Court File No.: CV-24-00712687-00CL

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 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

APPLICATION RECORD OF THE APPLICANTS
(Returnable January 12, 2024)

January 11, 2024

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Lawyers for the Applicants

TO THE SERVICE LIST:

Court File No.: CV-24-00712687-00CL

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SERVICE LIST
(as at January 11, 2024)

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AND TO:	**OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA** 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 Email: osbservice-bsfservice@ised-isde.gc.ca
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

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INDEX

Exhibit K	General Security Agreement dated August 16, 2018
Exhibit L	Parcel Register for the Stevensville Facility Instrument No. SN562069
Exhibit M	Commitment Letter with Blacksail and amendments
Exhibit N	Blacksail Security and Guarantee of GN Ventures
Exhibit O	Priority Agreement dated January 23, 2020
Exhibit P	Certified copy of Ontario Personal Property Security Registration System Enquiry Response Certificates in respect of GN Ventures, current to January 8, 2024
Exhibit Q	Alberta Personal Property Registry Search Results current to January 10, 2024 in respect of GN Ventures
Exhibit R	Certified copy of Ontario Personal Property Security Registration System Enquiry Response Certificates in respect of Safari Flower, current to January 8, 2024
Exhibit S	Forbearance Agreement dated January 18, 2023
Exhibit T	Cash Flow Forecast
Exhibit U	Copy of the engagement letter dated June 7, 2023 between the Safari Flower Group and HAI
3.	Consent of the Monitor
4.	Draft Initial Order
5.	Blackline of Draft Initial Order against the Model Order

TAB 1

Court File No.:

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

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NOTICE OF APPLICATION

TO THE RESPONDENT:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicant. The claim made by the applicant appears on the following page.

THIS APPLICATION will come on for a hearing on January 12, 2024 at 10:00 a.m. by Zoom video conference.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the *Rules of Civil Procedure*, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date: January 11, 2024

Issued by ______________________________
Local registrar

Address of court office
330 University Avenue 7th Floor
Toronto, Ontario
M5G 1R7

TO: **THE SERVICE LIST ATTACHED AS SCHEDULE "A"**

APPLICATION

1. The Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**") and GN Ventures Ltd. ("**GN Ventures**") (collectively the "**Safari Flower Group**" or "**Applicants**") make an Application for an Initial Order substantially in the form attached at Tab 4 of the Application Record (the "**Initial Order**"), among other things:

   (a) abridging the time for service of the Notice of Application and dispensing with service on any other person other than those served;

   (b) declaring that the Applicants are parties to which the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**") applies;

   (c) appointing Ernst & Young Inc. ("**EY**") as Monitor of the Applicants in these proceedings (the "**Proposed Monitor**" and, if appointed, the "**Monitor**");

   (d) granting an administration charge in the amount of $150,000 (the "**Administration Charge**") in favour of counsel for the Applicants, the Monitor and its counsel;

   (e) granting a directors' charge in favour of the directors and officers of the Applicants in the amount of $61,000 ("**Directors' Charge**" and together with the Administration Charge, the "**Priority Charges**"); and

   (f) granting an initial stay of proceedings to January 22, 2024 (the "**Stay Period**").

THE GROUNDS FOR THE APPLICATION ARE:

A. Background

1. The Safari Flower Group is a licenced cultivator and processor of cannabis with its operations in the Fort Erie region of Ontario, where it owns and operates a state-of-the-art, 59,000 square-foot indoor facility (the "**Stevensville Facility**");

2. GN Ventures (formerly Tykolis Real Estate Group Ltd.) is the 100% parent of, and is a holding company for, Safari Flower;

3. The Safari Flower Group's business largely focuses on white labeling business to business (B2B) cannabis production, genetics cultivation and bulk wholesale. The business includes: (i) an end to end manufacturing of cannabis goods to finished package; (ii) qualified vendor registration of product sales in the domestic recreational market; and (iii) bulk cannabis sales in both the domestic recreational and international medicinal markets;

4. Safari Flower is licensed by Health Canada to sell the following forms of cannabis: cannabis plant seeds, dried cannabis, and fresh cannabis;

5. The Safari Flower Group also holds international certifications, permitting it to supply cannabis to the Israeli and Australian medicinal cannabis markets. In addition, Safari Flower supplies cannabis to the European medicinal cannabis markets through its European Good Manufacturing Practice certification;

6. The Applicants pride themselves on their solid reputation for launching several successful products and reliably managing a high-quality, consistent cannabis supply chain with retail wholesalers in the industry. It is the only licensed producer in the Niagara Region with a female-led management team;

B. Restructuring Efforts to Date

7. Although the Safari Flower Group was cash positive at its year-end in 2021, its financial success has, unfortunately, become difficult to maintain. This is due to, among other things, the domestic price compression of cannabis arising from the oversupply of cannabis flower in the market;

8. To overcome these constraints, the Safari Flower Group pivoted its business operations in an effort to maintain profitability over the last two years. These efforts have included: (i) obtaining international certifications to expand sales of medicinal cannabis in those markets; (ii) expanding its white label products domestically; and (iii) working with retail stores to create their own craft store brands;

9. However, notwithstanding its best efforts, the Safari Flower Group's debt load is in excess of $5 million. As at December 31, 2023, the Safari Flower Group's total assets are $29,560,354.62, and the total liabilities are $44,935,322.82;

10. The Safari Flower Group's restructuring efforts to date also include negotiating with its two *pari passu* secured lenders.

11. On June 30, 2023, the Safari Flower Group entered into an accommodation agreement (as amended from time to time, the "**Accommodation Agreement**") with its two *pari passu*

secured lenders, Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP (together with Gray Jay, the "**Lenders**"). The combined secured debt owing to the Lenders totals approximately $29,150,000.

12. The Accommodation Agreement provided Safari Flower with, among other things:

(i) a forbearance period whereby Gray Jay and Blacksail agreed not to take any steps to enforce their security;

(ii) an interim financing loan from Blacksail in the maximum amount of $2,000,000 (the "**Interim Financing Loan**"), subject to certain conditions; and

(iii) the ability to engage Hyde Advisory & Investments Inc. (the "**Consultant**" or "**HAI**") to run a Sale Process for the purchase and sale of all or substantially all of the assets or equity of the Safari Flower Group.

13. The Consultant ran a thorough Sale Process over a period of four months As a result of the Sale Process, there was one qualified offer submitted by a third party. The Lenders, who reserved their rights to do so, ultimately rejected this offer and began negotiations among themselves for a mixed credit bid and cash transaction for one of the Lenders to acquire the shares of Safari Flower through a reverse vesting order (a "**Transaction**").

C. Cash Flow Forecast

14. The Safari Flower Group, with the assistance of the Proposed Monitor, has prepared a projected cash flow forecast (the "**Cash Flow Forecast**") for the period beginning on

January 8, 2024 and ending January 28, 2024, indicating that the Applicants have sufficient cash to operate for the ten day period before a Comeback Hearing, but will require financing to continue operations until a Transaction can be completed;

15. Although the Applicants are not seeking approval of debtor-in-possession financing in connection with the Initial Order, they intend to request such relief at the Comeback Hearing in connection with the Amended and Restated Initial Order. Blacksail has agreed to provide a debtor-in-possession credit facility (the "**DIP Loan**") until a Transaction is approved by the Court. Blacksail and the Applicants, in consultation with the proposed Monitor, are in the process of negotiating the commitment letter (the "**DIP Term Sheet**");

16. Blacksail is no longer willing to fund the Safari Flower Group operations without the benefit of a CCAA process to approve a transaction.

17. The Safari Flower Group is insolvent, and faces a looming liquidity crisis. The Applicants are in need of relief under the CCAA;

D. CCAA Proceedings

18. The Safari Flower Group has made significant efforts to pivot its business to maintain profitability, but unfortunately is carrying a debt load in excess of $44 million;

19. The Canadian cannabis industry is an extremely challenging operating environment. Many of the challenges faced by the Safari Flower Group are industry-wide;

20. The Applicants have proven to both the domestic and international markets that they are capable of growing premium and consistent cannabis products at the Stevensville Facility in compliance with all regulations both here and abroad;

21. The Applicants have commenced these CCAA proceedings with the ultimate goal of protecting the interests of their creditors and other stakeholders, with a view to having the business emerge from CCAA protection in a stronger form that preserves its enterprise value and employment for all, or substantially all, of its employees.

22. If CCAA protection is granted to the Applicants, they intend to use the CCAA proceedings and Court protection to seek Court approval to sell the Safari Flower Group's business and property, including Safari Flower's issued and outstanding shares (collectively, the "**Property**") to one of the Lenders by way of a reverse vesting order.

23. To achieve its objectives, the Applicants require, among other things, immediate protection from creditor enforcement and other proceedings, as well as the necessary "breathing room" to negotiate and complete a transaction, subject to Court approval.;

E. Proposed Monitor

24. The Applicants propose that EY be appointed Monitor in these CCAA proceedings. EY has consented to act as Monitor, subject to Court approval, and its written consent is included at Tab 3 of the Application Record;

25. EY is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada), and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

26. EY has provided advisory services Blacksail and certain related companies with respect to Safari Flower; however, this engagement has now ceased;

27. EY is not subject to any of the restrictions on who may be appointed as Monitor set out in section 11.7(2) of the CCAA;

28. EY has reviewed, and assisted in the preparation of, the Cash Flow Forecast, and has provided guidance and assistance in the commencement of these CCAA proceedings

F. Administration Charge

29. The Applicants seek a super-priority charge over the Applicants' Property (as defined in the Initial Order) in favour of the Proposed Monitor, counsel to the Proposed Monitor, and counsel to the Applicants (collectively, the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order (the "**Administration Charge**");

30. The proposed Administration Charge being sought at the initial CCAA Application is for a maximum amount of $150,000 in order to secure the payment of fees and expenses incurred in connection with moving for the within relief sought and for the initial ten (10) day protection period leading up to the Comeback Hearing;

G. Director's Charge

31. The Applicants seek a Directors' Charge on the Applicants' Property in favour of the Applicants' current officers and directors in priority to all other charges other than the Administration Charge, up to a maximum amount of $61,000;

32. To ensure the ongoing stability of the Safari Flower Group's business during the CCAA proceeding, it requires the continued participation of its officers and directors. The officers and directors have skills, knowledge and expertise, as well as established relationships with various stakeholders that will contribute to a successful restructuring. As a practical, but critical matter, all directors hold the individual security clearance that Health Canada requires of a licensed cannabis company to have in order to maintain its Cannabis licence;

33. The Safari Flower Group carries a management liability insurance package for its directors and officers from Trinity Underwriting (the "**D&O Policy**") with a policy limit of $3 million;

34. The quantum of the Directors' Charge was developed with the assistance and support of the Proposed Monitor based on analysis of risk to the Directors in the initial Stay Period;

H. Stay of Proceedings

35. Given the challenges faced by the Applicants described herein, the Safari Flower Group requires a stay of proceedings to maintain the *status quo* and to give the Applicants the breathing space they require to negotiate and complete a transaction, subject to Court approval;

36. The Initial Order contemplates a stay of all proceedings against the Applicants and their Property for an initial Stay Period of ten (10) days, in accordance with the CCAA;

I. Comeback Hearing

37. If the Initial Order is granted, the Applicants propose to return to this Court for a Comeback Hearing on or before January 22, 2024. The relief to be sought by the Applicants at the Comeback Hearing is expected to include:

(a) an extension of the Stay Period for a sufficient length of time to allow the Applicants to seek Court approval of a Share Purchase Agreement and Transaction;

(b) an increase in the quantum of the Administration Charge and the Directors' Charge; and

(c) approval of the DIP Term Sheet between the Applicants and Blacksail, authorizing borrowings under the DIP Loan in an amount up to $1,000,000 (plus interest, fees and expenses), and granting a DIP Lender's Charge;

GENERAL

38. The provisions of the CCAA including sections 2, 3, 11, 11.02, and 11.7;

39. Rules 2.03, 3.02, 14.05, 16.04, and 38 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg 194, as amended; and

40. Such further and other grounds as counsel may advise and this Honourable Court may deem just.

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

1. The Affidavit of Leanne Brigitte Simons, sworn January 11, 2024, and the exhibits annexed thereto;

2. The Consent of EY to act as Monitor of the Applicants; and

3. Such further and other evidence as counsel may advise and as this Honourable Court may admit.

January 11, 2024

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Lawyers for the Applicants

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

Court File No.:

9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST
Proceeding commenced at Toronto

NOTICE OF APPLICATION
(RETURNABLE JANUARY 12, 2024)

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Lawyers for the Applicants

TAB 2

Court File No.: CV-24-00712687-00CL

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AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn January 11, 2024)

January 11, 2024

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Lawyers for the Applicants

CONTENTS

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AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn January 10, 2024)

I, LEANNE BRIGITTE SIMONS, of the City of Burlington, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am the Chief Executive Officer ("**CEO**"), President and a Director of 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**"). I am also the Chief Executive Officer and a Director of GN Ventures Ltd. ("**GN Ventures**", and collectively with Safari Flower, the "**Applicants**" or the "**Safari Flower Group**"). I have held these positions since my appointment on or about January 10, 2022.

2. I hold a PhD in Analytical Chemistry, and a Masters of Business Administration degree in Operational Management. I have been working in the cannabis industry since 2016, starting in the cannabis R&D segment, and have over twenty years of experience in regulated pharmaceutical and clinical testing, drug development, clinical testing service and study data management tools. I am also a Director of the C45 Quality Association, a

not-for-profit organization of quality assurance professionals for cannabis regulatory advocacy.

3. As CEO, my primary responsibilities include managing the Safari Flower Group's overall operations and resources, communicating with the shareholders, government regulatory agencies, secured creditors and overseeing the officers and employees of the team.

4. As such, I have personal knowledge of the matters to which I herein depose. Where I have obtained information from others, I have stated the source of my information and, in all such cases, believe such information to be true. All references to currency in this Affidavit are references to Canadian dollars, unless otherwise indicated.

I. INTRODUCTION

A. Relief Sought

5. I swear this affidavit in support of, among other things, an application by the Safari Flower Group for protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). As explained more fully below, the purpose of the CCAA proceedings is to obtain CCAA proceeding is to give the Applicants' breathing room so they can finalize negotiations and complete a transaction for a restructuring of the Safari Flower Group, following a pre-filing sales and investment solicitation process (the "**Sale Process**") conducted by the Applicants.

6. The Applicants are seeking an order (the "**Initial Order**") substantially in the form attached at Tab 4 of the Application Record herein, granting the Applicants protection from their creditors and certain ancillary relief including, among other things:

(a) declaring that the Applicants are parties to which the CCAA applies;

(b) appointing Ernst & Young Inc. ("**EY**") as Monitor of the Applicants in these proceedings (the "**Proposed Monitor**" and, if appointed, the "**Monitor**");

(c) granting an administration charge in the amount of $150,000 (the "**Administration Charge**") in favour of counsel for the Applicants, the Monitor and its counsel;

(d) granting a directors' charge in favour of the directors and officers of the Applicants in the amount of $61,000 ("**Directors' Charge**" and together with the Administration Charge, the "**Priority Charges**"); and

(e) granting an initial stay of proceedings to January 22, 2024 (the "**Stay Period**").

7. If an Initial Order is granted, the Applicants intend to return to Court no later than January 22, 2024 (the "**Comeback Hearing**") to seek an order (the "**Amended and Restated Initial Order**"), among other things

(a) extending the Stay Period;

(b) increasing the amount of the Priority Charges;

(c) approving the DIP Term Sheet (as defined below) between the Applicants and Garrington Group of Companies ("**Blacksail**", and in such capacity, the "**DIP Lender**"), authorizing borrowings under the DIP Loan (as defined below) in an amount up to $1,000,000 (plus interest, fees and expenses), and granting a charge in favour of the DIP Lender (the "**DIP Lender's Charge**").

8. Shortly after the Comeback Hearing, the Applicants intend to use the CCAA proceedings to return to Court to seek an order (the "**Approval and Reverse Vesting Order**"), among other things:

(a) approving a share purchase agreement to be finalized before the Comeback Hearing (the "**Share Purchase Agreement**") between Safari Flower, GN Ventures, and one of the Lenders (as defined below, and in such capacity, the "**Purchaser**"), and the transaction contemplated therein (the "**Transaction**");

(b) adding ResidualCo (as defined below) as an Applicant to these CCAA proceedings;

(c) vesting in the Purchaser all of the Safari Flower Group's right, title and interest in and to the Transferred Assets, free and clear from any Encumbrances, except for the Permitted Encumbrances, to be described in the Share Purchase Agreement;

(d) vesting in the Purchaser all of the GN Ventures' right, title and interest in and to the Purchased Shares (being all of the issued and outstanding common shares of Safari Flower), free and clear from any Encumbrances;

(e) vesting absolutely and exclusively in ResidualCo, all Excluded Assets, Excluded Contracts and Excluded Liabilities, to be described in the Share Purchase Agreement; and

(f) approving releases ("**Releases**") in favour of (1) the current and former directors, officers, employees, legal counsel and advisors of the Safari Flower

Group and ResidualCo, (2) the Monitor and its legal counsel, and (3) the Purchaser and its current and former directors, officers, employees, legal counsel and advisors (collectively, the "**Released Parties**").

B. Overview of Applicants' Business

9. The Safari Flower Group is a licenced cultivator and processor of cannabis with its operations in the Fort Erie region of Ontario, where it owns and operates a state-of-the-art indoor facility.

10. The Safari Flower Group's business largely focuses on white labeling business to business (B2B) cannabis production, genetics cultivation and bulk wholesale. The scope of our business includes: (i) an end to end manufacturing of cannabis goods to finished package; (ii) qualified vendor registration of product sales in the domestic recreational market; and (iii) bulk cannabis sales in both the domestic recreational and international medicinal markets.

11. Safari Flower is licensed by Health Canada to sell the following forms of cannabis: cannabis plant seeds, dried cannabis, and fresh cannabis.

12. The Safari Flower Group also holds international certifications, permitting it to supply cannabis to the Israeli and Australian medicinal cannabis markets. In addition, Safari Flower supplies cannabis to the European medicinal cannabis market. Although it previously engaged an intermediary in compliance with applicable regulations, in November, 2023, it obtained its European Good Manufacturing Practice certification to supply cannabis without an intermediary to the European medicinal cannabis market.

13. The Applicants pride themselves on their solid reputation for launching several successful products and reliably managing a high-quality, consistent cannabis supply chain with retail wholesalers in the industry. It is the only licensed producer in the Niagara Region with a female-led management team.

14. Although the Safari Flower Group was cash positive at its year-end in 2021, its financial success has, unfortunately, become difficult to maintain. This is due to, among other things, the domestic price compression of cannabis arising from the oversupply of cannabis flower in the market.

15. Notwithstanding its best efforts, and as set out in further detail below, the Safari Flower Group is insolvent. Its debt load is in excess of $44 million and the aggregate value of its property is not sufficient to pay of all of its liabilities.

16. Based on the Cash Flow Forecast (as defined below), the Applicants will have sufficient cash to sustain operations only for a very limited length of time if the contemplated Transaction is not approved.

C. Restructuring Efforts to Date

(i) Pivoting Business Operations

17. To overcome these constraints, the Safari Flower Group pivoted its business operations in an effort to maintain profitability over the last two years. These efforts have included: (i) obtaining international certifications to expand sales of medicinal cannabis in those markets; (ii) expanding its white label products domestically; and (iii) working with retail stores to create their own craft store brands.

(ii) Accommodation Agreement and Sale Process

18. On June 30, 2023, the Safari Flower Group entered into an accommodation agreement (as amended from time to time, the "**Accommodation Agreement**") with its two *pari-passu* secured lenders, Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP (together with Gray Jay, the "**Lenders**"). The combined secured debt owing to the Lenders totals approximately $29,150,000. A copy of the Accommodation Agreement is attached hereto as **Exhibit "A"**.

