the "**Transaction**").

The SISP Order, the procedures in respect of the SISP as contained herein (the "**SISP Procedures**") and any subsequent order issued by the Court pertaining to the SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the Transaction.

Defined Terms

All capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Initial Order. In addition, in these SISP Procedures:

"**Priority Claims Amount**" means the aggregate amount owing (whether for principal, interest, fees, recoverable costs or otherwise) by GGB at the date upon which the transactions contemplated by the Successful Bid, if any, are completed, under:

(i) the DIP Financing;

(ii) the amended and restated promissory note dated November 15, 2019 issued by GGB to GA Opportunities Corp. (the "**GAOC Note**");

(iii) any court-ordered charges granted over the Property in the CCAA Proceedings; and

(iv) any other claims against the Property which, in accordance with applicable laws, rank in priority to the Senior Secured Claims Amount;

"**Senior Secured Claims Amount**" means the aggregate amount owing (whether for principal, interest, fees, recoverable costs or otherwise) by GGB as at the date upon which the transactions contemplated by the Successful Bid, if any, are completed, under:

(i) the convertible secured debentures issued by GGB pursuant to that certain convertible debenture indenture dated May 17 between GGB and the Debenture Trustee; and

(ii) the convertible secured debentures issued by GGB pursuant to that certain convertible debenture indenture dated October 18, 2019, as amended, between GGB and the Debenture Trustee;

"**Superior Offer**" shall mean an offer that is made by a Qualified Bidder (as defined herein) that:

(i) is credible, reasonably certain, and financially viable and on terms which are more favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Agreement;

(ii) provides for a minimum cash consideration in an amount equal to the aggregate of (i) the Senior Secured Claims Amount, which amount is to be indefeasibly received by the Debenture Trustee for immediate distribution to the holders of the Senior Secured Claims Amount in full satisfaction of the amounts owing thereto; (ii) the Priority Claims Amount; (iii) a break fee in the amount of $2,000,000 (the "**Break Fee**"); (iv) a reimbursement of All Js actual fees, expenses and disbursements relating to the preparation and execution of the Stalking Horse Agreement up to a maximum amount of $150,000 (collectively with the Break Fee, the "**Expense Reimbursement**"); and

(v) an incremental overbid increment above the amounts set out in (i) to (iv) of $250,000; and

(iii) assumes, at a minimum, the Assumed Obligations (as defined in the Stalking Horse Agreement), with the exception of the GAOC Note which, for greater certainty, may not be assumed as part of a Superior Offer but must be satisfied through cash consideration paid on account of the Priority Claims Amount.

Solicitation Process

The SISP Procedures set forth herein describe, among other things, the Property available for sale and the opportunity for an investment in the Applicants, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Applicants, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, respectively, the receipt and negotiation of bids received, the process for an Auction, if any, the ultimate selection of a Successful Bidder, if any (each as defined below), and the Court's approval thereof. The SISP shall be conducted by the Applicants, under the supervision and with the assistance of the Monitor, as provided for herein. In the event that there is disagreement as to the interpretation or application of these SISP Procedures, the Court will have exclusive jurisdiction to hear and resolve such dispute.

Sale and Investment Opportunity

A Confidential Information Memorandum describing the opportunity to acquire all or substantially all of the Property or invest in the Applicants will be made available by the Monitor to prospective purchasers or prospective strategic or financial investors that have executed a confidentiality agreement with the Applicants. One or more Qualified LOIs (as defined below) for less than substantially all of the Property will not be precluded from consideration as a Superior Offer.

"As Is, Where Is"

The sale of the Property or investment in the Applicants 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 agents or estates, except to the extent set forth in the definitive sale or investment agreement with a Successful Bidder.

Free of Any and All Claims and Interests

In the event of a sale, all of the rights, title and interests 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 thereon and there against (collectively, the "**Claims and Interests**") pursuant to section 36(6) of the CCAA, such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder.

