Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	**)**	MONDAY, THE 31ST
	)	
MADAM JUSTICE CONWAY	**)**	DAY OF JANUARY, 2022 ~~2021~~

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

APPROVAL AND VESTING ORDER
(Sale of Grey Wolf Interest)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order approving the transaction (the "**Grey Wolf Transaction**") contemplated by the agreement of purchase and sale dated as of January 24, 2022 (the "**Grey Wolf APS**") between CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit "D" to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and vesting in the Grey Wolf Buyer Opco's right, title and interest in and to the Securities as described and defined in the Grey Wolf APS (the "**Purchased Assets**") of Grey Wolf Animal Health Inc. ("**Grey Wolf**"), on the terms and conditions set out in the Grey Wolf APS, was heard this day by way of judicial video conference via Zoom in Toronto, Ontario due to the COVID-19 pandemic.

ON READING the Guyatt Affidavit, the Seventeenth Report of Ernst & Young Inc. in its capacity as the monitor of the Applicants (the "**Monitor**") dated January 27, 2022 (the "**Seventeenth Report**"), and on hearing the submissions of counsel for the Applicants, the Monitor and any such other counsel that were present as listed on the participant information sheet, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record of the Applicants in support of this motion, and the Seventeenth Report, is hereby abridged and validated such that this motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that all capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Grey Wolf APS.

APPROVAL OF AGREEMENT AND TRANSACTION

3. **THIS COURT ORDERS AND DECLARES** that the Grey Wolf Transaction is hereby approved, and the execution of the Grey Wolf APS by Opco is hereby authorized and approved. With such minor amendments as Opco, in consultation with the Monitor, may deem necessary. Opco is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Grey Wolf Transaction and for the conveyance of the Purchased Assets to the Grey Wolf Buyer, or as it may direct.

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Grey Wolf Buyer substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of Opco's right, title and interest in and to the Purchased Assets shall vest absolutely in the Grey Wolf Buyer, or as it may direct, free and clear of and from any and all any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any and all encumbrances and charge created by any order in these proceedings, including the Amended and Restated Initial Order dated April 9, 2020 (as amended and restated from time to

time) and the DIP Approval Order dated April 30, 2021); and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the *Personal Property Security Act* (British Columbia) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**" and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets).

5. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

6. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of Monitor's Certificate, forthwith after delivery thereof.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of Opco and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of Opco;

the vesting of the Purchased Assets in the Grey Wolf Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of Opco and shall not be void or voidable by creditors of Opco, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

8. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may be enforceable.

9. **THIS COURT ORDERS** that this Order is effective from the date that it is made and is enforceable without any need for entry and filing.

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

Conway J.

SCHEDULE "A"

FORM OF MONITOR'S CERTIFICATE

Court File No. CV-20-00638930-00CL

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Applicants

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Hainey of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 31, 2020, as amended, Ernst & Young Inc. was appointed as monitor (in such capacity, the "**Monitor**") of the Applicants.

B. Pursuant to an Order of the Court dated January 31, 2022 (the "**Order**"), the Court approved the agreement of purchase and sale dated as of **January 24, 2022** (the "**Agreement**") entered into between CannTrust Inc. ("**Opco**") and Bloom Burton Investment Group Inc. (the "**Grey Wolf Buyer**"), appended as Exhibit **"D"** to the Affidavit of Greg Guyatt sworn January 25, 2022 (the "**Guyatt Affidavit**"), and provided for the vesting in the Grey Wolf Buyer Opco's right, title and interest in and to the Purchased Assets (as defined in the Order), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Grey Wolf Buyer a certificate confirming (i) the payment by the Grey Wolf Buyer of the Purchase Price (as defined in the Agreement) for the Purchased Assets; (ii) that the conditions as set out in sections 2.5 and the deliveries set out in section 6.1 and 6.2 of the Agreement (the "**Conditions and Deliveries**") have been satisfied, delivered or waived; and (iii) the transaction contemplated by the Agreement (the "**Transaction**") has been completed to the satisfaction of the Monitor.

C. The Monitor has been advised by Opco or the Grey Wolf Buyer, as applicable, that: (i) the Grey Wolf Buyer has paid, and Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Agreement; (ii) the Conditions and Deliveries have been satisfied, delivered or waived by Opco and the Grey Wolf Buyer, as applicable; and (iii) aside from the delivery of this certificate, the Transaction has been completed to the satisfaction of Opco or the Grey Wolf Buyer.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Agreement.

THE MONITOR CERTIFIES the following:

1. The Grey Wolf Buyer has paid, and Opco has received, the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Agreement;

2. The Conditions and Deliveries have been satisfied, delivered or waived by Opco and the Grey Wolf Buyer, as applicable; and

3. The Transaction has been completed to the satisfaction of the Monitor.

4. This Certificate was delivered by the Monitor at ___________ [TIME] on ___________ [DATE].

ERNST & YOUNG INC., solely in its capacity as court-appointed monitor of the Applicants, and not in its personal capacity or in any other capacity

Per: ________________________________

Name:

Title:

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 CANNTRUST HOLDINGS INC., CANNTRUST INC., CTI HOLDINGS (OSOYOOS) INC. AND ELMCLIFFE INVESTMENTS INC.

Court File No. CV-20-00638930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER
(Approval and Vesting Order)
(Sale of Grey Wolf Interest)

McCarthy Tétrault LLP
Toronto Dominion Bank Tower
Toronto, ON M5K 1E6

James D. Gage LSO#: 34676I
Tel: 416-601-7539
Email: jgage@mccarthy.ca

Heather Meredith LSO#: 48354R
Tel: 416-601-8342
Email: hmeredith@mccarthy.ca

Natasha Rambaran LSO#: 80200N
Tel: 416-601-8110
Email: nrambaran@mccarthy.ca

Lawyers for the Applicants

MTDOCS 43544155