19. As explained further below, the Accommodation Agreement provided Safari Flower with, among other things:

(a) a forbearance period whereby Gray Jay and Blacksail agreed not to take any steps to enforce their security;

(b) an interim financing loan from Blacksail in the maximum amount of $2,000,000 (the "**Interim Financing Loan**"), subject to certain conditions; and

(c) the ability to engage Hyde Advisory & Investments Inc. (the "**Consultant**" or "**HAI**") to run a Sale Process for the purchase and sale of all or substantially all of the assets or equity of the Safari Flower Group.

20. The Consultant ran a thorough Sale Process over a period of four months as detailed further below. As a result of the Sale Process, there was one qualified offer submitted by a third party. The Lenders, who reserved their right to do so, ultimately rejected this offer and began negotiations among themselves for a mixed credit bid and cash transaction.

21. As explained below, it is the Safari Flower Group's understanding that the Lenders negotiated assignment agreements which contemplated Gray Jay agreeing to purchase the secured debt and security of Blacksail of Blacksail and credit bid for the Safari Flower Group's business by January 9, 2024, failing which Blacksail would be able to purchase Gray Jay's secured debt and security on January 12, 2024. However, these assignment agreements were not executed by Gray Jay.

22. It is the Safari Flower Group's understanding that Gray Jay did not purchase the debt of Blacksail on January 9, 2024, and as such, Blacksail intends to be the Purchaser under the Share Purchase Agreement, though negotiations between the Lenders are ongoing.

D. Purpose of CCAA Proceeding

23. The Applicants have commenced these CCAA proceedings with the ultimate goal of protecting the interests of their creditors and other stakeholders, with a view to having the business emerge from CCAA protection in a stronger form that preserves its enterprise value and employment for all, or substantially all, of its employees.

24. If CCAA protection is granted to the Applicants, they intend to use the CCAA proceedings and Court protection to seek Court approval to sell the Safari Flower Group's business and property, including Safari Flower's issued and outstanding shares (collectively, the "**Property**") to the Purchaser by way of a reverse vesting order.

25. In order to effectively transition the business, the Transaction contemplates using a reverse vesting structure to effect the transfer of the Transferred Assets to the Purchaser

and the transfer of the Excluded Assets and Excluded Liabilities from Safari Flower to ResidualCo.

26. Given the challenges of the domestic market and the fact that the Stevensville Facility (as defined below) is capable of growing high quality cannabis in compliance with the required specifications of international buyers, the Applicants believe that their go-forward strategy will maximize recoveries for its stakeholders and continue to serve its customers while preserving employment for as many employees as reasonably possible.

27. To achieve their objectives, the Applicants require, among other things, the necessary "breathing room" to negotiate the Share Purchase Agreement and complete the Transaction.

II. OVERVIEW OF THE APPLICANTS

A. The Safari Flower Group's Background and Corporate Structure

28. GN Ventures (formerly Tykolis Real Estate Group Ltd.) is the 100% parent of, and is a holding company for, Safari Flower.

29. GN Ventures was incorporated under *Business Corporations Act* (Alberta) on September 4, 2015. GN Ventures' head office is located in Calgary, Alberta, but it maintains no operations there. The core business operations are carried on in Ontario. Attached as **Exhibit "B"** hereto is a copy of a Certificate of Incorporation for GN Ventures.

30. The Safari Flower Group's secured lender, Gray Jay, is one of the shareholders of GN Ventures. The former owner of the Stevensville Facility, Tykolis Holdings Ltd., is a preferred shareholder of GN Ventures.

31. Safari Flower is the operating entity of the Applicants, and was incorporated under the *Canada Business Corporations Act* on August 15, 2016. It is the registered owner of the Stevensville Facility (as defined below), located in Stevensville, Ontario, which is where Safari Flower's head office and senior management team are located, and where the Safari Flower Group's operations take place. Attached as **Exhibit "C"** hereto is a copy of a Corporate Profile Report for Safari Flower.

B. The Business

32. The Safari Flower Group focuses on producing premium cannabis products, utilizing its purpose-built and climate-controlled, 59,000 square foot indoor cultivation and processing facility and known municipally as at 2818 House Road, Stevensville, Ontario, in the Niagara Region (the "**Stevensville Facility**").

33. In Canada, the Safari Flower Group supplies bulk products to licensed producers and produces white label products designed for retail store brands. In respect of the latter, Safari Flower produces and sells a craft retail-store cultivar to various retailers, who then sell it as a branded product through their own stores.

34. The Safari Flower Group has a vast retailer network, selling its cannabis products to over 200 stores across four provinces, including Ontario, Saskatchewan, Manitoba, and Alberta.

35. Another large component of the Safari Flower Group is international sales to the medicinal markets in Israel, Australia, and Germany. The international medicinal markets present highly regulated medical product entrants with stricter quality requirements than in Canada. As the Safari Flower Group is able to produce premium cannabis flower products that meet the purity requirements of the European Pharmacopoeia[1] with a precise level of consistency, this greatly facilitates and enhances its ability to enter into and thrive in those markets.

36. The international medicinal market has become a major focus of the Safari Flower Group's business model, as the margins can range anywhere from two to three times higher than the average price in Canada. Due to oversaturation, the recreational market in Canada is significantly lower, which leaves very little room to generate anywhere near the margins that are achievable in international markets.

37. The Applicants have a strong reputation and footprint in both domestic and international sales. In fact, Safari Flower's Master Grower was awarded a Master Grower of the Year Award by the Grow Up Conference & Expo in 2022.[2] As well, Safari Flower has published peer reviewed scientific literature on the topics of genetics preservation and plant disease remediation for commercial cultivation.

[1] A compendium of texts on the qualitative and quantitative composition of medicines, including the tests needed to be carried out, the standards needed to be met, and the substances used to manufacture medicines.

[2] This title is awarded to the professional grower whose dedication to their craft consistently produces top quality crops for the marketplace and a positive workplace for the sector.

C. The Stevensville Facility

38. The Stevensville Facility is the backbone of the business and a key component to its success. It provides for the greatest possible control of all growing variables, including light, temperature, and humidity. Built in 2019 by Trigon Construction, a related entity to one of the Applicants' secured lenders, it has 10 rooms, including a mother room,[3] and features an on-site power cogeneration system using natural gas. Safari Flower is equipped with a tissue culture laboratory for plant propagation and genetics preservation. A copy of the site plan map for the Stevensville Facility is attached hereto as **Exhibit "D"**.

39. By generating on-site electrical power, Safari Flower's energy expenses are reduced by potentially 30-40% per year.

40. The Stevensville Facility is also backed by extensive heating and cooling mechanical systems, including six chillers, five boilers, heat recovery and dispersion towers, and has irrigation automation systems for the cultivation and manufacturing of high-quality cannabis flower that is compliant with all international medicinal cannabis regulations. The Safari Flower Group can produce upwards of seven (7) tons of cannabis products per year.

41. Due to the sophisticated building design, plant tissue culture excellence, and use of clean fume, the Applicants have had essentially zero crop failures in the past two years.

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[3] The growing space in which cannabis mother plants are grown and cultivated.

D. The Safari Flower Group's Boards of Directors and Officers

42. GN Ventures' board of directors is composed of Patrick Grobe, Bill Van Haeren and myself. Mr. Van Haeren is also a director of Gray Jay.

43. Safari Flower's board of directors is composed of Patrick Grobe and myself.

44. Mr. Grobe and I are also the officers of GN Ventures and Safari Flower. Mr. Grobe is the Chief Financial Officer ("**CFO**"); I am the CEO.

45. Safari Flower's female-led management team includes: (i) Angelica Lasso, Director of Strategic Operations; (ii) Beatrix Csemer, Director of Quality and Compliance; and (iii) Stacie Hollingworth, Master Grower.

E. Licensing

(i) Canada

46. Safari Flower holds a standard cultivation and processing license under the *Cannabis Act* (Canada) and the related *Cannabis Regulations* (the "**Cannabis License**"). The Cannabis License is effective until May 18, 2027, a copy of which is attached hereto as **Exhibit "E".**

47. Safari Flower was also granted a research license by Health Canada (the "**Research License**") that allows Safari Flower to possess cannabis for the purpose of sensory research based on the relevant study submitted to Health Canada. The Research License is effective until March 24, 2028, a copy of which is attached hereto as **Exhibit "F"**.

48. In addition to the above licenses, under the excise duty framework, a Canada Revenue Agency ("**CRA**") cannabis license ("**CRA Cannabis Licence**") is required in order to produce or package cannabis products. Safari Flower holds a CRA Cannabis License for this purpose that expires on September 22, 2024.

(ii) Global

49. Safari Flower also holds a Control Union Medical Cannabis Standard certificate and a Control Union Medical Cannabis Standard Good Agricultural Practices certificate (together, the "**CUMCS Certificates**"), permitting it to cultivate, harvest, package, and supply cannabis to the medicinal cannabis markets in Israel, Australia and most of Europe.

50. The CUMCS Certificates declare that Safari Flower's activities comply with the:

(a) Control Union Medical Cannabis Standard;

(b) World Health Organization ("**WHO**") guidelines on good agricultural practices and good agricultural and collection practices for medicinal plants;

(c) WHO guidelines for assessing quality of herbal medicines with reference to contaminants and residues;

(d) International Standard for Good Agricultural Practices;

(e) Guidelines of the Dutch Government for Cannabis for Medical Use; and

(f) Israeli Medical Cannabis Agency Good Agricultural Practices.

51. The CUMCS Certificates are effective until April 3, 2024. A copy of the CUMCS Certificates are attached hereto as **Exhibit "G"**.

52. With its CUMCS Certificates, Safari Flower meets the requirements to be able to sell to Australia's medicinal cannabis market. Australia does not have a separate certification, but requires cannabis products to pass specific testing for medical use, which is similar to the requirements to obtain the CUMCS Certificates.

53. Safari Flower obtained its European Union Certificate of Good Manufacturing Practice ("**EU-GMP**"), facilitated by a German medicinal distribution company sponsor, which permits the supply cannabis for medicinal purposes directly to Germany, and other European countries that require the EU-GMP. As explained above, Safari Flower has supplied cannabis to Germany's medicinal market through an EU-GMP certified intermediary. With the EU-GMP, Safari Flower can sell into and supply the German market directly.

F. Employees and Payroll

54. As GN Ventures is a holding company, it has no employees.

55. Safari Flower, being the operating entity, has 29 employees, all of whom are full-time. Twenty-one of the employees are salaried, and the remaining 8 employees are paid on an hourly basis.

56. The Applicants' payroll is administered through a third-party payroll service, namely Ceridian payroll service.

57. I am advised by Mr. Grobe, the Safari Flower Group's CFO, and confirm that all payroll and employee source deductions and remittances for the Safari Flower Group are current.

58. The Applicants do not sponsor, administer, or otherwise have any registered or unregistered pension plans for their employees.

G. Banking and Cash Management

59. The Safari Flower Group maintains three accounts, exclusively at the Bank of Montreal ("**BMO**") for all of its cash management, collections, and disbursements. GN Ventures maintains one operating account, and Safari Flower maintains two accounts: an operating account and a control account which is unused at present.

60. All accounts are held at BMO, South Trail Crossing in Calgary, Alberta, and Mr. Grobe as CFO, is the administrator on the software and a signing authority on all accounts.

61. GN Ventures and Safari Flower's operating accounts are the day-to-day operating accounts of the Applicants.

62. Safari Flower's operating account is also used as a flow-through account to collect revenues from sales of packaged goods to provincial government distributors or retailers, such as the Ontario Cannabis Retail Corporation ("**OCRC**"),[4] and to ensure that excise tax is paid monthly.

[4] OCRC operates as the Ontario Cannabis Store.

III. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST

A. Financial Performance

63. The Safari Flower Group's fiscal year end is December 31. Attached hereto as **Exhibit "H"** are the Consolidated Financial Statements for the December 31, 2022 year-end.

64. The unaudited, consolidated financial statements through December, 2023 are attached hereto as **Exhibit "I"**.

65. As at December 31, 2023, the Safari Flower Group's total assets are $31,585,155 and the total liabilities are $55,207,452.

B. Assets

66. As at December 31, 2023, the Applicants' assets were composed of the following:

   (a) Current assets, including cash and cash equivalents, accounts receivable, prepaid expenses, inventory, and biological assets in the amount of $3,687,849; and

   (b) Non-current assets in the amount of $27,897,306.

67. In particular, such non-current assets include, among other assets: (i) property, plant and equipment in the amount of $25,576,035; (ii) license fees/Intangible Assets in the amount of $2,035,549; (iii) inventory in the amount of $1,693,697; and (iv) other assets in the amount of $285,722.

C. Liabilities

68. As at December 31, 2023, the Safari Flower Group has total liabilities of $55,207,452, composed of the following:

(a) Accounts payable (excluding related parties) and accrued liabilities in the amount of $1,726,765;

(b) Amounts due to related parties totaling $4,262,468; and

(c) Principal and interest payable in the aggregate amount of $30,903,520.

D. Secured Creditors

69. As noted above, the Safari Flower Group has two *pari passu* secured creditors: Gray Jay and Blacksail.

(i) The Gray Jay Loan

70. To assist with the construction of the Stevensville Facility, Gray Jay and Safari Flower entered into a Secured Grid Promissory Note dated August 16, 2018, as amended on June 1, 2019 (together, the "**Gray Jay Loan**"). The advances under the Gray Jay Loan are guaranteed by GN Ventures. A copy of the Gray Jay Loan is attached as **Exhibit "J"**.

71. As security for the obligations set out in the Gray Jay Loan, Safari Flower executed a general security agreement dated August 16, 2018 (the "**Gray Jay GSA**"). A copy of the Gray Jay GSA is attached as **Exhibit "K"**.

72. As additional security, Safari Flower granted a collateral charge in the amount of $25,000,000 in favour of Gray Jay, which was registered on title to the Stevensville Facility on August 17, 2018 by Instrument No. SN562069 (the "**Gray Jay Mortgage**" and together with the Gray Jay GSA, the "**Gray Jay Security**"). A copy of the parcel register for the Stevensville Facility evidencing the Gray Jay Mortgage is attached hereto as **Exhibit "L"**.

73. To date, the outstanding principal loan amount owed to Gray Jay is $11,115,523. As of June 1, 2019, interest accrues on the principal amount outstanding under the Gray Jay Loan at the rate of 12% per annum.

(ii) The NE SPC II "Blacksail" Loan

74. On January 23, 2020, the Safari Flower Group entered into a commitment letter (the "**Commitment Letter**") with Blacksail, for, among other things, the refinancing of a related party loan amount up to $25,000,000. The Commitment Letter was subsequently amended on July 21, 2021, October 15, 2021, January 7, 2022, February 1, 2022, and July 21, 2022 (collectively, the "**Blacksail Loan**"). Safari Flower is the borrower under the Blacksail Loan, which is guaranteed by GN Ventures. A copy of the Blacksail Loan is attached as **Exhibit "M"**.

75. The Blacksail Loan provided for interest accruing at the rate of 12% per annum from the date of funding to the Maturity Date (defined below).

76. The original term under the Blacksail Loan was 18 months; however, this was subsequently amended by various amendments and the Accommodation Agreement (as

noted above), such that the maturity date was October 31, 2023, which has thereafter been extended to the closing of the Transaction (the "**Maturity Date**").

77. The security granted in support of the Blacksail Loan includes: (i) a collateral first charge in the amount of $25,000,000, registered on title to the Stevensville Facility (the "**Blacksail Mortgage**"), subject to the Priority Agreement with Gray Jay; (ii) a guarantee in favour of Blacksail from GN Ventures; and (iii) general security agreements executed by each of Safari Flower and GN Ventures, providing Blacksail with a security interest in all present and after-acquired personal property of Safari Flower and GN Ventures, respectively, except consumer goods (the "**Blacksail GSA**" and collectively with the Blacksail Mortgage, the **"Blacksail Security**"). Copies of the Blacksail Security and the guarantee executed by GN Ventures in favour of Blacksail are attached as **Exhibit "N"**.

78. The Blacksail Loan required Safari Flower to maintain a minimum cash balance of $500,000 in a blocked interest-bearing account (the "**Segregated Funds**"). The Segregated Funds and the blocked account agreement are for the benefit and security of both Blacksail and Gray Jay, subject to the terms and conditions of the Priority Agreement. Tha Blacksail Loan also requires Safari Flower to maintain a minimum monthly cash balance of $1,750,000, comprised of a minimum operating account balance of $1,250,000 and the Segregated Funds. These requirements required the approval of Gray Jay and were never put in place, as Safari Flower did not receive the required approvals from Gray Jay.

79. Blacksail has advanced a total of $12,710,854 to the Safari Flower Group under the Blacksail Loan, not including the amounts advanced under the Accommodation Agreement as explained below.

80. Safari Flower's monthly interest payments under the Blacksail Loan are $120,000, and its principal payments are $79,000.

81. The Blacksail Mortgage was registered on title to the Stevensville Facility on January 23, 2020 by Instrument No. SN617506. Gray Jay registered a postponement on title to the Stevensville Facility on January 23, 2023, in connection with the Blacksail Security.[5]

(iii) The Priority Agreement

82. The Gray Jay Security and Blacksail Security are subject to the Priority Agreement among Blacksail, Gray Jay and Safari Flower dated January 23, 2020 (the "**Priority Agreement**"). Attached hereto as **Exhibit "O"** is a copy of the Priority Agreement.

83. Section 3.01 of the Priority Agreement provides that each of the Blacksail Security and Gray Jay Security "shall rank *pari passu* with the other, with all the Security being for the benefit and security of both Lenders, without any preference or priority to either."

84. The Priority Agreement also includes the following provisions, among others:

(a) Each Lender postpones and subordinates the security of such Lender to the security of the other Lender. Gray Jay has registered its postponement in favour of Blacksail on title to the Stevensville Facility on January 23, 2020;

[5] See the parcel registry for the Stevensville Facility, previously attached as Exhibit "L".

(b) Each Lender shall provide notice to the other Lender and the Safari Flower Group upon becoming aware of any default under the terms of the respective security;

(c) The indebtedness of Safari Flower to Gray Jay secured by the Gray Jay Security will not exceed the principal amount of $11,115,523; and

(d) Excluded from the Priority Agreement is interest owed to Gray Jay up to the date of the first advance from Blacksail, which, at the date of the Priority Agreement, was $2,872,155.97.

85. Further, the Priority Agreement includes certain restrictions requiring that Blacksail and Gray Jay obtain the prior written consent of the other before making certain changes to their respective security, including altering dates or amounts of the repayments of principal, changes in rates of interest, and changes in the amount of credit available under the Commitment Letter or Gray Jay Loan.