An investment in the Applicants may, at the option of the Successful Bidder, include one or more of the following: a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern; a sale of the Property to a newly formed acquisition entity on terms described in the above paragraph; or a plan of compromise or arrangement pursuant to the CCAA or any applicable corporate legislation which compromises the Claims and Interests as set out therein.

Phase I – Initial Timing

For a period of approximately four (4) weeks following the date of the SISP Order, or for such shorter period as the Monitor, in consultation with the DIP Lender, may determine appropriate ("**Phase 1**"), the Monitor will solicit non-binding letters of interest from prospective strategic or financial parties to acquire the Property or to invest in the Applicants ("**Non-Binding LOIs**").

Publication Notice

As soon as reasonably practicable after granting of the SISP Order approving these SISP Procedures, but in any event no more than five (5) business days after the issuance of the SISP Order, the Monitor shall cause a notice of the sale and investor solicitation process contemplated by these SISP Procedures and such other relevant information which the Monitor considers appropriate to be published in The Globe and Mail (National Edition) and such other publications as the Monitor, in consultation with the Applicants, may deem appropriate. At the same time, GGB shall issue a press release setting out the notice and such other relevant information in form and substance satisfactory to the Monitor, with Canada Newswire designating dissemination in Canada and major financial centres in the United States.

Participation Requirements

Unless otherwise ordered by the Court or as otherwise determined by the Monitor, in order to participate in the SISP, each person (a "**Potential Bidder**") must deliver to the Monitor at the address specified in Schedule "A" hereto (including by e-mail or fax transmission):

(a) prior to the distribution of any confidential information by the Monitor or the Applicants (including the Confidential Information Memorandum), an executed confidentiality agreement in form and substance satisfactory to the Monitor and the Applicants, which shall inure to the benefit of any purchaser of the Property or any investor in the Applicants under these SISP Procedures; and

(b) on or prior to the Phase I Bid Deadline, as defined below, specific indication of the anticipated sources of capital for the Potential Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit-quality support or enhancement that will allow the Monitor and its legal advisors to make, in their reasonable business or professional judgement, a determination as to the Potential Bidder's financial and other capabilities to consummate the transaction.

A Potential Bidder that has executed a confidentiality agreement, as described above, and delivers the documents described above, whose financial information and credit quality support or enhancement demonstrate to the satisfaction of the Monitor, in its reasonable business judgement, is likely (based on availability of financing, experience and other considerations) to be able to consummate a Sale Proposal (as defined below) or an Investment Proposal (as defined below) will be deemed a "**Qualified Bidder**".

The determination as to whether a Potential Bidder is a Qualified Bidder will be made as promptly as practicable after a Potential Bidder delivers all of the materials required above. If it is determined that a Potential Bidder is a Qualified Bidder, the Monitor will promptly notify the Potential Bidder that it is a Qualified Bidder.

Due Diligence

The Monitor shall provide any person seeking to become a Qualified Bidder that has executed a confidentiality agreement with a copy of a confidential information package providing additional information considered relevant to the potential Transaction (the "**Confidential Information Memorandum**"). The Monitor and the Applicants make no representation or warranty as to the information contained in the Confidential Information Memorandum or the information to be provided through the due diligence process in Phase 2 or otherwise, except, in the case of the Applicants, to the extent otherwise contemplated under any definitive sale or investment agreement with a Successful Bidder executed and delivered by the Applicants.

For greater certainty, Qualified Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Applicants in connection with their participation in the SISP and any Transaction they enter into with the Applicants.