(iv) *Personal Property Security Act* Registrations

86. Blacksail is the only secured creditor registered against GN Ventures under the *Personal Property Security Act* (Ontario) and the *Personal Property Security Act* (Alberta) (collectively, the "**PPSA**"). Attached hereto as **Exhibit "P"** is a certified copy of Ontario Personal Property Security Registration System Enquiry Response Certificates in respect of GN Ventures, current to January 8, 2024, which disclose the following registrations:

Debtor Entity	Registration Number	Secured Party	Duration	Collateral
GN Ventures Ltd. (formerly Tykolis Real Estate Group Ltd.)	20191213 1001 1590 2814 Renewal: 20221115 1452 1590 8468	NE SPC II LP	3 years (Renewal for 3 years on November 15, 2022)	Inventory Equipment Accounts Other Motor Vehicle Included
	20191213 1003 1590 2816 Renewal: 2022 1115 1047 1590 8387	NE SPC II LP	3 years (Renewal for 3 years on November 15, 2022)	Inventory Equipment Accounts Other Motor Vehicle Included

87. Attached hereto as **Exhibit "Q"** is a copy of Alberta Personal Property Registry Search Results current to January 10, 2024 in respect of GN Ventures, disclosing the following registrations:

Entity	Registration Number	Registering Agent	Duration	Collateral
GN Ventures Ltd.	20011718127	NE SPC II LP	5 years (January 17, 2025)	All present and after acquired personal property of the Debtor.
	20011718364	NE SPC II LP	Infinity	

88. Blacksail and Gray Jay are registered against Safari Flower under the *Personal Property Security Act* (Ontario). Attached hereto as **Exhibit "R"** is a certified copy of Ontario Personal Property Security Registration System Enquiry Response Certificates in respect of Safari Flower, current to January 7, 2024, which disclose the following registrations:

Debtor Entity	Registration Number	Secured Party	Duration	Collateral
9869247 Canada Limited	20180817 1118 1862 0422 Renewal: 20230626 1047 1590 9154	Gray Jay Estates Inc.	5 years (Renewal for 5 years on June 26, 2023)	Inventory Equipment Accounts Other Motor Vehicle Included
	20191213 0957 1590 2810 Renewal: 2022 1115 1047 1590 8388	NE SPC II LP	3 years (Renewal for 3 years on November 15, 2022)	Inventory Equipment Accounts Other Motor Vehicle Included
	20191213 1000 1590 2813 Renewal: 20221115 1047 1590 8389	NE SPC II LP	3 years (Renewal for 3 years on November 13, 2025)	Accounts Other

(v) The Blacksail Forbearance

89. On January 18, 2023, Blacksail and the Safari Flower Group executed a forbearance agreement (the "**Forbearance Agreement**"), which contemplated Blacksail, among other things, agreeing to defer the principal payments under the Blacksail Loan from December 1, 2022 to and including April 30, 2023. This payment deferral was subsequently extended to June 30, 2023. A copy of the Forbearance Agreement is attached as **Exhibit "S"**.

90. The terms of the Forbearance Agreement included a requirement that Safari Flower would maintain an additional sum of $250,000 in a separate interest-bearing account (the "**Additional Segregated Funds**") forming part of the Blacksail Security, but excluded from the operation of the Priority Agreement. The Safari Flower Group was also required, among other things, to provide a direction to BMO to wire the Additional Segregated Funds to Blacksail, which would be held in escrow pending the occurrence of an Event of Default by Safari Flower under the Blacksail Loan.

91. Although the Forbearance Agreement was executed by Blacksail and the Applicants, it also required Gray Jay's acknowledgment and acceptance of the terms of the Forbearance Agreement and a subordination of its security interest in the Additional Segregated Funds, notwithstanding the terms of the Priority Agreement. Gray Jay declined to execute the Forbearance Agreement.

92. Despite Gray Jay's non-execution of the Forbearance Agreement, Blacksail honoured its terms and has not required principal payments from the Applicants; it also did not insist

on the payment of the Additional Segregated Funds. Safari Flower continues to pay interest, but no extension of loan capitalized fees have been paid.

93. The Forbearance Agreement expired on June 30, 2023.

(vi) The Accommodation Agreement

94. In anticipation of the expiry of the Forbearance Agreement, the Safari Flower Group entered into the Accommodation Agreement with the Lenders.

95. The Accommodation Agreement provided Safari Flower with, among other things:

(a) a forbearance period whereby Gray Jay and Blacksail agreed not to take any steps to enforce their security until the earlier of October 31, 2023, the closing of a transaction for the sale of the Applicants' business, or an event of default;

(b) the Interim Financing Loan from Blacksail in the maximum amount of $2,000,000, with an interest rate of 14% per annum payable on the last Business Day of every month, along with additional fees as set out in the Accommodation Agreement. The Interim Financing Loan was advanced by Blacksail and is secured by the Blacksail Security, and Gray Jay has agreed that notwithstanding the Priority Agreement, the Interim Financing Loan will be repaid in priority to all other amounts owing to the Lenders;

(c) a key employee retention plan; and

(d) the ability for the Consultant to run the Sale Process in accordance with the terms and timelines set out therein.

96. The term of the Accommodation Agreement has now expired.

E. Other Liabilities

(i) Promissory Notes

97. On or about February 28, 2018, Tykolis Holdings Ltd. sold the property on which the Stevensville Facility is located (consisting of 28 acres) to Safari Flower. The sale price was believed to be the estimated fair market value at the time of sale. As consideration for the land, Safari Flower issued a non-interest bearing demand promissory note payable to Tykolis Holdings Ltd.

(ii) CEBA Loan

98. Due to challenges faced by the Safari Flower Group due to the COVID-19 pandemic, the Safari Flower Group applied for and received a Canadian Emergency Business Account ("**CEBA**") loan of $120,000 ("**CEBA Loan**"). The interest-free period under the CEBA Loan was initially to December 31, 2022, beyond which interest would accrue at the rate of 5% per annum starting on January 1, 2023. However, the Government of Canada has extended the interest-free period and maturity date to December 31, 2023. The CEBA Loan remains outstanding.

(iii) Additional Debts

99. The following amounts are owed by the Safari Flower Group on an unsecured, non-interest bearing basis:

(a) Stevensville Lawn Service Inc. $544,061.29; and

(b) Trigon Construction $3,418,407.18

(iv) Equipment Rental Agreement

100. On November 1, 2022, Safari Flower entered into an equipment rental agreement renewal with Silver Chef Rentals Inc. ("**SilverChef**"), whereby SilverChef agreed to rent two vacuum sealers to Safari Flower for a period of 12 months in exchange for payment in the amount of approximately $310/week (the "**Rental Agreement**").

F. Cash Flow Forecast

101. The Safari Flower Group, with the assistance of the Proposed Monitor, has prepared a projected cash flow forecast (the "**Cash Flow Forecast**") for the period beginning on January 8, 2024 and ending January 28, 2024 that is premised on, among other things, the assumption that the Applicants will be granted CCAA protection and that the DIP Term Sheet and DIP Lender's Charge as set out herein will be approved as part of the Amended and Restated Initial Order.

102. Blacksail has agreed to provide a debtor-in-possession credit facility (the "**DIP Loan**") until the Transaction is approved by the Court. The DIP Lender and the Applicants, in consultation with the proposed Monitor, are in the process of negotiating the commitment letter (the "**DIP Term Sheet**").

103. I understand that Blacksail is no longer willing to fund the Safari Flower Group operations without the benefit of a CCAA process.

104. I believe that the Cash Flow Forecast is a reasonable forecast of the Applicants' cash flow for the initial Stay Period. Attached hereto as **Exhibit "T"** is a copy of the Cash Flow Forecast.

IV. CHALLENGES FACED BY THE APPLICANTS AND PRIOR RESTRUCTURING EFFORTS

A. Overview of Challenges

105. The Canadian cannabis industry is an extremely challenging operating environment. The industry is highly regulated, highly taxed, and is fraught by delays at all levels of government. Many of the challenges faced by the Safari Flower Group are industry-wide.

106. The Safari Flower Group has taken significant steps toward addressing its challenges, as set out below, but unfortunately is carrying a debt load in excess of $44 million.

B. Timing and Changes to Market Conditions

107. The *Cannabis Act* (Canada) came into effect on October 17, 2018 and made Canada the second country in the world to formally legalize the cultivation, possession, acquisition and consumption of cannabis and its by-products.

108. The Canadian cannabis industry has undergone significant changes since legalization. As a newly-legal industry, there was considerable initial over-exuberance in assumptions related to market conditions, including projected demand levels, sales revenue and profit margins within the competitive landscape regulated by Health Canada licenses.

109. As a consequence, the industry was over-saturated with new entrants. Upon legalization in October of 2018, Health Canada issued licenses to relatively few cannabis companies.

That number now stands at approximately 800, which has significantly increased competition, alongside the illicit cannabis market, which continues to operate without tax liability. Over-supply of cannabis products has led to significant price compression and over-saturation of products. Today, cannabis is sold in Canada on a wholesale basis for $0.85 to $1.10 per gram.

110. As well, in October 2018, the Province decided to control only the online retail sales of cannabis and permit private retail stores. However, retail wholesale product distribution is dominated by the government-owned OCRC, operating as the Ontario Cannabis Store. This has posed challenges for the Applicants in particular, who have the ability, but are not permitted, to sell more of their white label products to certain retail stores. Instead, the Ontario Cannabis Store limits product registration, voluntary price changes, and the amount of cannabis stock keeping units (SKUs) that a retailer can purchase from any one producer.

111. In addition, the COVID-19 pandemic impacted retail store access of products distributed by the Ontario Cannabis Store and other large intermediary wholesalers, which has negatively impacted sales over the last two years.

C. Restructuring Efforts to Date

112. The Safari Flower Group has made significant efforts over the past year to restructure its business in order to address its financial challenges.

113. In particular, the Safari Flower Group has obtained international certifications to expand sales of medicinal cannabis into those markets. Its international contracts also require

50% of the purchase price at the outset as a deposit, with the balance due upon delivery. This helps to avoid the inherent risks associated with these types of agreements, including the risk of vendors reneging on their agreements and/or reducing amounts of cannabis requested for a smaller purchase price.

114. The Safari Flower Group has also diligently worked to ensure that its operations and production are in compliance with the stricter regulations abroad. The Safari Flower Group works with facilities that perform product refinement and testing as done internationally to ensure compliant packaged product and reliable payment collections.

115. In addition, the Safari Flower Group has pivoted its business to try to avoid the over-supply of cannabis products by expanding its white label product sales domestically, as well as working with retail stores to create their own craft store brands. The Applicants use real time sales data to determine the amount that should be supplied to the retail stores, and discuss with the stores directly.

116. Despite these measures, based on its current financial forecasts, the Applicants will only have sufficient cash to sustain operations for a very limited length of time, and will be unable to operate without a DIP Loan being approved at the Comeback Hearing.

117. In light of the liquidity issues faced by the Safari Flower Group, steps were taken over the last two years to initiate discussions with Blacksail and Gray Jay for amendments to the respective loans and to obtain additional funding.

118. As an example of challenges faced in the re-negotiations of the Loans, after multiple consecutive mortgage extension agreements with Blacksail, Mr. Grobe and I negotiated

the Forbearance Agreement with Blacksail in January 2023, discussed in more detail above.

119. Given the constrained operating environment structured by the Loan Agreements and contemplating our findings after an extensive review of the strategic market evaluations and transaction alternatives for the Safari Flower Group, Mr. Grobe and I determined that that the best path forward for the Safari Flower Group was to conduct a comprehensive Sale Process. We negotiated the Accommodation Agreement with the Lenders in June 2023, which was crucial to commencing the Sale Process.

D. Sale Process

120. With the support of the Lenders through the Accommodation Agreement, Safari Flower engaged HAI, a well-regarded industry specialist, to facilitate a Sale Process outside of the CCAA in order to maximize value. Attached as **Exhibit "U"** is a copy of the engagement letter dated June 7, 2023 between the Safari Flower Group and HAI (the "**Consultant Agreement**").

121. The Lenders at all times reserved the right to submit a credit bid in the Sale Process.

122. The Sale Process is summarized below, and will be further described in these CCAA proceedings, if the Initial Order is granted.

123. HAI is an experienced cannabis business broker and trusted advisor to the global cannabis sector. Through its expansive cannabis industry network, spanning 23 countries, HAI facilitates mergers, acquisitions, strategic investments, partnerships, joint ventures,

pre-acquisition due diligence, and EUGMP export/supply chain activities with licensed cannabis businesses in North America and worldwide.

124. Shortly after executing the Consultant Agreement, HAI prepared a teaser letter (the "**Teaser**") to detail the Safari Flower Group's business, but kept the name of the company anonymous until interested parties signed a non-disclosure agreement ("**NDA**"). HAI's team was comprised of 8 professionals with a wide-range of experience.

125. The Teaser was broadly advertised on social media, including LinkedIn and X (formerly Twitter), as well as featured in HAI's newsletter and website. HAI's advertising efforts reached approximately 1,600-1,700 professionals in the cannabis industry worldwide.

126. Any interested potential purchaser that contacted HAI was carefully vetted by HAI to determine if they were a viable purchaser. HAI has certain criteria it uses to determine such viability, including, among other things:

(a) Ability to move at a reasonable speed to conduct due diligence;

(b) An understanding of cannabis industry or similar industry that HAI can review;

(c) Proof of funds;

(d) Nature of interest and understanding that there is a certain cost to run Safari Flower's business and a willingness to expend resources to do so;

(e) Nature of inquiries of the operations of the business; and

(f) Efforts and intentions to visit the Stevensville Facility and conduct due diligence.

127. Once interested purchasers were deemed viable by HAI and signed an NDA, they were given access to an electronic data room (the "**Data Room**") created by me and Mr. Grobe, in consultation with HAI. Interested purchasers were also able to visit the Stevensville Facility for a tour facilitated by me and representatives from HAI. HAI was present at each site visit of the Stevensville Facility.

128. Seven (7) interested purchasers, based in Canada and the U.S., signed an NDA and were given access to the Data Room. These seven interested purchasers signed letters of intent ("**LOIs**") to purchase Safari Flower's business on or around October 13, 2023.

129. HAI discussed the LOIs with management and with the Lenders. We agreed that the offers above $10,000,000 would move onto the final stage of the Sale Process towards submitting a formal bid (the "**Bid**").

130. On November 6, 2023, HAI sent a letter and draft share purchase agreement to the four potential purchasers who submitted a LOI above $10,000,000 (the "**Finalists**"). The letter set out the guidelines to submit a formal bid (the "**Guidelines**"), including how a formal bid must be made, by when (the "**Bid Deadline**"), and that a $1,000,000 deposit must accompany the bid.

131. At all times during the discussions with the Finalists, HAI and I made the Finalists aware that the Lenders had the option to decline the highest bid and submit a credit bid, and that any bid would be subject to the Applicants' commencing a formal CCAA process for the approval of a sale transaction. The Finalists were given the each Lender's loan and security documents and were aware of the total amount of secured debt.

132. On the Bid Deadline, only one Finalist submitted a proper Bid in accordance with the Guidelines. The Bid from the Finalist was significant and the result of a thorough, extensive, and transparent Sale Process.

133. However, the Bid from the Finalist was lower than the amount of total secured debt owed to the Lenders, and the Lenders determined that the Bid was insufficient. As a result, the Lenders declined to accept the Bid and began the negotiations I described above.

134. It is the Safari Flower Group's understanding that the Lenders negotiated assignment agreements, though not signed by Gray Jay, which contemplated Gray Jay purchasing the secured debt and security of Blacksail of Blacksail and credit bid for the Safari Flower Group's business. I was informed by Blacksail that Gray Jay was supposed to purchase Blacksail's debt and security originally by December 18, 2023.

135. On or around December 18, 2023, Blacksail advised that Gray Jay requested an extension to January 9, 2024 to purchase Blacksail's debt and security. Blacksail advised that they agreed to Gray Jay's requested extension.

136. I have been advised by Blacksail that Gray Jay did not purchase the debt of Blacksail on January 9, 2024. Blacksail has advised that it intends to be the Purchaser.

V. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Need for CCAA Proceedings and Eligibility

137. The Applicants have determined that the CCAA process is the most beneficial plan of action to obtain Court-approval of the Transaction and maximize value for the Safari Flower Group's stakeholders.

138. The Safari Flower Group has debt in excess of $5 million, is insolvent and is facing a liquidity crisis. Absent DIP financing, the Safari Flower Group will be unable to pay operating expenses in the next few weeks.

B. Appointment of Monitor

139. The Applicants propose that EY be appointed as Monitor in these CCAA proceedings. EY has consented to act as Monitor, subject to Court approval, and its written consent is included at Tab 3 of the Application Record.

140. EY is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (Canada), and is not subject to any of the restrictions on who may be appointed as monitor set out in section 11.7(2) of the CCAA.

141. EY has provided advisory services Blacksail and certain related companies with respect to Safari Flower; however, this engagement has now ceased.

142. As a result of EY's previous role, EY has a detailed understanding of the Applicants' operations, cash flows, financial challenges, strategic initiatives and restructuring efforts

to date. EY is in a position to quickly and seamlessly perform its responsibilities as Monitor, if appointed.

143. EY has reviewed, and assisted in the preparation of, the Cash Flow Forecast, and has provided guidance and assistance in the commencement of these CCAA proceedings.

144. The Proposed Monitor has retained Gowling WLG (Canada) LLP to act as its independent counsel.

C. Administration Charge

145. The Applicants seek a super-priority charge over the Applicants' Property (as defined in the Initial Order) in favour of the Proposed Monitor, counsel to the Proposed Monitor, and counsel to the Applicants (collectively, the "**Professionals Group**"), to secure payment of their professional fees and disbursements, whether incurred before or after the date of the Initial Order (the "**Administration Charge**").

146. The proposed Administration Charge being sought at the initial CCAA Application is for a maximum amount of $150,000 in order to secure the payment of fees and expenses incurred in connection with moving for the within relief sought and for the initial ten (10) day protection period leading up to the Comeback Hearing.

147. It is contemplated that the Professionals Group will necessarily have extensive involvement during the CCAA proceedings until the closing of the Transaction, if approved. The Professionals Group have contributed and will continue to contribute to the Applicants' restructuring efforts, and will ensure that there is no unnecessary duplication of roles among them.

148. In preparation of the Cash Flow Forecast, the Applicants, in consultation with the Proposed Monitor, considered the professional fees forecasted to be incurred on a weekly basis during the cash flow period. The Applicants have forecast to incur professional fees in connection with the CCAA proceedings to the end of the week of the Comeback Hearing including, without limitation, preparing for same, communicating with employees and stakeholders following the initial filing, and complying with statutory notices, mailings and communications.

149. Accordingly, I believe the quantum of the Administration Charge sought is reasonably necessary at this time to secure the professional fees of the Professionals Group.

D. Directors' Charge

150. The Applicants seek a charge on the Applicants' Property in favour of the Applicants' current officers and directors in priority to all other charges other than the Administration Charge, up to a maximum amount of $61,000. The quantum of the Directors' Charge was developed with the assistance and support of the Proposed Monitor.

151. To ensure the ongoing stability of the Safari Flower Group's business during the CCAA proceeding, it requires the continued participation of its officers and directors. The officers and directors have skills, knowledge and expertise, as well as established relationships with various stakeholders that will contribute to a successful restructuring. As a practical but critical matter, the other two directors and I hold the individual security clearance that Health Canada requires of a licensed cannabis company to have in order to maintain its Cannabis License.

152. The Safari Flower Group carries a management liability insurance package for its directors and officers from Trinity Underwriting (the "**D&O Policy**") with a policy limit of $3 million.

153. The term of the D&O Policy expires on December 8, 2024. The Safari Flower Group's directors and officers have the benefit of the D&O Policy that provides them with coverage for certain claims and liabilities that may arise, with certain exceptions.

154. The Safari Flower Group's ordinary course operations give rise to potential director or officer liability, including for employee source deductions and sales tax. To address legitimate concerns expressed with respect to their potential exposure if they continue to act (rather than resign), the directors and officers have requested reasonable protection against personal liability that might arise during the post-filing period. The Directors' Charge is intended to address potential claims that may be brought against directors and officers.

155. The Safari Flower Group is of the view that the quantum of the Directors' Charge is reasonably necessary at this time to address circumstances that could lead to potential directors' liability prior to the Comeback Hearing.

E. Stay of Proceedings in Favour of the Applicants

156. Given the challenges faced by the Applicants described herein, the Safari Flower Group requires a stay of proceedings to maintain the *status quo* and to give the Applicants the breathing space they require to negotiate and complete a transaction, subject to Court approval.

157. The Initial Order contemplates a stay of all proceedings against the Applicants and their Property for an initial Stay Period of ten (10) days, which I understand is the maximum that can be authorized by a Court at the initial Application under the CCAA.

F. Relief to be Sought at the Comeback Hearing

(i) Amended and Restated Initial Order

158. If the Initial Order is granted, the Applicants propose to return to this Court for a Comeback Hearing on or before January 22, 2024.

159. At the Comeback Hearing, the Applicants intend to seek the Court's approval of an Amended and Restated Initial Order.

160. The relief to be sought by the Applicants at the Comeback Hearing is expected to include:

(a) an extension of the Stay Period for a sufficient length of time to allow the Applicants to seek Court approval of a Share Purchase Agreement and Transaction;

(b) an increase in the quantum of the Administration Charge and the Directors' Charge; and

(c) approval of the DIP Term Sheet between the Applicants and Blacksail, authorizing borrowings under the DIP Loan in an amount up to $1,000,000 (plus interest, fees and expenses), and granting a DIP Lender's Charge.

161. The Applicants may seek additional relief if determined to be necessary or advisable.

VI. CONCLUSION

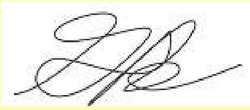
162. I believe that, based on the details set out above, the Applicants ought to be granted protection under the CCAA. I verily believe that granting the draft Initial Order is in the best interests of the Applicants as well as their employees, creditors, and other stakeholders.

163. As set out above, I believe that CCAA protection will enable the Applicants to negotiate and complete a transaction with the Purchaser, allowing Safari Flower to emerge from these proceedings as a financially viable and restructured entity, for the benefit of its stakeholders.

164. I swear this affidavit in support of an Application under the CCAA for an Initial Order in the form contained at Tab 4 of the Application Record, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 11th day of January, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely Commissioner for Taking Affidavits	**LEANNE BRIGITTE SIMONS**

This is Exhibit "A" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

GINA RHODES

ACCOMMODATION AGREEMENT

THIS AGREEMENT is made as of the day of June, 2023,

BETWEEN:

NE SPC II LP (“Blacksail”)

-and-

GRAY JAY ESTATES INC.
(“GJ”, and together with Blacksail, the **“Lenders”)**

– and –

9869247 CANADA LIMITED
(the “**Borrower**”)

– and –

GN VENTURES LTD.
(the “**Guarantor**”)

RECITALS:

A. Pursuant to a Commitment Letter between the Borrower and Blacksail dated as of January 23, 2020, as amended by letter agreements dated July 21, 2021, October 15, 2021, January 7, 2021, February 1, 2022, July 21, 2022 and January 18, 2023 (collectively, the “**Blacksail CL**”), Blacksail agreed to make a loan to the Borrower in the maximum amount of $25,000,000 (the “**Blacksail Loan**”). For greater certainty, GJ did not consent to the January 18, 2023, amending agreement.

B. The Borrower and the Guarantor have executed and delivered to Blacksail the agreements described in **Schedule “A”** attached hereto as security for the Blacksail Loan and other obligations and liabilities owed by the Borrower and the Guarantor to Blacksail (collectively, the “**Blacksail Security**”).

C. Pursuant to a secured grid promissory note dated August 16, 2018, as amended by an amendment dated June 1, 2019 (the “**Grid Note**”), GJ provided to the Borrower loans in the aggregate amount of $29,721,577.67 (the “**GJ Loan**”).

D. The Borrower has executed and delivered to GJ the agreements described in **Schedule “A”** attached hereto as security for the GJ Loan and other obligations and liabilities owed by the Borrower to GJ (collectively, the “**GJ Security**”, and together with the Blacksail Security, the “**Security**”). The Blacksail CL, the Grid Note and the Security shall collectively be referred to herein as the “**Loan and Security Documents**”.

E. The Borrower advised the Lenders that it is insolvent and proposed to commence a restructuring proceeding for the purpose of selling its business and assets. The insolvency of the Borrower is an event of default under the Lenders' respective Security.

F. The Lenders have agreed to allow the Borrower to carry out a sale process for the sale of the Borrower's business and assets, subject to and in accordance with the terms of this Accommodation Agreement (the "**Agreement**").

NOW THEREFORE THIS AGREEMENT WITNESSETH that for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 **Gender and Number**. Words importing the singular include the plural and vice versa and words importing gender include all genders.

1.2 **Time**. Time is of the essence in the performance of the Borrower's and the Guarantor's obligations.

1.3 **Severability**. Each of the provisions contained in this Agreement is distinct and severable, and a declaration of invalidity, illegality, or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision of this Agreement.

1.4 **Headings**. The division of this Agreement into articles, sections and clauses, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.5 **Entire Agreement**. This Agreement and the Loan and Security Documents together with the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the parties and set out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understanding or other agreements, oral or written, express, implied or collateral between the parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document required to be delivered pursuant to this Agreement.

1.6 **Governing Law**. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

1.7 **Conflicts**. If there is any inconsistency or conflict between the terms of this Agreement and the terms of the Loan and Security Documents or any other agreement executed in connection therewith or herewith, the provisions of this Agreement shall prevail to the extent of the inconsistency.

ARTICLE 2 - ACKNOWLEDGEMENTS

2.1 **Recitals**. The parties hereto acknowledge and agree that each of the foregoing recitals is true and accurate both in substance and in fact.

2.2 **Indebtedness**. The Borrower acknowledges that as of May 31, 2023, the amount owing to each of the Lenders under their respective Loan and Security Documents and secured by their respective security is the following amounts:

(a) To Blacksail: $11,851,457.47 for principal, interest and fees (excluding legal costs). The amount of $11,851,457.47, together with all additional accrued interest, fees, costs, and other amounts payable under the Blacksail CL and the Blacksail Security, is referred to herein as the "**Blacksail Indebtedness**";

(b) To GJ: $17,297,333.72[1] for principal, interest and fees (excluding legal costs). The amount of $17,297,333.72, together with all additional accrued interest, fees, costs, and other amounts payable under the Grid Note and the GJ Security, is referred to herein as the "**GJ Indebtedness**", and together with the Blacksail Indebtedness, the "**Indebtedness**".

The Borrower confirms that the Blacksail Indebtedness and the GJ Indebtedness are unconditionally owing to Blacksail and GJ, as applicable, it does not dispute that it is liable to pay these amounts to each of the Lenders on any ground whatsoever, it has no claim, demand, setoff, or counterclaim against either of the Lenders on any basis whatsoever, and there is no matter, fact or thing which may be asserted by it in extinction or diminution of the amounts owing to the Lenders or result in any bar to or delay in the recovery thereof. If there are any claims for setoff, counterclaim, or damages, they are hereby expressly released and discharged.

2.3 **The Borrower**. The Borrower acknowledges and agrees that the Loan and Security Documents now held by each of the Lenders for payment of their respective Indebtedness and performance of the obligations to each of the Lenders have not been released, waived, or varied, and are valid, binding, and enforceable against it in accordance with their written terms.

2.4 **The Guarantor**. The Guarantor confirms that it guaranteed the payment and performance of the Blacksail Indebtedness and obligations owing by the Borrower to Blacksail, pursuant to Guarantee and Postponement agreement dated January 23, 2020 (the "**Guarantee**"). The Guarantor does not dispute its liability to Blacksail under the Guarantee on any basis whatsoever and confirms that it has no claim for setoff, counterclaim, or damages on any basis whatsoever against Blacksail. If there are any claims, they are hereby expressly released and discharged. The Guarantor confirms that the Guarantee has not been released, waived, or varied, that it is binding upon it and that it is valid and enforceable against it in accordance with its written terms.

[1] As at May 31, 2023, the principal amount is $11,115,522.67 and accrued interest: $6,181,811.05.

2.5 **Lenders' Rights**. The Borrower and the Guarantor each acknowledge, confirm, and agree that each of the Lenders is entitled to exercise their rights and remedies under their respective Loan and Security Documents, at law and in equity. The Borrower and the Guarantor further acknowledge and agree that except as provided for in this Agreement, the Lenders (by themselves or through their employees or agents) have not made any promises, or taken any action or omitted to take any action which would constitute a waiver of their right to take any enforcement action in connection with the enforcement of their respective Loan and Security Documents, or which would estop them from so doing and that no statement, representation, promise, act or omission by the Lenders or their employees or agents shall create such a waiver or estoppel. The Borrower and the Guarantor acknowledge and agree that by entering into this Agreement, the Lenders, except as provided in this Agreement, have not waived any of their rights under any of the Loan and Security Documents, including without limitation the Lenders' right to take any enforcement action in connection with the enforcement of the Loan and Security Documents.

ARTICLE 3 - ACCOMMODATION TERMS

3.1 The Borrower has requested, and the Lenders have agreed, subject to the terms of this Agreement, to allow the Borrower to conduct a process for the sale of the Borrower's business and assets.

3.2 The Lenders agree that they will not take any steps to enforce their Security until the earlier of:

(a) October 31, 2023;

(b) the closing of the transaction for the sale of the Borrower's business and assets in accordance with the Sale Process (as defined herein); or

(c) the occurrence of an Event of Default under this Agreement,

(hereinafter referred to as the **"Forbearance Termination Date"** and the period commencing on the date hereof and ending on (but excluding) the Forbearance Termination Date is the **"Forbearance Period"**).

3.3 Nothing in this Agreement shall affect the ability of the Lenders to issue demands for payment and notices of intention to enforce their security under the *Bankruptcy and Insolvency Act*.

ARTICLE 4 - COVENANTS AND AGREEMENTS

During the Forbearance Period:

4.1 **Payments.** The Borrower shall not be required to make the interest and principal payments set out in the Blacksail CL and the Grid Note.

4.2 **Sale Process.** The Borrower shall carry out the sale process set out at **Schedule "B"** to this Agreement (the "**Sale Process**").

4.3 **The Broker.** The Borrower shall continue to engage David Hyde as the broker (the "**Broker**") to carry out the Sale Process.

4.4 **Priority Payables**. The Borrower shall keep current all of its obligations to its creditors who may have a lien, charge, security interest or deemed trust in its property and assets which may rank in priority to or *pari passu* with the security held by the Lenders on such properties and assets, including, without limitation, all amounts owing for wages, vacation pay, property tax, employee source deductions, harmonized goods and services tax, and provincial sales tax (collectively, the "**Priority Payables**").

4.5 **Reporting Requirements**. The Borrower shall provide all reporting set out in the Loan and Security Documents. The Borrower shall provide the Lenders with the following additional reporting commencing on June 30, 2023:

(a) weekly, on Friday of each week in respect of the prior week, reporting from the Broker regarding potential buyers and the status of the Sale Process;

(b) monthly, on the first Business Day of every month, evidence of the payment of all expenses set out in the Initial Cashflow (as hereinafter defined), including, without limitation, evidence of payment of Priority Payables;

(c) weekly, on Monday of each week in respect of the prior week, a list of status of required export permits reconciled with pending orders, to be delivered; and

(d) bi-weekly, on Monday of every other week in respect of the prior two-week period, commentary on order status, quality testing and any impediments to shipments.

The Borrower shall promptly provide the Lenders with additional information and documentation that they may reasonably request.

4.6 **Cashflow**. Attached hereto as Schedule "C" is a thirteen-week cashflow of the Borrower (the "**Initial Cashflow**"). The Borrower shall provide to the Lenders an updated thirteen-week cashflow to the Initial Cashflow (the "**Cashflow**"), together with a comparison of the projections in the Initial Cashflow to actual cashflow, on August 31, 2023.

4.7 **Cashflow Maintenance**. The Borrower shall maintain the actual cashflow of the Borrower to the Initial Cashflow subject to a maximum negative variance of 20% as applied to the opening balance noted for week 9 as described in the Initial Cashflow.

4.8 **Payment of Expenses**. The Borrower shall pay all expenses set out in the Initial Cashflow when due or otherwise scheduled to be paid in accordance with the Initial Cashflow, including without limitation, Priority Payables, subject to a maximum negative cumulative variance of 15% to be tested on the first day of each month commencing August 1, 2023.

4.9 **Bank Account Access.** The Borrower shall provide the Lenders with online view access to its operating accounts.

4.10 **Continue Business Operations.** The Borrower shall carry on its business in the ordinary course, in accordance with all applicable laws and consistent with past practice. The Borrower shall use its commercially reasonable best efforts to maintain its assets, including any licenses, in a proper and prudent manner, in material compliance with all laws and directions of any governmental entity or authority.

4.11 **Payments to Creditors**. The Borrower shall utilize its available cash in a manner so as to ensure its continued operation, and not to make any payments out of the ordinary course of business, unless explicitly contemplated by the Initial Cashflow.

4.12 **Agreements Out of Ordinary Course**. The Borrower shall not enter into any material agreements out of the ordinary course of business.

4.13 **Encumbrances, etc**. The Borrower and the Guarantor shall not encumber, sell, transfer, convey, lease, or otherwise dispose of any of their respective assets or property, except for sales in the ordinary course of business.

4.14 **Loans, Advances, etc**. The Borrower and the Guarantor shall not make any loans or advance money or property to any other person or invest in or purchase shares of another party or guarantee, assume or otherwise become responsible for the indebtedness, performance, or obligations of any other person.

4.15 **Remuneration**. The Borrower shall not make any distributions, directly or indirectly, to or for the benefit of any shareholder, director, officer, employee, or any other person not dealing at arm's-length with the Borrower, other than the current remuneration paid by the Borrower to such individuals, subject to the terms of this Agreement.

4.16 **Corporate Existence**. The Borrower shall maintain its corporate existence as a valid and subsisting entity and shall not merge, amalgamate, or consolidate with any other corporation(s).

4.17 **Insurance**. The Borrower shall comply with any insurance obligations in accordance with the terms of the Loan and Security Documents and shall continue to maintain its director and officer insurance policy.

4.18 **Notice of Default**. The Borrower and the Guarantor shall forthwith provide the Lenders with written notice of the occurrence of an Event of Default hereunder.

4.19 **Material Contracts**. The Borrower shall not surrender, terminate, repudiate, or amend, vary, or modify in a manner adverse to the Lenders acting reasonably, any material contract with respect to its property and assets.

4.20 **Other Agreements**. The covenants and other terms and conditions contained in the Blacksail CL and the Security shall continue in full force and effect, except that, to the extent there exists any actual inconsistency between such provisions and the provisions of this Agreement, the provisions of this Agreement shall govern.

4.21 **Insolvency Proceedings**. Except as contemplated herein, the Borrower shall not commence any proceedings under the BIA, the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**"), or similar legislation without the Lenders' prior written consent, which consent may be withheld in the Lenders' sole discretion, acting reasonably. In the event that the Borrower commences such proceedings, it agrees that the Lenders shall be "unaffected creditors" under any such proceedings and hereby consents to a court order lifting any stay of proceeding as against the Lenders.

ARTICLE 5 - DIP LOAN

5.1 **DIP Loan** – Blacksail, agrees to extend and the Borrower agrees to accept the following additional credit facility from Blacksail, which shall be deemed to amend, *mutatis mutandis*, the terms of the Blacksail CL:

(a) DIP Loan: Revolving facility in the maximum amount of $2,000,000 (the "**DIP Loan**").

(b) Term: Expiry date of October 31, 2023, or such later date as the Borrower and Blacksail may agree in writing.

(c) Interest Rate: Annual rate of 14% per annum payable on the last Business Day of every month, with the first payment due on July 31, 2023. Interest shall otherwise be calculated and payable in accordance with the Blacksail CL.

(d) Fees: As additional consideration for the DIP Loan, the Borrower confirms and agrees that the following non-refundable fees shall be due and payable to Blacksail:

(i) Closing Fee: 1% of the amount of the DIP Loan shall be fully earned by Blacksail upon the execution of this Agreement, due and payable on the first funding date and deducted from the proceeds of the first advance;

(ii) Exit Fee: 1% of the amount of the DIP Loan shall be fully earned by Blacksail and be due and payable upon repayment of the DIP Loan and added to the total amount owing under the DIP Loan; and

(iii) Monitoring Fee: $1,500 weekly payable on Monday of each week in advance.

To the extent that interest and fees under the DIP Loan have not been paid by the Debtor, the amount of accrued interest and fees shall be added to the principal amount of the indebtedness under the DIP Loan and shall bear interest from the date of non-payment and shall be secured by the DIP Security.

(e) Funding Parameters. Advances of the DIP Loan shall be made in accordance with the Initial Cashflow. An initial advance of $300,000 may be made on June 29, 2023, which shall reduce dollar for dollar the amount of the July 4, 2023, advance.

(f) Discretionary Payments. The Borrower may repay all or part of the DIP Loan from time to time and receive advances as may be needed in accordance with the Initial Cashflow.

(g) Payment: The DIP Loan shall be repaid in full on the earlier of: (i) the end of the Forbearance Period or the termination of this Agreement and; (ii) completion of the sale of the Borrower's business and assets in accordance with the Sale Process; and (iii) demand being made by Blacksail following an Event of Default.

(h) Security: The DIP Loan shall be secured by the Security (as such word is defined in the Blacksail CL) (the "**DIP Security**"). Notwithstanding the foregoing and the terms of the *pari passu* and priority agreement dated January 23, 2020 between Blacksail, GJ and the Borrower (the "**Priority Agreement**"), GJ acknowledges, covenants and agrees that the GJ Security shall be fully and unconditionally subordinated and postponed to the DIP Security to the maximum principal amount of $2,000,000, plus accrued interest thereon and all fees, charges, costs and expenses in connection with the preparation, negotiation, execution and enforcement of this Agreement, the DIP Loan and the DIP Security from and after June 20, 2023 (the "**Priority Cap**"), notwithstanding any priority provided by any principle of law, equity or statute or the relative order of execution, delivery, creation, grant, registration, advance, attachment, possession, perfection or non-perfection, default, demand, notice, crystallization, enforceability or enforcement of the Blacksail Security, the DIP Security or the GJ Security, or any other matter or thing whatsoever. All amounts in excess of the Priority Cap shall be governed by the Priority Agreement.

ARTICLE 6 - SALE PROCESS

6.1 **Sale Process.** The Borrower shall continue the process for the sale of its property, assets and undertakings (the "**Property**") in accordance with the description of the Sale Process set out at Schedule B to this Agreement. The Borrower shall continue to retain the Broker to assist the Borrower with the Sale Process.

6.2 **Deadlines.** The Borrower shall not extend the deadlines set out in the Sale Process, except with prior written consent of Blacksail in its sole discretion, acting reasonably.

6.3 **Successful Bid.** The Borrower can select the winning bid for the Property (the "**Successful Bid**"), provided such bid has been approved by the Lenders, acting reasonably. In the event, the Borrower and the Lenders cannot agree on which bid constitutes the Successful Bid, the Borrower may request that the Court approve the bid selected by the Borrower without prejudice to the Lenders' rights to oppose approval of such bid.

6.4 **Sale Approval.** Following the selection of the Successful Bid, the Borrower will bring a motion for an order, among other things, approving the Successful Bid (the "**Approval Motion**"). The sale transaction for the sale of the Property shall be conditional upon the Borrower obtaining an order of the Ontario Superior Court of Justice (Commercial List) approving the Successful Bid and obtaining a vesting order or a reverse vesting order, as applicable (the "**Order**").

ARTICLE 7 - KERP

7.1 **Key Employee Retention Payments ("KERP").** The Lenders will support the payment of the KERP to Brigitte Simons and Pat Grobe (collectively, the "**Executives**") in the amounts set out in Schedule D hereto and in accordance with the terms of a KERP agreement in the form acceptable to the Borrower, Blacksail and the Executives. Notwithstanding any other provision of this Agreement, the Lenders acknowledge, covenant, and agree that the KERP to each of the Executives in the amount of $150,000 and the aggregate amount of $300,000 (the "**KERP Charge**") shall rank in priority to the Blacksail Security and the GJ Security and shall only be subordinate to the DIP Security.

ARTICLE 8 - DEFAULT

8.1 **Events of Default**. Any one or more of the following events will constitute an event of default under this Agreement (each an **"Event of Default"**):

(a) except for any existing event of default, a default or breach of any obligation, promise, covenant, term, or condition occurs under this Agreement, Loan and Security Documents or the DIP Loan;

(b) any amounts payable under the terms of this Agreement, including the DIP Loan are not paid when due;

(c) the Executives cease to be employed by the Borrower;

(d) if any financial or other reporting information provided by or on behalf of the Borrower to the Lenders proves to be false, misleading, inaccurate, or incorrect in any material respect;

(e) the Broker's engagement to assist with the Sale Process is terminated for any reason, except with prior written consent of the Lenders; or

(f) if the Sale Process is terminated for any reason prior to the bid deadline or no acceptable offer is received by the bid deadline, as set out in Schedule B to this Agreement.