PHASE I

Seeking Non-Binding Letters of Interest from Qualified Bidders

Qualified Bidders that desire to participate in Phase I (a "**Bidder**") shall submit a non-binding letter of interest (the "**Qualified Non-Binding LOI**") that complies with all of the following requirements to the Monitor at the addresses specified in Schedule "**A**" hereto (including by e-mail or fax transmission), so as to be received by it not later than 5:00 PM (Eastern Time) on July 6, 2020, or such later other date or time as may be agreed by the Applicants, the Monitor, and the DIP Lender (the "**Phase I Bid Deadline**"):

(a) the Qualified Non-Binding LOI may be an offer 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 Applicants (an "**Investment Proposal**"), but in either case must, in the reasonable business judgement of the Monitor and Applicants, constitute a Superior Offer;

(b) 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 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 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 Phase II (as defined below), if any, in order to submit a final and binding offer; and

vi. any other terms or conditions of the Sale Proposal that the Qualified Bidder believes are material to the transaction;

(c) in the case of an Investment Proposal, it identifies the following:

i. the direct or indirect investment target;

ii. a description of how the Qualified Bidder proposes to structure the proposed investment;

iii. the aggregate amount of the equity and/or debt investment to be made in the Applicants in Canadian dollars;

iv. the underlying assumptions regarding the pro forma capital structure (including the anticipated debt levels, debt service fees, interest, and amortization);

v. the equity, if any, to be allocated to the Senior Secured Claims, the Priority Claims, or any other secured or unsecured creditors of the Applicants;

vi. a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the Transaction;

vii. a description of the conditions and approvals required for a final and binding offer;

viii. an outline of any additional due diligence required to be conducted in Phase II (as defined below), if any, in order to submit a final and binding offer; and

ix. any other terms or conditions of the Investment Proposal that the Qualified Bidder believes are material to the transaction;

(d) in the case of either of a Sale Proposal or an Investment Proposal, it:

i. contains such other information as reasonably requested by the Applicants and/or the Monitor to allow them to determine, among other things, whether it has a reasonable prospect of resulting in a Superior Offer;

ii. fully discloses the identity of each entity or person that will be entering into the Transaction, that is participating in, or benefiting form, such bid, including any equity holders;

iii. contains a certification from the Qualified Bidder that they are familiar with the Canadian and U.S. local and state-level cannabis regulations, meet the requisite qualifications to be a license holder thereunder, and are currently licensed or approved in one or more of the relevant states; and

iv. contemplates closing the Transaction set out therein on or before August 31, 2020 (the "**Outside Closing Date**") or such other date as may be agreed upon by the parties with the DIP Lender's consent.

The Applicants, with the approval of the Monitor, may waive strict compliance with any one or more of the foregoing requirements and deem such non-compliant bids to be a Qualified Non-Binding LOI; provided that the Applicants shall only do so after obtaining the DIP Lender's consent, and the consent of the holder of the GAOC Notewith respect to the specific requirements to be waived, which consent is not to be unreasonably withheld. In the event the DIP Lender refuses to provide its consent, the Monitor may apply to the Court for advice and directions with respect to the conduct of the SISP.

Advance to Phase II

Within three (3) business days following the Phase I Bid Deadline, or by such other later date as may be agreed by the Monitor, the Applicants, and the DIP Lender, the Monitor will, in consultation with the Applicants, assess the Qualified Non-Binding LOIs received during Phase I, if any, and determine whether there is a reasonable prospect of obtaining a Superior Offer. If the Monitor determines that there is such a reasonable prospect, the Monitor will recommend to the Applicants that the SISP continue into Phase II in accordance with these SISP Procedures ("**Phase II**"). If the Applicants accept such recommendation, the SISP will immediately thereafter continue to Phase II. If the Applicants do not accept such recommendation, the Monitor will report to the Court that the Applicants do not accept such recommendation, and will seek advice and directions from the Court with respect to the SISP.

If the Monitor, in consultation with the Applicants, determines that there is no reasonable prospect of a Qualified Non-Binding LOI resulting in a Superior Offer, the Monitor will forthwith advise the DIP Lender of such determination.

Terminate the SISP

The Monitor shall recommend to the Applicants that the SISP be terminated at the end of Phase I if:

(a) no Qualified Non-Binding LOI is received by the Monitor; or

(b) the Monitor determines that there is no reasonable prospect that any Qualified Non-Binding LOI received will result in a Superior Offer.

If the Applicants do not accept the Monitor's recommendation to terminate the SISP at the end of Phase I, the Monitor shall advise the Court and seek advice and directions of the Court with respect to the SISP. If the SISP is terminated pursuant to the Monitor's recommendation or pursuant to Court Order, the Applicants shall promptly take steps to complete the Transaction contemplated by the Stalking Horse Agreement and the Monitor shall notify each Qualified Bidder that submitted a Qualified Non-Binding LOI that the SISP has been terminated.

PHASE II

Seeking Qualified Bids by Qualified Bidders

During Phase II, each Qualified Bidder that is not eliminated from the SISP in accordance with these SISP Procedures shall have such due diligence access to materials and information relating to the Property and the Applicants as the Monitor, in its reasonable business judgement and in consultation with the Applicants, deems appropriate, having regard to the advance to Phase II and the requirements of a Qualified Purchase Bid (defined below) and a Qualified Investment Bid (defined below) including, as appropriate, meetings with senior management of the Applicants.

A Qualified Bidder that is not eliminated from the SISP in accordance with these SISP Procedures and that desires to participate in Phase II will deliver written copies of a Qualified Purchase Bid or a Qualified Investment Bid to the Monitor at the address specified in Schedule "A" hereto (including by e-mail or fax transmission) so as to be received by it not later than 5:00 PM (Toronto time) on July 31, 2020, or such later other date or time as may be agreed by the Applicants, the Monitor, and the DIP Lender (the "**Phase II Bid Deadline**").

Qualified Purchase Bids

A bid submitted to acquire all or substantially all of the Property will be considered a Qualified Purchase Bid only if (i) the bid is submitted by a Qualified Bidder who submitted a Qualified Non-Binding LOI on or before the Phase I Bid Deadline; (ii) the Qualified Bidder was not eliminated from the SISP in accordance with these SISP Procedures; and (iii) the Bid complies with all of the following (a "**Qualified Purchase Bid**"):

(a) it is on substantially the same terms as the Qualified Non-Binding LOI submitted by such Qualified Bidder in Phase I of these SISP procedures and constitutes, in the reasonable business judgment of the Monitor and Applicants, a Superior Offer;

(b) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (x) the selection of the Successful Bidder, and (y) thirty (30) days following the Phase II Bid Deadline, <u>provided</u> that if such Qualified Bidder is selected as the Successful Bidder its offer shall remain irrevocable until the closing of the sale to the Successful Bidder;

(c) it includes a duly authorized and executed acquisition agreement, including the purchase price for assets proposed to be acquired, expressed in Canadian dollars (the "**Purchase Price**"), together with all exhibits and schedules thereto, and such ancillary agreements as may be required by the Qualified Bidder with all exhibits and schedules thereto (or term sheets that describe the material terms and provisions of such agreements);

(d) it includes written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed Transaction, that will allow the Monitor and the Applicants to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the Transaction contemplated by the bid;

(e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining financing;

(f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participants;

(g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase agreement;

(h) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;

(i) it is accompanied by a refundable deposit (the "**Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to 5% of the Purchase Price, to be held and dealt with in accordance with these SISP Procedures;

(j) it includes a representation that the Qualified Bidder is familiar with the Canadian and U.S. local and state-level cannabis regulations, meets the requisite qualifications to be a license holder thereunder, and are currently licensed or approved in one or more of the relevant states and includes evidence in form and substance reasonably satisfactory to the Monitor to support such representation; and

(k) it contains other information reasonably requested by the Applicants, in consultation with the Monitor.