8.2 **Remedies**. In addition to Blacksail's rights and remedies available under the DIP Loan, this Agreement, at law or in equity, on the Forbearance Termination Date or upon the occurrence of an Event of Default, whichever is earlier:

(a) the outstanding balance of the amounts owing to the Lenders shall immediately become due and owing; and

(b) the Security shall become enforceable in accordance with their terms, including without limitation the Lenders' rights to the court appointment of an interim receiver, national receiver and receiver and manager of the property, assets and undertakings of the Borrower and the Guarantor.

ARTICLE 9 - GENERAL PROVISIONS

9.1 **Reimbursement**. In addition to the Borrower's obligations to reimburse the Lenders pursuant to the terms of the Loan and Security, the Borrower agrees to reimburse Blacksail in respect of all reasonable expenses (including fees and disbursements at its lawyers' normal charges) which Blacksail has incurred or will incur in connection with the negotiation and preparation of this Agreement, and the administration and the enforcement of the DIP Loan, the DIP Security and this Agreement. To the extent such expenses have not been paid by the Borrower, Blacksail may pay such expenses directly and the amount so paid shall form part of the Indebtedness, shall bear interest from the date of payment at the highest rate payable by the Borrower for any of the Indebtedness owed by the Borrower to Blacksail, and shall be secured by the DIP Security.

9.2 **Lenders Releases**. The Borrower and the Guarantor hereby absolutely and irrevocably release, remise, acquit and forever discharge the Lenders, their officers, directors, employees, agents and lawyers (all of the foregoing hereinafter called the "**Released Parties**") from any and all actions and causes of action, suits, claims, demands, liabilities, obligations, damages, losses and expenses of any and every character, known or unknown, direct or indirect, at law or in equity, of whatsoever kind or nature, whether heretofore or hereafter arising, for or because of any fact, matter or things done, omitted or suffered to be done by the Released Parties prior to and including the date of execution hereof, and in any way directly or indirectly arising out of or in any way connected to this Agreement, the Loan and Security Documents and the administration and enforcement of the Loan and Security Documents and this Agreement (the "**Released Matters**"). The Borrower and the Guarantor acknowledge that the agreements in this paragraph are intended to be in full satisfaction of all or any alleged injuries or damages arising in connection with the Released Matters. The Borrower and the Guarantor represent and warrant to the Released Parties that they have not purported to transfer, assign, or otherwise convey any of their respective rights, title, or interest in any Released Matter to any other person and that the foregoing constitutes a full and complete release of all Released Matters. The foregoing release shall survive the termination of this Agreement and payment in full of the Lenders' indebtedness.

9.3 **D&O Release**. The Parties agree that, provided that the Executives continue to faithfully perform and fulfil their obligations to the Borrower in their capacity as directors and officers and under this agreement, the Lenders agree to support the Borrower's motion for a release in favour of the Executives, on terms acceptable to the Lenders, acting reasonably, which motion shall be brought concurrently with the Approval Motion.

9.4 **Indemnity.** The Lenders agree that the Borrower shall indemnify the Executives against obligations and liabilities that they may incur as directors or officers of the Borrower during the Forbearance Period, except to the extent that the obligation of liability was incurred as a result of their gross negligence or willful misconduct (the "**Executive Indemnity**"). The Executive Indemnity only applies to claims made against the directors and officers that are not otherwise insured through existing director and officer insurance. The Lenders agree that the Executive Indemnity shall be secured by a charge in the maximum amount of $320,000 (the "**D&O Charge**"), which shall rank third in priority behind the DIP Charge and the KERP Charge, but ahead of the Blacksail Security and the GJ Security.

9.5 **Independent Legal Advice**. The Borrower and the Guarantor acknowledge that, in executing and delivering this Agreement, they have acted and continue to act freely and without duress. The Borrower and the Guarantor acknowledge that the actions of the Lenders in entering into this Agreement have been fair and reasonable and that the Lenders (i) have not acted in a managerial capacity with respect to the Borrower and the Guarantors, and (ii) have no fiduciary duty to the Borrower and the Guarantor in connection with this Agreement or the Loan and Security Documents. The Borrower and the Guarantor confirm that they have had the benefit of independent legal advice in connection with the negotiation of this Agreement. The Borrower and the Guarantor hereby waive and agree not to assert or cause to be asserted any defence, right or claim with respect to any matter set forth in this Agreement.

9.6 **Capacity and Authority**. The Borrower and the Guarantor represent and warrant to the Lenders that they have the capacity and authority to enter into and perform their obligations under this Agreement.

9.7 **Necessary Proceedings**. The execution and delivery of this Agreement and the performance by the Borrower of its obligations hereunder have been duly authorized by all necessary proceedings.

9.8 **Notices**. Any notice, consent or approval required or permitted to be given in connection with this Agreement (a "**Notice**") shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by e-mail:

(a) in the case of a Notice to Blacksail

c/o Garrington Group of Companies
5075 Yonge Street, Suite 700
Toronto, Ontario
M2N 6C6
Toronto, Ontario
M5C 2V6

Attention: Tammy Kemp
Email: tammy.kemp@garringtonco.com

and with a copy to:

Chaitons LLP
5000 Yonge Street, 10th Floor
Toronto, Ontario
M2N 7E9

Attention: Harvey Chaiton and Philip Taylor
Email: harvey@chaitons.com
philip@chaitons.com

(b) in the case of a Notice to GJ:

969 Juliana Drive
Woodstock, Ontario
N4V 1C1

Attention: Cindy Fisher
Email: cindy@vhgroup.ca

With a copy to:

Harrison Pensa LLP
130 Dufferin Avenue, Suite 1101
London, Ontario
N6A 5R2

Attention: Melinda Vine
Email: mvine@harrisonpensa.com

(c) in the case of a Notice to the Borrower and the Guarantor:

9869247 Canada Limited
2818 House Road
Stevensville, Ontario
L0S 1S0

Attention Brigitte Simons and Pat Grobe
Email: bsimons@safariflower.co
pgrobe@safariflower.co

And with a copy to

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, Ontario
M5H 3S1

Attention: Larry Ellis, Craig Mills and Gina Rhodes
Email: lellis@millerthomson.com; cmills@millerthomson.com;
grhodes@millerthomson.com

The date of receipt of such notice shall be the date of the actual delivery to the address specified if delivered or the date of actual transmission to the electronic address if sent by electronic communication, respectively, unless such date is not a Business Day, in which event the date of receipt shall be the next Business Day immediately following the date of such delivery or transmission. **"Business Day"** means a day other than a Saturday, Sunday, statutory holiday in the Province of Ontario, or any other day on which the Schedule 1 Canadian Chartered Banks located in the City of Toronto are not open for business during normal banking hours.

9.9 **Assignment**. The Borrower and the Guarantor may not assign this Agreement or any rights or obligations under this Agreement except with the prior written consent of the Lenders, which consent may be withheld in the Lenders' sole discretion, acting reasonably.

9.10 **Amendment**. No amendment, modification, waiver of this Agreement and, unless otherwise specified, no consent or approval by any party, shall be binding unless executed in writing by the party to be bound thereby.

9.11 **Enurement**. This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors (including any successor by reason of amalgamation of any party) and permitted assigns.

9.12 **No Third-Party Beneficiaries**. Unless expressly stated herein, this Agreement shall be solely for the benefit of the parties hereto and no other person or entity shall be a third-party beneficiary hereof.

9.13 **No Novation**. This Agreement shall not constitute and shall not be deemed or construed to be a satisfaction, reinstatement, novation or release of the Blacksail CL and the Security.

9.14 **Execution and Delivery**. This Agreement may be executed in counterparts, and acceptance of this Agreement may be provided by email transmission in PDF format, and, on such execution and transmission, this Agreement shall be binding on the parties with the same force and effect as if originally executed.

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

NE SPC II LP

Per: ____________________________
Name:
Title:

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per: ____________________________
Name:
Title:

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per:
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per:
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

NE SPC II LP

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

DocuSigned by:
Per: Wilhelmus Van Haeren
6C3216808E384BA...
Name: Wilhelmus Van Haeren
Title: President

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per: Brigitte Simons
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

IN WITNESS OF WHICH the parties have duly executed this Agreement on the date described above.

NE SPC II LP

Per: ______________________________
Name: Cheng Dang
Title: Director

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per: ______________________________
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

SCHEDULE "A"

SECURITY

SECURITY of GRAY JAY ESTATES INC.

1. Charge/Mortgage in the principal amount of $25 million registered on August 17, 2018 as instrument number SN562069

2. Notice of Charge Amending Agreement registered on April 29, 2019 as instrument number SN586903

3. General Security Agreement dated August 16, 2018, in favour of Gray Jay Estates Inc., executed by 9869247 Canada Limited

SECURITY of NE SPC II LP

4. Charge/Mortgage over 2818 House Road, Stevensville, Ontario in the principal amount of $25 million registered on January 23, 2020 as instrument number SN617506

5. Notice of Charge Amending Agreement registered on January 23, 2020 as instrument number SN617619

6. Notice of Assignment of Rents – General registered on January 23, 2020 as instrument number SN617507

7. Subordination, Postponement and Standstill Agreement dated January 23, 2020 granted by Tykolis Holdings Ltd.

8. Subordination, Postponement and Standstill Agreement dated January 23, 2020 granted by Stevensville Lawn Service Inc.

9. Subordination, Postponement and Standstill Agreement dated January 23, 2020 granted by Marianne Tykolis-Casey

10. Subordination, Postponement and Standstill Agreement dated January 23, 2020 granted by GN Ventures Ltd.

11. Subordination, Postponement and Standstill Agreement dated June, 2020 granted by Gray Jay Estates Inc.

12. General Security Agreement dated January 23, 2020, in favour of NE SPC II LP, executed by 9869247 Canada Limited

13. General Security Agreement dated January 23, 2020, in favour of NE SPC II LP, executed by GN Ventures Ltd.

14. General Security Agreement dated January 23, 2020, in favour of NE SPC II LP, executed by Tykolis Real Estate Group Ltd.

15. Guarantee and Postponement dated January 23, 2020, in favour of NE SPC II LP, executed by GN Ventures Ltd.

16. Guarantee and Postponement dated January 23, 2020, in favour of NE SPC II LP, executed by Tykolis Real Estate Group Ltd.

17. Assignment of Insurance dated January 23, 2020, in favour of NE SPC II LP, executed by 9869247 Canada Limited

18. Assignment of Insurance dated January 23, 2020, in favour of NE SPC II LP, executed by GN Ventures Ltd.

19. Assignment of Insurance, in favour of NE SPC II LP, executed by Tykolis Real Estate Group Ltd.

SCHEDULE "B"

SALE PROCESS

All capitalized terms not otherwise defined in this schedule, shall have the meaning ascribed to such terms in the Accommodation Agreement

Timeline

The following table sets out the key milestones under the Sale Process

Milestone	Deadline
July 5, 2023	Broker to prepare list of potential purchasers ("**Potential Purchasers**") Preparation of non-disclosure agreements ("**NDA**") for all Potential Purchasers
July 10, 2023	Circulate confidential information memorandum and/or teaser detailing the Borrower's business and assets as Broker sees fit and circulate NDA to Potential Purchasers
July 11, 2023	Provide Potential Purchasers access to the data room if NDA signed
October 10, 2023	Deadline for Potential Purchasers to complete due diligence Offers due no later than 5:00 p.m.
October 17, 2023	Negotiate with Potential Purchasers and select the Successful Bid on consultation with the Lenders
October 24, 2023	Prepare and file court materials

SCHEDULE “C”

INITIAL CASHFLOW

Safari Flower
DIPP Cashflow to October 27, 2023

	Cweek 6/26/2023	Cweek +1 7/3/2023	Cweek +2 7/10/2023	Cweek +3 7/17/2023	Cweek +4 7/24/2023	Cweek +5 7/31/2023	Cweek +6 8/7/2023	Cweek +7 8/14/2023	Cweek +8 8/21/2023	Cweek +9 8/28/2023	Cweek +10 9/4/2023	Cweek +11 9/11/2023	Cweek +12 9/18/2023	Cweek +13 9/25/2023	Cweek +14 10/2/2023	Cweek +15 10/9/2023	Cweek +16 10/16/2023	Cweek +17 10/23/2023	Total
Disbursements																			
Payroll	(113,000)	-	(80,000)	-	(80,000)	(8,000)	-	(80,000)	-	(88,000)	-	(80,000)	-	(108,000)	-	(80,000)	-	(80,000)	(797,000)
Insurance	(29,200)	-	-	-	(29,200)	-	-	-	(29,200)	-	-	-	(29,200)	-	-	-	(29,200)	-	(146,000)
Natural Gas	-	-	(50,000)	(75,000)	-	-	(50,000)	-	(75,000)	-	(50,000)	-	(75,000)	-	-	(50,000)	-	(75,000)	(500,000)
HC license	-	(25,270)	-	-	-	(25,270)	-	-	-	(25,270)	-	-	-	-	(25,270)	-	-	-	(101,080)
Property Tax	(6,250)	-	-	-	(7,015)	-	-	-	-	(7,015)	-	-	-	(7,015)	-	-	-	-	(27,295)
CNP - Hydro	-	-	-	(40,000)	-	-	-	-	(40,000)	-	-	-	(40,000)	-	-	-	-	(40,000)	(160,000)
Water	-	-	(6,000)	-	-	-	-	(6,000)	-	-	-	(6,000)	-	-	-	-	(6,000)	-	(24,000)
CCP (FPG)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(35,000)	(630,000)
HST/Excise Tax	(119,754)	-	-	-	(65,000)	-	-	-	-	(65,000)	-	-	-	(65,000)	-	-	-	-	(314,754)
Weekly AP	(50,000)	(60,000)	(50,000)	(50,000)	(50,000)	(50,000)	(60,000)	(50,000)	(50,000)	(50,000)	(50,000)	(60,000)	(50,000)	(50,000)	(50,000)	(60,000)	(50,000)	(50,000)	(940,000)
Total Disbursements	(353,204)	(120,270)	(221,000)	(200,000)	(266,215)	(118,270)	(145,000)	(171,000)	(229,200)	(270,285)	(135,000)	(181,000)	(229,200)	(265,015)	(110,270)	(225,000)	(120,200)	(280,000)	(3,640,129)
Reciepts																			
Collections of Sales	60,000	39,265	-	112,779	58,481	202,095	189,026	268,438	6,295	173,513	112,501	86,017	207,786	65,658	30,229	-	55,301	55,722	1,723,106
CCP Collections - Excise	54,755	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,755
Total Receipts	114,755	39,265	-	112,779	58,481	202,095	189,026	268,438	6,295	173,513	112,501	86,017	207,786	65,658	30,229	-	55,301	55,722	1,777,861
Business Cashflow	(238,449)	(81,005)	(221,000)	(87,221)	(207,734)	83,825	44,026	97,438	(222,905)	(96,772)	(22,499)	(94,983)	(21,414)	(199,357)	(80,041)	(225,000)	(64,899)	(224,278)	(1,862,268)
Agreement Costs Outflows																			
Management Incentive	-	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(100,000)	(200,000)
Professional Fees	-	(225,000)	-	-	-	(25,000)	-	-	-	(25,000)	-	-	-	-	(25,000)	-	-	-	(300,000)
Interest on DIPP	-	-	-	-	-	(7,335)	-	-	-	(9,960)	-	-	-	(13,191)	-	-	-	(19,722)	(50,208)
Close and Exist Fees	-	(20,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(20,000)	(40,000)
Monitor Fees	-	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(25,500)
Agreement Costs	-	(246,500)	(101,500)	(1,500)	(1,500)	(33,835)	(1,500)	(1,500)	(1,500)	(36,460)	(1,500)	(1,500)	(1,500)	(14,691)	(26,500)	(1,500)	(1,500)	(141,222)	(615,708)
Net Cash Flow	(238,449)	(327,505)	(322,500)	(88,721)	(209,234)	49,990	42,526	95,938	(224,405)	(133,232)	(23,999)	(96,483)	(22,914)	(214,048)	(106,541)	(226,500)	(66,399)	(365,500)	(2,477,976)
DIPP DRAW	-	600,000	-	-	325,000	-	-	-	-	-	400,000	-	-	-	675,000	-	-	-	2,000,000
Opening Cash	670,991	432,542	705,037	382,537	293,816	409,582	459,572	502,098	598,036	373,631	240,399	616,400	519,917	497,003	282,955	851,414	624,914	558,515	670,991
Closing Cash	432,542	705,037	382,537	293,816	409,582	459,572	502,098	598,036	373,631	240,399	616,400	519,917	497,003	282,955	851,414	624,914	558,515	193,015	193,015

SCHEDULE "D"

KERP AGREEMENT

KERP Payment to the Executives in the following amounts:

1. $50,000 to each Executive payable upon the execution of this Agreement by all parties.
2. $50,000 to each Executive payable upon the closing of the sale transaction for the sale of the Property pursuant to the Sale Process (the "**Sale**") provided that in the event there is no Sale, $50,000 to each Executive payable upon the completion of the disposition of the Property (the "**Disposition**").
3. $50,000 to each Executive in the event that the purchaser of the Property pursuant to the Sales Process does not continue the employment of such Executive, payable on closing of the Sale provided that in the event there is no Sale, $50,000 to each Executive payable upon the completion of the Disposition.

For greater certainty: (i) the maximum Employee Retention Payment to each Executive [which is in addition to ordinary course pay] is $150,000; (ii) the foregoing amounts are only earned if the Executives remain in the employment of the Borrower until the later of the closing of the Sale or the completion of the Disposition (i.e. the payment in 1 above shall be required to be returned in the event the Executives do not remain in the employment of the Borrower for such period); and (iii) the KERP Charge shall rank in priority to any and all Security, except the DIP Security.

This is Exhibit “B” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Certified Copy

CORPORATE ACCESS NUMBER: 2019189790

Government
of Alberta ■

BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

INCORPORATION

RAVINE TRADING LIMITED
WAS INCORPORATED IN ALBERTA ON 2015/09/04.

CORPORATE ACCESS NUMBER: 2019189790

Government of Alberta

BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

AMENDMENT

RAVINE TRADING LIMITED
CHANGED ITS NAME TO **GREAT NORTHERN CANNABIS LTD.** ON 2018/06/21.

CORPORATE ACCESS NUMBER: 2019189790

Government of Alberta

BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

AMENDMENT

GREAT NORTHERN CANNABIS LTD.
CHANGED ITS NAME TO **GN VENTURES LTD.** ON 2018/10/15.

This is Exhibit “C” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Skip to main content

Standard version

Governr

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Federal Corporation Information - 986924-7

⚠ Beware of scams and other suspicious activities. See Corporations Canada's alerts.

Note

This information is available to the public in accordance with legislation (see Public disclosure of corporate information).

Order copies of corporate documents

Corporation Number
986924-7

Business Number (BN)
755792124RC0001

Corporate Name
9869247 CANADA LIMITED

Status
Active

Governing Legislation

Canada Business Corporations Act - 2016-08-15

Order a Corporate Profile [View PDF Sample] [View HTML Sample].

Extra-provincial registration

A business in Canada is incorporated federally or in the province or territory where it does business. If it wants to do business in another province or territory, it may also have to register there. This is known as extra-provincial registration.

Close

Find existing extra-provincial registrations of this corporation on Canada's Business registries

Registered Office Address

2818 House Road
Stevensville ON L0S 1S0
Canada

Note

Active CBCA corporations are required to update this information within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Directors

Minimum 1
Maximum 10

Leanne Brigitte Simons
710 Spring Gardens Road, Unit 98
Burlington ON L7T 4K7
Canada

Patrick J. Grobe
24 Emerald Avenue, Unit 2
Kitchener ON N2A 1X5
Canada

Note

Active CBCA corporations are required to update director information (names, addresses, etc.) within 15 days of any change. A corporation key is required. If you are not authorized to update this information, you can either contact the corporation or contact Corporations Canada. We will inform the corporation of its reporting obligations.