Qualified Investment Bids

A bid submitted to make an investment in the Applicants will be considered a Qualified Investment Bid only if (i) the bid is submitted by a Qualified Bidder who submitted a Qualified Non-Binding LOI on or before the Phase I Bid Deadline, (ii) the Qualified Bidder was not eliminated from the

SISP in accordance with these SISP Procedures, and (iii) the bid complies with all of the following (a "**Qualified Investment Bid**"):

(a) it is on substantially the same terms as the Qualified Non-Binding LOI submitted by such Qualified Bidder in Phase I of these SISP procedures and constitutes, in the reasonable business judgment of the Monitor and the Applicants, a Superior Offer;

(b) it includes a duly authorized and executed term sheet describing the terms and conditions of the proposed transaction, including details regarding the proposed equity and debt structure of the Applicants following completion of the proposed transaction (the "**Term Sheet**");

(c) it includes a letter stating that the Qualified Bidder's offer is irrevocable until the earlier of (x) the selection of the Successful Bidder and (y) thirty (30) days following the Phase II Bid Deadline, provided that if such bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the investment by the Successful Bidder;

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

(e) it is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder and/or (ii) obtaining financing;

(f) it fully discloses the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of any such participation;

(g) it includes an acknowledgement and representation that the Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Applicants or the completeness of any information provided in connection therewith except as expressly stated in the Term Sheet;

(h) it includes evidence, in form and substance reasonably satisfactory to the Monitor, of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the bid;

(i) it is accompanied by a refundable deposit (the "**Good Faith Deposit**") in the form of a wire transfer (to a bank account specified by the Monitor), or such other form acceptable to the Monitor, payable to the order of the Monitor, in trust, in an amount equal to 5% of the total investment contemplated by such Qualified Investment Bid, to be held and dealt with in accordance with these SISP Procedures;

(j) it includes a representation that the Qualified Bidder is familiar with the Canadian and U.S. local and state-level cannabis regulations, meets the requisite qualifications to be a license holder thereunder, and are currently licensed or approved in one or more of the relevant states and includes evidence in form and substance reasonably satisfactory to the Monitor to support such representation; and

(k) it contains other information reasonably requested by the Applicants, in consultation with the Monitor.

Qualified Purchase Bids and Qualified Investment Bids shall hereinafter be referred to as "**Qualified Bids**" and each, a "**Qualified Bid**". For greater certainty, the Stalking Horse Agreement shall be deemed to be a Qualified Bid. The Applicants and the Monitor may aggregate separate bids from unaffiliated Qualified Bidders to create one Qualified Bid.

If, at any point during Phase II, the Applicants and the Monitor collectively determine that a Successful Bid (as defined below) is not reasonably likely to be obtained by the Phase II Bid Deadline, or if no Qualified Bids are received on or before the Phase II Bid Deadline, the Applicants shall promptly take steps to complete the Transaction contemplated by the Stalking Horse Agreement and the Monitor shall notify each Qualified Bidder that submitted a bid that the SISP has been terminated.

Following the Phase II Bid Deadline, the Applicants and the Monitor will assess the bids received. The Monitor shall, exercising its reasonable business judgment, approve the Applicants' disqualification of any Bids that are deemed not to be Qualified Bids. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).

Without limiting the foregoing, Qualified Bids, including any Subsequent Bids (as defined below), will be evaluated upon many factors, including, among other things, the:

(a) Purchase Price;

(b) identity, circumstances, and ability of the Qualified Bidder to successfully complete the Transaction;

(c) proposed Transaction documents;

(d) factors affecting the speed, certainty, and value of the Transaction;

(e) assets included or excluded from the Qualified Bid;

(f) claims that may be generated against GGB or its subsidiaries if the Transaction is completed on its terms; and

(g) likelihood and timing of consummating such Transaction.

In the event that the Applicants determine that all bids received in Phase II are to be disqualified, but the Monitor, exercising its reasonable business judgment, does not approve the disqualification of all such bids, the Monitor shall advise the Court and seek advice and directions of the Court with respect to such Bids that the Monitor believes should be Qualified Bids. If as a result, the Court determines that any such bids are Qualified Bids, the SISP shall proceed to the Monitor's consideration of the same under the Auction Procedures (set out below). If, however, the Court determines that any such bids are not Qualified Bids, the Applicants shall promptly take steps to complete the Transaction contemplated by the Stalking Horse Agreement and the Monitor shall notify each Qualified Bidder that a submitted a bid that the SISP has been terminated.