Annual Filings

Anniversary Date (MM-DD)
08-15

Date of Last Annual Meeting
2022-06-20

Annual Filing Period (MM-DD)
08-15 to 10-14

Type of Corporation
Non-distributing corporation with more than 50 shareholders

Status of Annual Filings
2023 - Not due
2022 - Filed
2021 - Filed

Corporate History

Corporate Name History

2016-08-15 to Present	9869247 CANADA LIMITED

Certificates and Filings

Certificate of Incorporation
2016-08-15

Certificate of Amendment *

2018-08-17
Amendment details: Other

Certificate of Amendment *

2018-09-13
Amendment details: Other

* Amendment details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed. For more information, contact Corporations Canada.

Order copies of corporate documents

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Date Modified:
2023-05-26

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News

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Government-wide reporting

Prime Minister

How government works

Open government

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This is Exhibit “D” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

9869247 Canada Ltd. ("Safari Flower Company")
2818 House Rd. Stevensville, ON

Site Plan Map

May 18, 2022

Legend

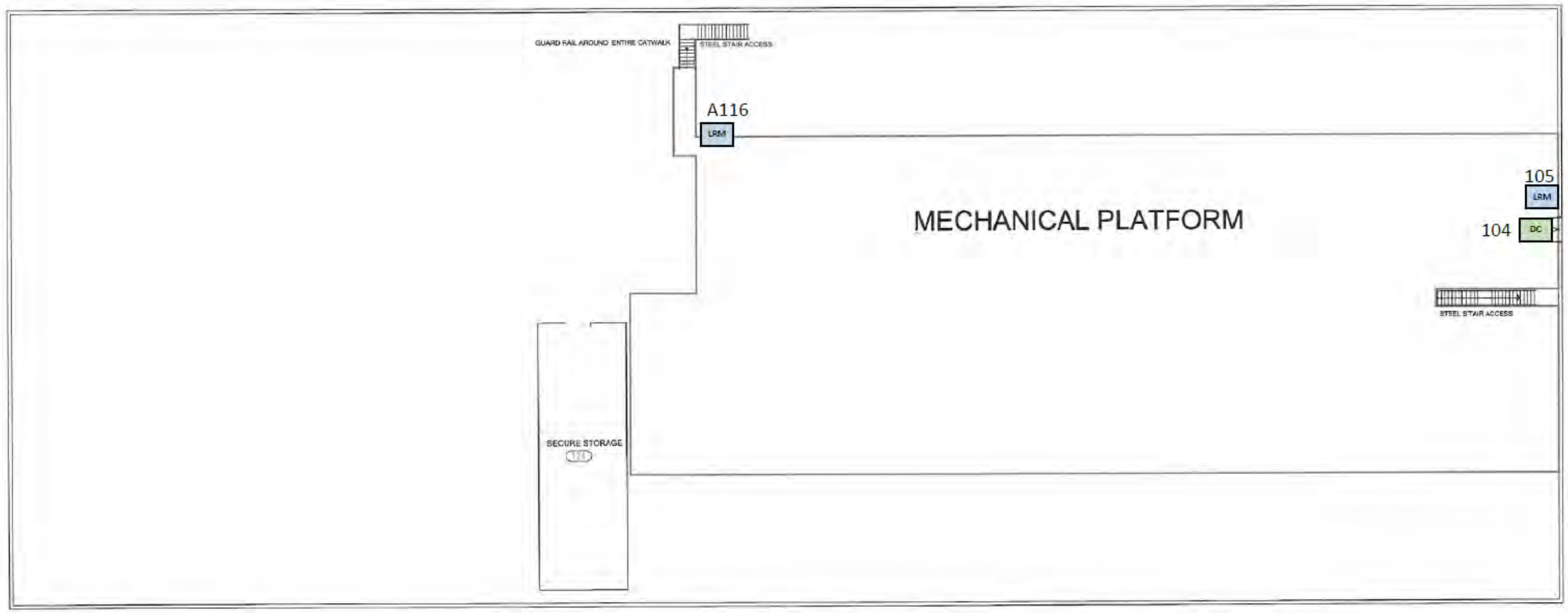
	Approved Storage
	Operations
	Cultivation "Growing"

9869247 Canada Ltd. ("Safari Flower Company")
2818 House Rd. Stevensville, ON

Site Plan Map

May 18, 2022

2nd floor Mechanical Maintenance



LEGEND

LRM LONG RANGE MOTION
DC DOOR CONTACT

This is Exhibit “E” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Licence No. - N° de licence LIC-YH5AUQYZLI-2022

LICENCE

This licence is issued in accordance with the *Cannabis Act* and *Cannabis Regulations*

LICENCE

Cette licence est délivrée conformément à la *Loi sur le cannabis* et le *Règlement sur le cannabis*

Licence Holder / Titulaire de la licence :
9869247 Canada Limited (d.b.a.Safari Flower Company)

Licensed Site / Lieu autorisé :
2818 HOUSE ROAD
STEVENSVILLE, ON, CANADA, L0S 1S0

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses.

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes.

Standard Cultivation | Culture standard

Activities	Activités
• To possess cannabis • To obtain dried cannabis, fresh cannabis, cannabis plants or cannabis plant seeds by cultivating, propagating and harvesting cannabis • For the purposes of testing, to obtain cannabis by altering its chemical or physical properties by any means • To sell cannabis in accordance with subsection 11(5) of the Cannabis Regulations	• Avoir du cannabis en sa possession • Obtenir du cannabis séché, du cannabis frais, des plantes de cannabis ou des graines provenant de telles plantes par la culture, la multiplication et la récolte de cannabis • Afin d'effectuer des essais sur du cannabis, obtenir du cannabis par l'altération, par tout moyen, de ses propriétés physiques ou chimiques • Vendre du cannabis en vertu du paragraphe 11(5) du Règlement sur le cannabis

Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "*Mandatory cannabis testing for pesticide active ingredients - Requirements*".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé *« Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides-Exigences ».*

Standard Processing | Transformation standard

Activities	Activités
• To possess cannabis • To produce cannabis, other than obtain it by cultivating, propagating or harvesting it • To sell cannabis in accordance with subsection 17(5) of the Cannabis Regulations	• Avoir du cannabis en sa possession • Produire du cannabis, sauf en l'obtenant par la culture, la multiplication et la récolte • Vendre du cannabis en vertu du paragraphe 17(5) du Règlement sur le cannabis

Conditions	Conditions
The licence holder must meet the requirements set out in the Health Canada document entitled "*Mandatory cannabis testing for pesticide active ingredients - Requirements*".	Le titulaire de la licence doit respecter les exigences énoncées dans le document de Santé Canada intitulé *« Analyse obligatoire du cannabis pour les résidus de principes actifs de pesticides-Exigences ».*
The only cannabis products that the licence holder may sell or distribute to (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; and fresh cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut vendre ou distribuer (i) à un titulaire d 'une licence de vente et (ii) à une personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d 'une plante de cannabis; cannabis séché; et cannabis frais.
The only cannabis products that the licence holder may send or deliver to the purchaser at the request of (i) a holder of a licence for sale, and (ii) a person that is authorized under a provincial Act referred to in subsection 69(1) of the Act to sell cannabis, are as follows: cannabis plants; cannabis plant seeds; dried cannabis; and fresh cannabis.	Les seuls produits du cannabis que le titulaire de la licence peut expédier ou livrer à l'acheteur à la demande (i) d'un titulaire d'une licence de vente et (ii) dune personne autorisée sous le régime d'une loi provinciale visée au paragraphe 69(1) de la Loi à vendre du cannabis sont les suivants : plantes de cannabis; graines provenant d'une plante de cannabis; cannabis séché; et cannabis frais.

Acting Director, Licencing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

Indoor Area(s) / Zone(s) intérieure(s)
The possession of cannabis and the other activities mentioned above are authorized in the following building(s) / La possession de cannabis et les autre activités mentionnées ci-haut sont autorisées dans les bâtiment(s) suivant(s) :

Building 1

Effective date of the licence:

This licence is effective as of **May 18, 2022**

Date d'entrée en vigueur de la licence:

Cette licence entre en vigueur à compter du **18 mai 2022**

Expiry date of the licence:

This licence expires on **May 18, 2027**

Date d'expiration de la licence:

La présente licence expire le **18 mai 2027**

Acting Director, Licencing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

This is Exhibit "F" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Licence No. - N° de licence LIC-DDSNYHDY7N-2023

LICENCE

This licence is issued in accordance with the *Cannabis Act* and *Cannabis Regulations*

LICENCE

Cette licence est délivrée conformément à la *Loi sur le cannabis* et le *Règlement sur le cannabis*

Licence Holder / Titulaire de la licence :
9869247 Canada Limited (d.b.a.Safari Flower Company)

The above-mentioned person is authorized to conduct, at the site specified on this licence, the activities listed below for the following licence classes and subclasses:

- Research

La personne susmentionnée est autorisée à effectuer, sur le site spécifié sur cette licence, les activités énumérées ci-dessous pour les catégories et les sous-catégories de licence suivantes :

- Recherche

Site and authorized activities

Site et activités autorisées

Site	Activities	Activités
2818 HOUSE RD STEVENSVILLE, ON, CANADA, L0S1S0	• to possess cannabis for the purpose of research	• aux fins de recherche, avoir du cannabis en sa possession

Conditions

Conditions

This licence is restricted, in addition to all other applicable conditions, in that all research conducted under this licence is based on the Research Protocol "QA26 Sensory Study" provided to Health Canada on March 20, 2023.	Cette licence est restreinte, en plus des autres conditions qui s'appliquent, du fait que toute la recherche effectuée sous cette licence est basée sur le protocole de recherche « QA26 Sensory Study », fourni à Santé Canada le 20 mars 2023.
The maximum quantity of cannabis to be stored for the purpose of research at the address indicated on this licence is: 1 kg of dried cannabis (or equivalent) at any given time.	La quantité maximale de cannabis pour des fins de recherche qui peut être entreposée à l'adresse indiquée sur cette licence est : 1 kg de cannabis séché (ou équivalent) en tout temps.
The researcher may only be in possession of cannabis if such possession is to use in accordance with the research protocol submitted.	Le chercheur peut posséder du cannabis seulement si la possession est pour une utilisation en conformité avec le protocole de recherche soumis.
The licence holder must obtain written or electronic informed consent from all participants taking part in their study prior to the start of the study, and under any circumstance(s) in which consent must be re-obtained, only after the participants have been informed of: • The known and potential risks to their health arising from participating in the non-therapeutic research on cannabis study. • All other aspects of the non-therapeutic research on cannabis study that are necessary for the person to make an informed decision to participate in the study. The licence holder must follow the applicable principles of informed consent outlined in the *International Council for Harmonisation E6: Guideline for Good Clinical Practice* and in the *Tri-Council Policy Statement: Ethical Conduct for Research Involving Humans*, as well as any other applicable law(s) governing informed consent, throughout the entire informed consent process.	Le titulaire de la licence doit obtenir le consentement informé, par écrit ou par voie électronique, de tous les participants à l'étude avant le début de la recherche et, dans toutes les circonstances où le consentement doit être réobtenu, seulement après avoir informé les participants : • Les risques connus et potentiels pour leur santé découlant de leur participation à l'étude de recherche non-thérapeutique sur le cannabis. • Tous les autres aspects de l'étude de recherche non-thérapeutique sur le cannabis qui sont nécessaires pour que la/le participant(e) potentiel (le) puisse prendre une décision éclairée de participer à l'étude. Le titulaire de la licence doit respecter les principes applicables en matière de consentement éclairé énoncés dans la norme *le Conseil International pour l'harmonisation E6: Directive relative aux bonnes pratiques cliniques* et dans *l'Énoncé de politique des trois conseils : Éthique de la recherche avec des être humains*, ainsi que toute autre loi applicable régissant le consentement informé, tout au long de la procédure de consentement informé.

Acting Director, Licencing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

Conditions	Conditions
The licence holder must follow the following principles of Good Clinical Practice as found in the *International Council for Harmonisation E6: Guideline for Good Clinical Practice*: 1. Research with humans should be conducted in accordance with the ethical principles that have their origin in the *Declaration of Helsinki*. 2. Research with humans should be designed and conducted in ways that ensure the rights, safety and well-being of participants. 3. Informed consent is a requirement for the ethical conduct of research with humans. Participation should be voluntary and based on a consent process that ensures participants are well-informed. 4. Research with humans should be scientifically sound for its intended purpose and based on robust and current scientific knowledge and approaches. 5. Research with humans should be designed and conducted by qualified individuals. 6. Systems with procedures that assure the quality of every aspect of the study should be implemented. 7. Study processes, measures and approaches should be proportionate to the risks to participants and to the reliability of study results. 8. Research studies should be described in a clear, concise and operationally feasible protocol. 9. Research studies should generate reliable results, and all study information should be recorded, handled and stored in a way that allows its accurate reporting, interpretation and verification. 10. Roles, tasks and responsibilities in research studies should be clear and documented appropriately.	Le titulaire de la licence doit respecter les principes suivants de bonnes pratiques cliniques, tels qu'ils figurent dans la norme *le Conseil International pour l'harmonisation E6: Directive relative aux bonnes pratiques cliniques* : 1. La recherche sur les humains doit être menée conformément aux principes éthiques qui trouvent leur origine dans *la Déclaration d'Helsinki.* 2. La recherche sur les humains doit être conçue et menée de manière à garantir les droits, la sécurité et le bien-être des participants. 3. Le consentement éclairé est une exigence pour la conduite éthique de la recherche sur les humains. La participation doit être volontaire et fondée sur un processus de consentement qui garantit que les participants sont bien informés. 4. La recherche sur les humains doit être scientifiquement valable pour l'objectif visé et fondée sur des connaissances et des approches scientifiques solides et actuelles. 5. La recherche sur les humains doit être conçue et menée par des personnes qualifiées. 6. Des systèmes avec des procédures qui assurent la qualité de chaque aspect de l'étude doivent être mis en œuvre. 7. Les processus, mesures et approches de l'étude doivent être proportionnés aux risques encourus par les participants et à la fiabilité des résultats de l'étude. 8. Les études de recherche doivent être décrites dans un protocole clair, concis et réalisable sur le plan opérationnel. 9. Les études de recherche doivent produire des résultats fiables, et tous les renseignements relatifs à l'étude doivent être documentés, traités et entreposés de manière à permettre un rapport, une interprétation et une vérification précis. 10. Les rôles, les tâches et les responsabilités dans les études de recherche doivent être clairs et documentés de manière appropriée.
All activities with cannabis relating to the research, including the administration to, consumption by or possession of cannabis by the research subject must occur at the licensed site, under the supervision of the licence holder.	Toutes les activités impliquant du cannabis et associées aux recherches, notamment l'administration du cannabis à un participant à l'étude, ou la consommation et la possession du cannabis par ce participant à l'étude, doivent se tenir sur le site autorisé, sous la supervision du titulaire de la licence.
At the end of the research, all cannabis must be destroyed in accordance with s.43 of the *Cannabis Regulations* unless distributed in a manner authorized by the *Cannabis Regulations*.	À la fin de la recherche, tout cannabis doit être détruit en conformité avec l'article 43 du *Règlement sur le cannabis* à moins d'être distribué d'une manière autorisée par le *Règlement sur le cannabis*.

Effective date of the licence:

This licence is effective as of **March 24, 2023**

Date d'entrée en vigueur de la licence:

Cette licence entre en vigueur à compter du **24 mars 2023**

Expiry date of the licence:

This licence expires on **March 24, 2028**

Date d'expiration de la licence:

La présente licence expire le **24 mars 2028**

Acting Director, Licencing and Security, Controlled Substances and Cannabis Branch

Directeur par intérim, Licences et sécurité, Direction générale des substances contrôlées et du cannabis

This is Exhibit “G” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

CERTIFICATE No: CU 886282 CUMCS 01-2023

CUMCS

CERTIFICATE

The Control Union Medical Cannabis Standard Version 4.0_2020

Issued to:

9869247 Canada Limited (d.b.a. Safari Flower Company)
2818 House Road Stevensville, ON, L0S 1S0
Canada

Control Union Certifications B.V. declares that the listed activity (activities) of the company have been found to be compliant in accordance with the standard as well as the WHO guidelines on Good Agricultural & Collection Practices (GACP) for medicinal plants (Geneva, 2003).

Validity of this certificate can be verified in the CU database

This certificate is applicable for the scope of:

- Propagation through cloning of vegetal material
- Cultivation, harvesting, drying, curing, packaging and storage of *Cannabis* inflorescences for medicinal use

Valid from: 04 April 2023
Valid until: 08 March 2024

Declared by:
On behalf of the Managing Director
Certifier: *Ilanit Poliker*

Control Union Certifications B.V.
P.O. Box 161 8000 Zwolle
The Netherlands
http://www.controlunion.com
certifications@controlunion.com
+31(0)38-4260100

Date of certification decision: 04 April 2023
Printed on: 04 April 2023

Annex to the certificate:

The certificate reflects the status of the site at the time of the Inspection noted above and should not be relied upon to reflect the compliance status if more than one year has elapsed since the date of that inspection. This certificate is valid only when presented with all pages

Farm location:
2818 House Road Stevensville, ON, L0S 1S0, Canada

Site information

GROWING AREA	GROWING STAGE	FACILITY	SIZE
Propagation	Cuttings	Indoor	21.26 m^2
Propagation	Mother Plants	Indoor	129.76 m^2
Cultivation	Vegetative	Indoor	64.88 m^2
Cultivation	Flowering	Indoor	1,946.43 m^2

PROCESSING AREA	SIZE
Drying	62.95 m^2
Trimming	43.47 m^2
Packaging	32.53 m^2
Storage	68.45 m^2
Total	207.4 m^2

Reference Documents[1]

- *The World Health Organization (WHO) guidelines: WHO Guidelines on good agricultural & collection practices (GACP) for medicinal plants - Geneva 2003*
- *Guidelines of the Dutch Government for Cannabis for Medical Use: Guidelines for cultivating Cannabis for medicinal purposes, Nederland, December 2002*
- *International Standard for Good Agricultural Practices - G.A.P standard*
- *WHO guidelines for assessing quality of herbal medicines with reference to contaminants and residues*
- *IMC-G.A.P -Israeli Medical Cannabis Good Agricultural Practices*

[1] guidance documents which were used in the development of CUMCS

CERTIFICATE No: CU 886282 IMC-GAP 01-2023

CUMCS Equivalency IMC-G.A.P

CERTIFICATE

The Control Union CUMCS Equivalency IMC-G.A.P Version 1.1 .OCT 2021

Issued to:

9869247 Canada Limited (d.b.a. Safari Flower Company)
2818 House Road Stevensville, ON, L0S 1S0
Canada

Control Union Certifications B.V. declares that the listed activity (activities) of the company have been found to be compliant in accordance with the standard as well as the WHO guidelines on Good Agricultural & Collection Practices (GACP) for medicinal plants (Geneva, 2003).

Validity of this certificate can be verified in the CU database

This certificate is applicable for the scope of:

- Propagation through cloning of vegetal material
- Cultivation, harvesting, drying, curing, packaging and storage of *Cannabis* inflorescences for medicinal use

Valid from: 04 April 2023
Valid until: 08 March 2024

Declared by:
On behalf of the Managing Director
Certifier: *Ilanit Poliker*

Control Union Certifications B.V.
P.O. Box 161 8000 Zwolle
The Netherlands
http://www.controlunion.com
certifications@controlunion.com
+31(0)38-4260100

Date of certification decision: 04 April 2023
Printed on: 04 April 2023

Annex to the certificate:

The certificate reflects the status of the site at the time of the Inspection noted above and should not be relied upon to reflect the compliance status if more than one year has elapsed since the date of that inspection. This certificate is valid only when presented with all pages

Farm location:
2818 House Road Stevensville, ON, L0S 1S0, Canada

Site information

GROWING AREA	GROWING STAGE	FACILITY	SIZE
Propagation	Cuttings	Indoor	21.26 m²
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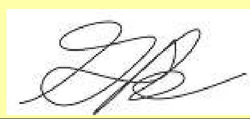
PROCESSING AREA	SIZE
Drying	62.95 m²
Trimming	43.47 m²
Packaging	32.53 m²
Storage	68.45 m²
Total	207.4 m²

Reference Documents[1]

- ***The World Health Organization (WHO) guidelines: WHO Guidelines on good agricultural & collection practices (GACP) for medicinal plants - Geneva 2003***
- ***Guidelines of the Dutch Government for Cannabis for Medical Use: Guidelines for cultivating Cannabis for medicinal purposes, Nederland, December 2002***
- ***International Standard for Good Agricultural Practices - G.A.P standard***
- ***WHO guidelines for assessing quality of herbal medicines with reference to contaminants and residues***
- ***IMC-G.A.P -Israeli Medical Cannabis Good Agricultural Practices***

[1] guidance documents which were used in the development of CUMCS

This is Exhibit “H” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

GINA RHODES

GN VENTURES LTD.

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2022

(EXPRESSED IN CANADIAN DOLLARS)

GN Ventures Ltd.
Consolidated Statement of Financial Position
(Expressed in Canadian Dollars)
As at December 31, 2022

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents	**$ 2,198,907**	$ 1,941,165
Trade and other receivables (note 4)	**1,058,011**	3,648,499
Prepaid expenses and deposits	**446,362**	192,923
Investment (note 5)	**-**	45,288
Biological assets (note 6)	**852,583**	733,791
Inventory (note 7)	**2,390,177**	2,360,422
Total current assets	**6,946,040**	8,922,088
Long-term receivables	**421,268**	386,268
Property and equipment (note 8)	**26,749,564**	28,819,744
License fees (note 9)	**30,655**	44,115
Intangible assets (note 9)	**2,249,561**	14,787,085
Total assets	**$ 36,397,088**	$ 52,959,300
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other liabilities	**$ 1,856,589**	$ 2,878,253
Deferred revenue	**7,954**	5,003
Mortgage interest payable (note 10)	**5,743,281**	4,951,088
Mortgages payable (note 10)	**22,904,241**	23,616,812
Notes payable (note 11)	**300,000**	300,000
Other loans (note 12)	**100,000**	100,000
Due to related parties (note 13)	**3,962,468**	4,084,561
Preferred shares liability (note 14)	**16,304,961**	18,505,185
Total liabilities	**$ 51,179,494**	$ 54,440,902
Shareholders' equity (deficit)		
Share capital (note 15)	**18,882,903**	16,882,679
Contributed surplus	**1,168,302**	1,168,302
Deficit	**(34,833,611)**	(19,532,583)
Total shareholders' equity (deficit)	**(14,782,406)**	(1,481,602)
Total liabilities and shareholders' equity (deficit)	**$ 36,397,088**	$ 52,959,300

Nature of operations and going concern (note 1)
Commitments (note 21)

Approved on behalf of the Board:

The accompanying notes are an integral part of these consolidated financial statements.

GN Ventures Ltd.
Consolidated Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
For the year ended December 31, 2022

	2022	2021
Revenue	$ 7,248,024	$ 12,019,033
Cost of sales (note 19)	(5,212,783)	(7,148,315)
Impairment loss on inventory (note 7)	(1,354,745)	-
Gross profit before fair value adjustments	680,496	4,870,718
Unrealized fair value adjustment on biological assets (note 6)	3,906,092	4,501,225
Realized fair value adjustment on inventory sold (note 7)	(3,577,822)	(4,561,339)
Gross profit	1,008,766	4,810,604
Operating expenses		
Amortization (notes 8 and 9)	622,808	624,639
Interest expense (notes 10 and 13)	3,030,200	3,128,769
Operational expenses	533,211	477,105
Professional fees	188,016	531,867
Total operating expenses	4,374,235	4,762,380
Income/(loss) before undernoted	(3,365,469)	48,224
Other income/(expenses)		
Unrealized loss on investment (note 5)	(45,288)	(1,904,300)
Gain on sale of investment (note 5)	23,052	43,171
Impairment loss on intangible asset (note 9)	(12,000,000)	-
Other income	86,677	67,940
Net loss and comprehensive loss	$ (15,301,028)	$ (1,744,965)

GN Ventures Ltd.
Consolidated Statement of Cash Flows
(Expressed in Canadian Dollars)
For the year ended December 31, 2022

		2022		2021
Operating activities				
Net loss for the year	**$**	**(15,301,028)**	$	(1,744,965)
Adjustments for:				
Amortization (note 8 and 9)		**1,820,103**		1,851,515
Deferred financing cost amortization		**317**		233,914
Impairment loss on intangible asset (note 9)		**12,000,000**		-
Impairment loss on inventory (note 7)		**1,354,745**		-
Unrealized fair value adjustment on biological assets (note 6)		**(3,906,092)**		(4,501,225)
Realized fair value adjustment on inventory sold (note 7)		**3,577,822**		4,561,339
Gain on sale of investment (note 5)		**(23,052)**		-
Unrealized loss on investment (note 5)		**45,288**		1,904,300
Changes in non-cash working capital items:				
Trade and other receivables		**2,590,488**		(3,304,005)
Long-term receivables		**(35,000)**		-
Prepaid expenses and deposits		**(253,439)**		(124,177)
Biological assets		**(118,792)**		209,238
Inventory		**(1,056,230)**		90,000
Accounts payable and other liabilities		**(1,021,664)**		1,522,808
Deferred revenue		**2,951**		(352)
Mortgage interest payable		**792,193**		833,863
Due to related parties		**(122,093)**		(88,544)
Net cash provided by operating activities		**346,517**		1,443,709
Investing activities				
Purchase of property and equipment (note 8)		**(144,337)**		(149,432)
Proceeds on sale of investment (note 5)		**23,052**		-
Additions to intangible assets (note 9)		**(4,138)**		-
Net cash used in investing activities		**(125,423)**		(149,432)
Financing activities				
Deferred financing fees paid		**-**		(4,500)
Proceeds from grants received for property and equipment		**949,536**		939,736
Preferred shares redemption (note 14)		**(200,000)**		-
Mortgage payments (note 10)		**(712,888)**		(860,500)
Net cash provided by financing activities		**36,648**		74,736
Net change in cash		**257,742**		1,369,013
Cash, beginning of year		**1,941,165**		572,152
Cash, end of year	**$**	**2,198,907**	$	1,941,165
Supplemental information				
Interest paid on mortgage	**$**	**1,693,431**	$	2,052,530

The accompanying notes are an integral part of these consolidated financial statements.

GN Ventures Ltd.
Consolidated Statement of Changes in Shareholders' Equity (Deficit)
(Expressed in Canadian Dollars)
For the year ended December 31, 2022

	Number of common shares	Amount of common shares	Warrants	Contributed surplus	Deficit	Total
Balance, December 31, 2020	**74,801,335**	**$ 16,882,679**	**$ 1,168,302**	**$ -**	**$ (17,787,618)**	**$ 263,363**
Expiry of warrants	-	-	(1,168,302)	1,168,302	-	-
Net loss for the year	-	-	-	-	(1,744,965)	(1,744,965)
Balance, December 31, 2021	**74,801,335**	**$ 16,882,679**	**$ -**	**$ 1,168,302**	**$ (19,532,583)**	**$ (1,481,602)**
Conversion of preferred shares (note 14)	3,300,316	2,000,224	-	-	-	2,000,224
Net loss for the year	-	-	-	-	(15,301,028)	(15,301,028)
Balance, December 31, 2022	**78,101,651**	**$ 18,882,903**	**$ -**	**$ 1,168,302**	**$ (34,833,611)**	**$ (14,782,406)**

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

GN Ventures Ltd. (the "Company" or "GN Ventures") was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on September 4, 2015. The Company was initially named Ravine Trading Limited until June 21, 2018, when the Company formally changed its legal name to Great Northern Cannabis Ltd. and later changed on October 15, 2018 to GN Ventures Ltd. The Company's head office address is Suite 320, 600 - 6th Avenue SW, Calgary, AB, T2P 0S4. The Company is in the business of growing and wholesaling cannabis. The Company's wholly-owned subsidiary, 9869247 Canada Limited o/a Safari Flower Company ("9869247"), was granted a license from Health Canada to cultivate cannabis on July 5, 2019.

During the year ended December 31, 2022, the Company has incurred a net loss of $15,301,028 (2021 - $1,744,965) and, as of that date, the Company has an accumulated deficit of $34,833,611 (2021 - $19,532,583). The Company will require additional financing in order to conduct its planned business operations, meet its ongoing levels of corporate overhead and discharge its liabilities and commitments as they come due, all of which represents material uncertainties that may cast substantial doubt upon the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon obtaining additional financing and eventually achieving profitable production in the future. The Company is currently evaluating various options in order to address the financing needs. There can be no assurance that the Company's financing activities will continue to be successful or sufficient.

These consolidated financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets, liabilities and reported expenses should the Company be unable to continue as a going concern. These adjustments could be material.

2. Basis of presentation

(a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2022. These consolidated financial statements were approved and authorized for issuance by the Board of Directors on May 31, 2023.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for those financial instruments carried at fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

(c) Functional and presentation currency

The presentation currency of these consolidated financial statements is the Canadian dollar. The functional currency of the Company is the Canadian dollar. The functional currency of the Company's subsidiary is the Canadian dollar.

2. Basis of presentation (continued)

(d) Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, 9869247. All significant intercompany accounts and transactions have been eliminated on consolidation.

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity.

The Company uses the acquisition method of accounting to account for business combinations. The fair value of the acquisition of a subsidiary is based on the fair value of the assets acquired, the liabilities assumed, and the fair value of the consideration. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the acquisition date. The excess, if any, of the consideration over the fair value of the identifiable net assets acquired is recorded as goodwill.

For acquisitions that do not meet the definition of a business under IFRS 3, the Company follows International Accounting Standard ("IAS") 16 and IAS 38 guidelines for asset acquisitions, where the consideration paid is allocated to assets acquired based on fair values on the acquisition date and transactions costs are capitalized and allocated to the assets acquired.

Subsidiaries are consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all assets, liabilities, revenues, expenses and cash flows for the Company and its subsidiaries after eliminating inter-entity balances and transactions.

(e) Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant estimates made by management in the preparation of these consolidated financial statements are as follows:

Impairment considerations of property and equipment and intangible assets
Impairment of definite long-lived assets is influenced by judgments in defining a cash generating unit ("CGU") and determining the indicators of impairment and estimates used to measure impairment losses. The recoverable value of definite long-lived assets is determined by using discounted future cash flow models, which incorporate assumptions regarding future events, specifically future cash flows, growth rates and discount rates.

Biological assets and inventory
Management is required to make a number of estimates in calculating the fair value less costs to sell of biological assets and net realizable value of harvested cannabis inventory. These estimates include various assumptions such as estimating the stage of growth of the cannabis, harvesting costs, sales price, and expected yields. See notes 6 and 7.

3. Significant accounting policies

(a) Cash and cash equivalents

The Company's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, term deposits with a maturity period of three months or less from the date of acquisition and guaranteed investment certificates which are readily convertible into a known amount of cash. Term deposits that the entity cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents. The Company held no cash equivalents at December 31, 2021 and 2022.

(b) Biological assets

The Company's biological assets consist of cannabis plants which are not yet harvested. These biological assets are measured at fair value less costs to sell. The Company capitalizes all related direct costs of growing materials as well as other indirect costs of production such as utilities and supplies used in the growing process. Indirect labour for individuals involved in the growing and quality control process is also included, as well as amortization on production equipment and overhead costs to the extent it is associated with the growing space. All direct and indirect costs of biological assets are capitalized as they are incurred, and subsequently transferred to inventory at the point of harvest. Unrealized fair value gains on growth of biological assets are recorded in a separate line on the face of the consolidated statement of loss and comprehensive loss and subsequently transferred to inventory at the point of harvest.

(c) Inventory

Inventories of harvested finished goods are valued at the lower of cost and net realizable value. Inventories of harvested cannabis are transferred from biological assets at their fair value at harvest, which becomes the initial deemed cost. Any subsequent post-harvest costs are capitalized to inventory to the extent that cost is less than net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost is determined using the average cost basis. Products for resale and supplies and consumables are valued at the lower of cost and net realizable value.

(d) Financial Instruments

Financial assets

Financial assets are classified as either financial assets at fair value through profit or loss ("FVTPL"), amortized cost, or fair value through other comprehensive income ("FVTOCI"). The Company determines the classification of its financial assets at initial recognition.

- Financial assets recorded at FVTPL

Financial assets are classified as FVTPL if they do not meet the criteria of amortized cost or FVTOCI. Gains or losses on these items are recognized in profit or loss. The Company's investment is recorded at FVTPL.

- Amortized cost

Financial assets are classified as measured at amortized cost if both of the following criteria are met and the financial assets are not designated as at FVTPL: 1) the object of the Company's business model for these financial assets is to collect their contractual cash flows; and 2) the asset's contractual cash flows represent solely payments of principal and interest.

The Company's cash and cash equivalents, trade and other receivables, and long-term receivables are classified as financial assets measured at amortized cost.

3. Significant accounting policies (continued)

(d) Financial Instruments (continued)

Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or at amortized cost. The Company determines the classification of its financial liabilities at initial recognition.

- Amortized cost

Financial liabilities are classified as measured at amortized cost unless they fall into one of the following categories: financial liabilities at FVTPL, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition, financial guarantee contracts, commitments to provide a loan at a below-market interest rate, or contingent consideration recognized by an acquirer in a business combination.

The Company's accounts payable and other liabilities, mortgage interest payable, mortgages payable, notes payable, other loans, preferred shares liability, and due to related parties do not fall into any of the exemptions and are therefore classified as measured at amortized cost.

- Financial liabilities recorded FVTPL

Financial liabilities are classified as FVTPL if they fall into one of the five exemptions detailed above.

Transaction costs

Transaction costs associated with financial instruments, carried at FVTPL and FVTOCI, are expensed as incurred, while transaction costs associated with all other financial instruments are included in the initial carrying amount of the asset or the liability.

Subsequent measurement

Instruments classified as FVTPL are measured at fair value with unrealized gains and losses recognized in profit or loss. Instruments classified as amortized cost are measured at amortized cost using the effective interest rate method. Instruments classified as FVTOCI are measured at fair value with unrealized gains and losses recognized in other comprehensive income.

Derecognition

The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred, or liabilities assumed, is recognized in profit or loss.

Expected credit loss impairment model

The Company utilizes the simplified method for expected credit losses. The Company considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Company in full.

The carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

3. Significant accounting policies (continued)

(e) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition, construction and development of the asset, including interest costs.

Amortization is calculated using the straight-line method based on their estimated useful life using the following periods from the date it is available for use:

Building	30 years
Machinery and equipment	10 to 25 years
Computer equipment	3 years
Furniture and fixtures	10 years

Land is carried at cost less any recognized impairment charge. Construction in progress is not amortized.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of asset (calculated as the difference between the net disposal proceeds and carrying value of the assets) is included in the consolidated statement of loss and comprehensive loss in the period the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted if appropriate.

The Company evaluates each asset or cash generating unit every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an asset or cash generating group of assets is measured at the higher of fair value less costs to sell and value in use. The evaluation of asset carrying values for indications of impairment includes consideration of both external and internal sources of information.

(f) Intangible assets and license fees

Intangible assets with definite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the estimated useful life less any impairment charge. The estimated useful life and amortization method are reviewed annually, with the effect of any change in estimate being accounted for on a prospective basis.

Cultivation license	30 years
Cultivation license permit fees	5 years

Any gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the consolidated statement of loss and comprehensive loss when the asset is derecognized.

3. Significant accounting policies (continued)

(g) Impairment of property and equipment, intangible assets and license fees

Timing of Impairment Testing

The carrying values of property and equipment and finite life intangible assets are assessed at the reporting date as to whether there is any indication that the assets may be impaired. Goodwill and indefinite life intangible assets are tested for impairment annually or when there is an indication that the asset may be impaired.

Impairment Testing

If any indication of impairment exists or when the annual impairment testing for an asset is required, the Company estimates the recoverable amount of the asset or CGU to which the asset relates to determine the extent of any impairment loss. The recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use ("VIU") to the Company. The Company generally uses the VIU. In assessing VIU, estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If the recoverable amount of an asset or a CGU is estimated to be less than its carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognized immediately in the consolidated statement of loss and comprehensive loss.

The VIU calculation for the recoverable amount of the CGUs to which goodwill has been allocated includes estimates about their future financial performance based on cash flows approved by management covering a period of five years with a terminal rate as the Company generates revenue mainly through long-term contracts. Key assumptions used in the VIU calculations are the discount rate applied and the long-term growth rate of net operating cash flows. In determining these assumptions, management has taken into consideration the current economic climate and its resulting impact on expected growth and discount rates. In determining the discount rate applied to a CGU, management uses the Company's weighted average cost of capital as a starting point and applies adjustments to take into account specific tax rates, geographical risk and any additional risks specific to the CGU. The cash flow projections reflect management's expectations of the operating performance of the CGU and growth prospects in the CGU's market.

For impaired assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of loss and comprehensive loss. Impairment losses relating to goodwill cannot be reversed.

(h) Borrowing costs

Borrowing costs attributable to the acquisition, construction or production of qualifying assets are capitalized as part of those assets, until such time as the assets are substantially ready for their intended use.

3. Significant accounting policies (continued)

(i) Provisions and contingent liabilities

Provisions are recognized when there is a present legal or constructive obligation arising as a result of a past event for which it is probable that an outflow of economic benefits will be required to settle the obligation and where a reliable estimate can be made of the amount of the obligation. Timing or exact amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the possibility of outflow of resources is remote.

(j) Income taxes

Income tax expense or recovery is comprised of current and deferred tax. Income tax expense or recovery is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or in other comprehensive income, in which case it is recognized in equity or in other comprehensive income, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, plus any adjustment to tax payable in respect to previous periods.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences, including the carry forward of non-capital losses, can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same taxation authority on the same taxable entity, or on different taxable entities, where the intention is to settle current tax liabilities and assets on a net basis or to realize the current tax assets and settle the current liabilities simultaneously.

(k) Equity instruments

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of any tax effects.

3. Significant accounting policies (continued)

(l) Preferred shares

The preferred shares have a forced redemption right by the Company in year ten, with a non-discretionary right to dividends payable in year three, if outstanding. On initial recognition, the net present value of the amount payable on redemption is classified as a liability. Any dividends on these preferred shares are recognized in the consolidated statement of loss and comprehensive loss when declared. The preferred shares also carry a conversion feature, exercisable at the option of the holder.

(m) Warrants

The Company uses the Black-Scholes pricing model to determine the fair value of warrants. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of warrants, volatility of the Company's future share price, risk free rate, future dividend yields and estimated forfeitures at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results. Expired warrants are transferred into contributed surplus.

(n) Revenue recognition

The Company generates revenue from the sale of cannabis. The Company recognizes revenue in accordance with IFRS 15 – Revenue from Contracts with Customers', utilizing the five-step approach as outlined below to determine the timing and valuation of revenue recognition.

i. Identify the contract with the customer
ii. Identify the performance obligation(s) in the contract
iii. Determine the transaction price
iv. Allocate the transaction price to the performance obligation(s)
v. Recognize the revenue when performance obligation(s) are satisfied

In general, revenue from the sale of cannabis is recognized at the point in time when control over the goods have been transferred to the customer. Transfer of control occurs upon shipment of goods, at which point customers accept the risk and rewards of goods and have the right to direct the use of the goods. Revenue is measured at the fair value of the consideration received or receivable, net of discounts and sales taxes. Consideration received from customers in advance is recorded as deferred revenue. Revenue for services is recognized in the period in which the services are rendered provided the amount of revenue can be measured reliably and it is probable that consideration will be received.