Auction Procedures

If the Monitor determines, in its reasonable business judgment, that one or more of the Qualified Bids is a Superior Offer, the Monitor will conduct an auction (the "**Auction**") (which the Applicants intend to transcribe) as soon as pracicable following the Phase II Bid Deadline, by teleconference or at such location as shall be timely communicated by the Monitor to all entities entitled to attend the Auction.

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

(a) only the Applicants, the Stalking Horse Bidder, and any Qualified Bidders who submitted Qualified Bids that represent Superior Offers (such Qualified Bidders, "**Auction Bidders**"), in each case along with their representatives and advisors, shall be entitled to attend the Auction (such attendance to be in person);

(b) only the Stalking Horse Bidder and Auction Bidders will be entitled to participate as bidders in, or make any subsequent bids at, the Auction; provided that all such Auction Bidders wishing to attend the Auction must have at least one individual representative with authority to bind such Auction Bidder attending the Auction in person;

(c) each Auction Bidder shall be required to confirm that it has not engaged in any collusion with respect to any aspect of these SISP Procedures;

(d) at least one (1) business day prior to the Auction, each Auction Bidder must inform the Monitor whether it intends to attend the Auction; provided that in the event an Auction Bidder elects not to attend the Auction, such Auction Bidder's Qualified Bid shall, subject to the terms of the Stalking Horse Agreement, nevertheless remain fully enforceable against such Auction Bidder until (i) the date of the selection of the applicable Successful Bidder (as defined below) at the conclusion of the Auction, or (ii) if selected as the Successful Bidder, until three (3) months after the execution of the applicable Stalking Horse Agreement;

(e) no later than one (1) day prior to the start of the Auction, the Monitor will provided copies of the Qualified Bid or Qualified Bids that the Monitor believes, in its discretion, is the highest or otherwise best offer for the Property or Applicants (the "**Starting Bid**") to the Stalking Horse Bidder and all other Auction Bidders;

(f) the Monitor, after consultation with its advisors, may employ and announce at the Auction additional procedural rules that are reasonable under the circumstances for conducting the Auction, provided that such rules are: (i) not inconsistent with these SISP procedures, the CCAA, any order of the Court; (ii) provide that bids be made and received on an open basis, with all material terms of each bid to be fully disclosed to the Stalking Horse Bidder and other Auction Bidders; and (iii) are disclosed to the Stalking Horse Bidder and Auction Bidders at the Auction;

(g) bidding at the Auction will begin with the Starting Bids and continue in bidding increments (each, a "**Subsequent Bid**") providing a net value to the Applicants of at least an additional $250,000 above the prior bid. After the first round of bidding and between each subsequent round of bidding, the Monitor shall announce the bid (including the identity of the bidder or bidders and the value of such bid) that they believe to be the highest or otherwise best offer (the "**Highest Bid**");

(h) a round of bidding will conclude after the Stalking Horse Bidder and Auction Bidders have had the opportunity to submit a Subsequent Bid with full knowledge of the then Highest Bid;

(i) the Auction will end once a round of bidding concludes with no Subsequent Bid being submitted;

(j) for the purposes of evaluating the value of the consideration provided by the Subsequent Bids (including any Subsequent Bid by the Stalking Horse Bidder), the Monitor will give effect (on a dollar for dollar basis) to any applicable Expense Reimbursements payable to the Stalking Horse Bidder, as well as any additional liabilities to be assumed by an Auction Bidder and any additional costs which may be imposed on the Applicants;

(k) if the Stalking Horse Bidder bids at the Auction, it will be entitled to credit bid (on a dollar for dollar basis) the DIP Financing and any applicable Expense Reimbursements; and

(l) the Auction may be adjourned as the Monitor deems appropriate; provided that reasonable notice of such adjournment and the time and place for the resumption of the Auction shall be given to the Stalking Horse Bidder and the Auction Bidders.

Following the conclusion of the Auction, the Monitor shall recommend to the Applicants that the Highest Bid, as established in the last round of the Auction, be selected and that a definitive agreement be negotiated and settled in respect of that Highest Bid, conditional upon Court approval and conditional on the Highest Bid closing within 30 days after the Phase II Bid Deadline, or such longer period as shall be agreed to by the Monitor and DIP Lender. In the event the Applicants do not wish to proceed with the Highest Bid, the Monitor shall so advise the Court and seek its advice and directions with respect to the SISP.

Once a definitive agreement has been negotiated and settled in respect of the Highest Bid, which has been selected by the Monitor or by Court Order (the "**Selected Superior Offer**") in accordance with the provisions hereof, the Selected Superior Offer shall be the "**Successful Bid**" hereunder and the person(s) who made the Selected Superior Offer shall be the "**Successful Bidder**" hereunder. In the event the Selected Superior Offer is not the Stalking Horse Agreement (as amended pursuant to the outcome of the Auction), the Deposit paid by the Successful Bidder shall be applied first to pay the Expense Reimbursements to the Stalking Horse Bidder, with the remaining balance to be dealt with in accordance with the definitive documents for the Transaction contemplated by such Successful Bid.

Approval Motion

The hearing to authorize some or all of the Applicants to enter into agreements with respect to the Successful Bid (the "**Approval Motion**") will be held on a date to be scheduled by the Court upon application by the Applicants. The Approval Motion may be adjourned or rescheduled by the Applicants with the consent of the DIP Lender, without further notice by an announcement of the adjourned date at the Approval Motion. All Qualified Bids (other than the Successful Bid) shall be deemed rejected on and as of the date of approval of the Successful Bid by the Court.

Deposits

All deposits shall be held by the Monitor in a single interest-bearing account designated solely for such purpose. A deposit paid by a Successful Bidder shall be dealt with in accordance with these SISP Procedures. Deposits, and any interest earned thereon, paid by Qualified Bidders not selected as a Successful Bidder, including any deposit paid by the Stalking Horse Bidder and interest earned thereon, shall be returned to such Qualified Bidders within three business days of Court approval of the Successful Bid.

Confidentiality and Access to Information

All discussions regarding a Transaction, Sale Proposal, Investment Proposal, Bid or Successful Bid should be directed through the Monitor. Under no circumstances should any members of management, employees, customers, suppliers, or other creditors of the Applicants be contacted by a Bidder 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 at the discretion of the Monitor.

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 Qualified Bidders, Bidders, Qualified Bids, the details of any Bids or Qualified Bids submitted or the details of any confidential discussions or correspondence between the Applicants, the Monitor and such other Bidders or Qualified Bidders in connection with the SISP, except to the extent that the Applicants and the Monitor, with the consent of the applicable participants, are seeking to combine separate Bids into a single Bid.

Notwithstanding the foregoing, under no circumstances will the Applicants or the Monitor share any material information concerning any of the Bids with any person.

Supervision of the SISP

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 and is entitled to receive all information in relation to the SISP.

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

Without limiting the preceding paragraph, the Applicants and the Monitor shall not have any liability whatsoever to any person or party, including without limitation any Qualified Bidder, Bidder, the Successful Bidder, the Applicants, the DIP Lenders 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 of the gross negligence or wilful misconduct of the Monitor. By submitting a bid, each 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 the gross negligence of, or wilful misconduct by, the Monitor.

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

Without prejudice to the rights of the Stalking Horse Bidder under the terms of the Stalking Horse Agreement, the Applicants and the Monitor shall have the right to modify the SISP (including, without limitation, pursuant to the Bid Process Letter) 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 "A"

Address of the Monitor

To the Monitor

Ernst & Young Inc.
EY Tower, 100 Adelaide St. W.
Toronto, ON M5H 0B3

Attn.: Sharon Hamilton
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Email: sharon.s.hamilton@ca.ey.com