(o) Government subsidies

Government subsidies are recognized by the Company when it meets the conditions for compliance and there is reasonable assurance that the subsidies will be received. Government subsidies are recognized in profit or loss on a systematic basis over the period in which the Company recognizes related costs for which the subsidies are intended to compensate.

(Expressed in Canadian Dollars)

4. Trade and other receivables

		2022		2021
Trade receivables	$	**956,660**	$	3,299,080
Advances receivables		**101,351**		349,419
	$	**1,058,011**	$	3,648,499

The Company has not recorded any allowances against trade and other receivable as at December 31, 2022 and 2021. During the year-ended December 31, 2022, the Company recorded $14,854 (2021 - $nil) as bad debts.

5. Investment

During the year, the Company sold the common shares owned of CannapharmaRx, Inc. ("CannapharmaRx"), a real-estate investment company specialized in the cannabis production industry in Canada. CannapharmaRx is traded on the OTC Markets under the ticker symbol CPMD. In the prior year, the company owned 2,983,382 common shares of CannapharmaRx. The sale of shares in the current year resulted in a gain on sale of $23,052.

The following is a summary of the fair market values and unrealized gains on this investment during the years ended December 31, 2022 and 2021:

	Fair Market Value of Shares	Unrealized Gain
Balance at December 31, 2021	$ 45,288	$ 45,288
Balance at December 31, 2022	**$ -**	**$ -**

6. Biological assets

The Company's biological assets consist of cannabis plants. The changes in the carrying value of biological assets are as follows:

Balance at December 31, 2020	**$**	**943,029**
Changes in fair value less cost to sell due to biological transformation		4,501,225
Production costs capitalized		6,980,877
Transferred to inventory upon harvest		(11,691,340)
Balance at December 31, 2021	**$**	**733,791**
Changes in fair value less cost to sell due to biological transformation		3,906,092
Production costs capitalized		6,377,859
Transferred to inventory upon harvest		(10,165,159)
Balance at December 31, 2022	**$**	**852,583**

As of December 31, 2022, the weighted average fair value less cost to sell was $1.11 per gram (2021 - $0.75).

(Expressed in Canadian Dollars)

6. Biological assets (continued)

The following inputs and assumptions are all categorized within Level 3 on the fair value hierarchy and were used in determining the fair value of biological assets:

Input and assumptions	Calculation methods	Inter-relationship between unobservable inputs and fair value - the estimated fair value would increase (decrease) if:
Selling price per gram	Calculated as the weighted average historical selling price for all strains of cannabis sold by the Company, which is expected to approximate future selling prices.	The selling price per gram were higher (lower).
Post-harvest costs	Calculated as the cost per gram of harvested cannabis to complete the sale of cannabis plants post-harvest, consisting of the cost of direct and indirect materials, depreciation and labour.	The standard cost per gram to complete post-harvest production was lower (higher).
Average yield per plant	Represents the expected number of grams of finished cannabis inventory which are expected to be obtained from each harvested cannabis plant.	The average yield per plant was higher (lower).
Stage of growth	Represents the weighted average number of weeks out of the average weeks growing cycle that biological assets have reached as of the measurement date.	The number of weeks in growing cycle was higher (lower).

The following table quantifies each significant unobservable input, and provides the impact a 10% increase/decrease in each input would have on the fair value of biological assets:

	Inputs as at		10% change as at	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Average selling price per gram of dried cannabis	$ 2.20	$ 2.20	$ 96,468	$ 82,238
Average post-harvest costs per gram of dried cannabis	$ 0.28	$ 0.26	$ 12,455	$ 9,636
Average yield per plant (in grams)	71	71	$ 84,012	$ 72,602
Average stage of growth	57%	38%	$ 84,012	$ 72,602

As of December 31, 2022, it was expected that the Company's biological assets would yield approximately 771,482 grams (2021 – 983,406) of dried cannabis when harvested.

The Company's estimates are, by their nature, subject to change including differences in the anticipated yield. These changes will be reflected in the gain or loss on biological assets in future periods.

(Expressed in Canadian Dollars)

7. Inventory

		2022		2021
Capitalized costs	$	**1,970,307**	$	1,295,107
Fair value adjustments		**419,870**		1,065,315
Dry bulk cannabis	**$**	**2,390,177**	$	2,360,422

Cost of sales during the year ended December 31, 2022 also include production overhead not allocated to costs of inventories produced and are recognized as an expense as incurred. During the year ended December 31, 2022 $4,941,822 (2021 - $7,286,717) of inventory was recorded as an expense. During the year, the Company recognized write-downs due to lower estimated selling prices for certain products. This resulted in an impairment loss of $1,354,745 (2021 - $nil).

8. Property and equipment

Cost	Land	Building	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Total
Balance, December 31, 2020	**$557,140**	**$14,044,522**	**$18,121,024**	**$ 21,900**	**$ 47,648**	**$32,792,234**
Additions	-	35,251	94,910	8,156	11,115	149,432
Reduction for grants received	-	-	(939,736)	-	-	(939,736)
Disposals	-	-	-	-	-	-
Balance, December 31, 2021	**$557,140**	**$14,079,773**	**$17,276,198**	**$ 30,056**	**$58,763**	**$32,001,930**
Additions	-	-	139,677	4,660	-	144,337
Reduction for grants received	-	-	(949,536)	-	-	(949,536)
Disposals	-	-	-	-	-	-
Balance, December 31, 2022	**$557,140**	**$14,079,773**	**$16,466,339**	**$34,716**	**$58,763**	**$31,196,731**
Accumulated amortization						
Balance, December 31, 2020	**$ -**	**$ 688,706**	**$ 1,181,950**	**$ 8,531**	**$ 6,609**	**$ 1,885,796**
Amortization	-	469,032	814,137	8,086	5,135	1,296,390
Disposals	-	-	-	-	-	-
Balance, December 31, 2021	**$ -**	**$ 1,157,738**	**$ 1,996,087**	**$ 16,617**	**$ 11,744**	**$ 3,182,186**
Amortization	-	469,326	781,032	8,747	5,876	1,264,981
Disposals	-	-	-	-	-	-
Balance, December 31, 2022	**$ -**	**$1,627,064**	**$2,777,119**	**$25,364**	**$17,620**	**$4,447,167**
Net Book Value						
Balance, December 31, 2021	**$557,140**	**$12,922,035**	**$15,280,111**	**$ 13,439**	**$ 47,019**	**$28,819,744**
Balance, December 31, 2022	**$557,140**	**$12,452,709**	**$13,689,220**	**$ 9,352**	**$41,143**	**$26,749,564**

During the year ended December 31, 2022, $1,197,295 (2021 - $1,226,876) of amortization was capitalized to biological assets and inventory. During the year the Company received a grant of $949,536 (2021 - $939,736) towards the capital costs of machinery and equipment. The Company satisfied the terms of the grant agreement in 2022, and therefore, the amount was recorded as a reduction of the capital cost.

At year-end, there is Construction in Progress totaling $10,539 (2021 - $nil).

(Expressed in Canadian Dollars)

9. Intangible assets and license fees

Cost	License Fees	Health Canada License	Total
Balance, December 31, 2020 & 2021	**$ 87,988**	**$ 16,125,744**	**$ 16,213,732**
Additions	4,138	-	4,138
Impairment loss	-	(12,000,000)	(12,000,000)
Balance, December 31, 2022	**$ 92,126**	**$ 4,125,744**	**$ 4,217,870**
Accumulated amortization			
Balance, December 31, 2020	**$ 26,274**	**$ 801,133**	**$ 827,407**
Amortization	17,599	537,526	555,125
Balance, December 31, 2021	**$ 43,873**	**$ 1,338,659**	**$ 1,382,532**
Amortization	17,598	537,524	555,122
Balance, December 31, 2022	**$ 61,471**	**$ 1,876,183**	**$ 1,937,654**
Net Book Value			
Balance, December 31, 2021	**$ 44,115**	**$ 14,787,085**	**$ 14,831,200**
Balance, December 31, 2022	**$ 30,655**	**$ 2,249,561**	**$ 2,280,216**

As a result of the change of the Company's assumptions reflecting ongoing operations, reduced cash flow projections, and overall uncertainty in the Canadian cannabis market, the Company performed an impairment test on the intangible assets as at December 31, 2022. Using the discounted cash flow model for valuing the CGU, it was determined that the original benefits of the Health Canada License would not be fully recoverable over the life of the license. The key assumptions used in the estimates of recoverable amounts were compound annual revenue growth rates (2%), terminal growth rates (2%), and post-tax discount rates (15%).

As a result of the analysis, an impairment write-down of $12,000,000 was recorded and included in net loss for the fiscal year ending December 31, 2022.

10. Mortgages payable

9869247 received a secured promissory note from Gray Jay Estates Inc. ("Gray Jay") at the interest rate of 12% per annum. The promissory note is secured by a general security agreement for the specified property in Stevensville, Ontario. As of December 31, 2022, the outstanding mortgage amount is $11,115,523 (2021 - $11,115,523). This note is due on demand.

During the year ended December 31, 2022, the Company incurred $1,333,863 (2021 - $1,333,863) of interest related to the Gray Jay mortgage. Total accrued interest outstanding on the Gray Jay mortgage as at December 31, 2022 is $5,743,281 (2021 - $4,951,088). A director of the Company is also a director of Gray Jay.

On January 23, 2020, 9869247 entered into a commitment letter with NE SPC II LP, an arm's length party, to receive up to $25,000,000 in loan funding in two separate advances. On January 23, 2020, 9869247 received the first advance of $14,000,000 at a rate of 12% per annum for a term of 18 months. A facility fee of $350,000 upon execution of the commitment letter was deducted from the proceeds of the advance. Security for the loan includes a collateral first charge mortgage of land in the principal amount of $25,000,000 in respect of real property at 2818 House Road, Stevensville, Ontario, a first registered assignments of rents and leases in respect of the property, a general security agreement, and a corporate guarantee. The Company is the corporate guarantor for the loan. For 2022, the monthly principal payment was $79,000.

(Expressed in Canadian Dollars)

10. Mortgages payable (continued)

As at December 31, 2022, the outstanding loan amount is $11,794,612 (2021 - $12,507,500). The second advance of the loan, which is the lessor of $11,000,000 and the amount owing to Gray Jay, has not been received as at December 31, 2022. During the year, numerous short-term loan extensions were agreed upon to extend the loan term until June 2023. In December 2022, NE SPC II LP and the Company signed a forbearance agreement which expires on May 31, 2023. The agreement provides a temporary suspension of principal payments and requires interest only payments during the forbearance period. As part of the debt agreement, the Company must maintain net tangible assets of not less than $2,000,000. The Company is in compliance with this covenant at year-end.

11. Notes payable

Effective February 28, 2018, Tykolis Holdings Ltd. sold a 28-acre parcel of land located in Fort Erie, Ontario to 9869247. The selling price of the land was $300,000, which was equal to the estimated fair market value at the time of sale. As consideration for the 28-acre parcel of land, 9869247 issued a non-interest bearing demand promissory note payable to Tykolis Holdings Ltd. in the amount of $300,000. Tykolis Holdings Ltd. is a common control related company.

12. Other loans

The Company applied for and received $120,000 of Canadian Emergency Business Account ("CEBA") loans. The CEBA loans were provided by the Government of Canada to provide capital to companies to see them through the challenges related to COVID-19. The CEBA loans are interest free until December 31, 2023, when the interest free period expires. Any unpaid CEBA loan will attract interest at 5% per annum starting on January 1, 2024. If the CEBA loan is repaid on or before December 31, 2023, a single tranche of loan forgiveness of up to $40,000 is available.

13. Due to (from) related parties

		2022		2021
Marianne Tykolis	**$**	**-**	$	82,584
Stevensville Lawn Service Inc		**544,061**		557,046
Beechhill Capital Corp		**-**		17,076
Uvalux International Inc		**-**		(113)
Trigon Construction		**3,418,407**		3,427,968
Total	**$**	**3,962,468**	$	4,084,561

Marianne Tykolis is a preferred shareholder of the Company, and co-owner of Stevensville Lawn Service Inc. On May 6, 2017, Marianne Tykolis issued a promissory note to 9869247 in the amount of $50,000. The note bears a fixed interest rate of 14% per annum, on the unpaid portion of the principal until the principal is paid in full. During the year ended December 31, 2022, the Company recorded interest expense of $5,216 (2021 - $7,000). During the year, the Company repaid the outstanding amount on the note.

Amounts owing to (from) Stevensville Lawn Service Inc., Beechhill Capital Corp., Uvalux International Inc., Trigon Construction, and Enerworks Solar are unsecured, non-interest bearing, and due on demand.

Beechhill Capital Corp., Uvalux International Inc., and Trigon Construction, are each owned by a director of the Company or owned by an individual related to a director of the Company.

(Expressed in Canadian Dollars)

14. Preferred shares liability

In November 2019, the Preferred Share Option Agreement was amended to allow for the exchange of the issued and outstanding preferred shares of Tykolis into 18,505,185 preferred shares of GN Ventures on the basis of 1 issued share for each $1 option price. The share exchange took place during 2019. The redemption amount is $18,505,185.

The holders of the Preferred Shares shall have the right (the "Conversion Right") at any time after February 28, 2021 to convert all or a part of their Preferred Shares into Class "A" common voting shares based on the Conversion Rate. The "Conversion Rate" shall be the number of Class "A" common voting shares equal to the redemption amount of the preferred shares divided by the per share fair market value of the Class "A" common voting shares as at December 31, 2020, as determined by an independent third party valuation.

If a Preferred Share is outstanding after ten years from the date of issuance, the Company shall redeem the Preferred Share at the redemption amount. On any liquidation or winding up of GN Ventures, the holders of the Preferred Shares will receive in preference to the holders of the Class "A" common voting shares a per share amount equal to the greater of: (i) the Redemption Amount (plus any declared and unpaid dividends), or (ii) the amount such holder would have received had the Preferred Shares been converted into Class "A" common voting shares immediately prior to the liquidation or winding up (the "Liquidation Preference"). A change of control will be deemed to be a liquidation or winding up for purposes of the Liquidation Preference.

The net present value of the preferred shares liability was determined to be $14,752,220 using key assumptions which included an effective interest rate of 12% for a term of 2 years.

In April 2022, the Company entered into agreements with two preferred shareholders to exchange their preferred shares of the Company for Class "A" Common Voting Shares of the Company and cash consideration. The Conversion Rate, as defined in the original articles of issuance for the preferred shares of the Company, was not applied. In lieu of the original Conversion Rate, the exchange rate was in the form of 1.49999 Class "A" Common Voting Shares for each preferred share, as well as non-share consideration in the form of cash. In total, 2,200,224 preferred shares of the Company with a redemption value of $2,200,224 were exchanged in April 2022 for 3,300,316 Class "A" Common Voting Shares of the Company and $200,000 cash.

As at December 31, 2022, the preferred shares liability was $16,304,961 (2021 - $18,505,185).

15. Share capital

a) Authorized share capital

Unlimited number of voting Class A common voting shares without par value
Unlimited number of preferred shares, non-voting, redeemable

b) Common shares issued

	Number of common shares	Amount
Balance, December 31, 2020	**74,801,335**	**$ 16,882,679**
Shares issued	-	-
Balance, December 31, 2021	**74,801,335**	**$ 16,882,679**
Shares issued (note 14)	3,300,316	2,200,224
Balance, December 31, 2022	**78,101,651**	**$ 18,882,903**

(Expressed in Canadian Dollars)

16. Warrants

Outstanding purchase share warrants as at December 31, 2022 and 2021 are as follows:

	Number of purchase share warrants	Weighted average exercise price per share
Balance, December 31, 2020	**4,050,000**	**$ 0.94**
Expired	(3,850,000)	$ 0.97
Balance, December 31, 2021	**200,000**	**$ 0.25**
Expired	-	$ -
Balance, December 31, 2022	**200,000**	**$ 0.25**

On June 21, 2018, the Company issued 200,000 broker warrants exercisable until May 4, 2023 at an exercise price of $0.25. The broker warrants had a nominal grant date fair value estimated using Black-Scholes pricing model with the following assumptions: share price of $0.61, expected dividend yield of 0%, risk free interest rate of 2.00%, expected volatility of 100%, and an expected life of 5 years. These warrants have not been exercised as at the year ended December 31, 2022.

Purchase share warrants outstanding as at December 31, 2022 are as follows:

Expiry date	Number of Warrants	Number of Warrants vested	Exercise Price	Remaining life (in years)
May 4, 2023	200,000	200,000	$0.25	0.34

17. Capital management

The primary objectives of the Company's capital management are to manage the operations to generate positive returns for shareholders. The Company will manage its capital structure and make changes in response to changes in economic conditions and the risk characteristics of the nature of the business.

The Company considers its capital structure to be share capital. In order to adjust its capital structure, the Company may issue share capital, seek debt financing and adjust its capital spending. In addition, the Company is not subject to any externally imposed capital requirements.

18. Financial instruments and risk factors

Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value, by reference to the reliability of the inputs used to estimate the fair values.

Level 1: Valuations based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

Level 2: Valuations based on directly or indirectly observable inputs for the asset or liability, other than quoted Level 1 prices, such as quoted interest rates or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not observable, such as discounted cash flow methodologies based on internal cash flow forecasts.

(Expressed in Canadian Dollars)

18. Financial instruments and risk factors (continued)

At December 31, 2022, the Company's financial instruments consist of cash and cash equivalents, trade and other receivables, investments, accounts payable and other liabilities, mortgage interest payable, mortgage payable, notes payable, other loans, preferred shares liability and due to related parties. Investments are stated at fair value and classified within Level 1. The fair values of the current financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

Financial assets and financial liabilities at December 31, 2022 and 2021 are as follows:

	Financial assets and liabilities at amortized cost	Financial assets and liabilities at fair value through profit and loss	Total
December 31, 2021			
Cash and cash equivalents	$ 1,941,165	$ -	$ 1,941,165
Trade and other receivables	4,034,767	-	4,034,767
Investment	-	45,288	45,288
Accounts payable and other liabilities	(2,878,253)	-	(2,878,253)
Mortgage interest payable	(4,951,088)	-	(4,951,088)
Mortgages payable	(23,616,812)	-	(23,616,812)
Notes payable	(300,000)	-	(300,000)
Other loans	(100,000)	-	(100,000)
Due to related parties	(4,084,561)	-	(4,084,561)
Preferred share liability	(18,505,185)	-	(18,505,185)
December 31, 2022			
Cash and cash equivalents	$ 2,198,907	$ -	$ 2,198,907
Trade and other receivables	1,058,011	-	1,058,011
Investment	-	-	-
Accounts payable and other liabilities	(1,856,589)	-	(1,956,589)
Mortgage interest payable	(5,743,281)	-	(5,743,281)
Mortgages payable	(22,904,241)	-	(22,910,135)
Notes payable	(300,000)	-	(300,000)
Other loans	(100,000)	-	(100,000)
Due to related parties	(3,962,468)	-	(3,862,468)
Preferred share liability	(16,304,961)	-	(16,304,961)

Risk management framework

The Company employs risk management strategies and policies to ensure that any exposure to risk is in compliance with the Company's business objectives and risk tolerance levels. While the directors have overall responsibility for the establishment and oversight of the Company's risk management framework, management has the responsibility to administer and monitor these risks.

(Expressed in Canadian Dollars)

18. Financial instruments and risk factors (continued)

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and receivables. Cash and cash equivalents consist of bank balances and guaranteed investments. The Company manages the credit exposure related to cash and cash equivalents by selecting financial institutions with high credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations. Receivables consisted of sales taxes receivable from government authorities in Canada and receivables from customers. The Company did not record any allowances against accounts receivable as at December 31, 2022 and 2021.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. As at December 31, 2022, the Company's financial liabilities consist of accounts payable and accrued liabilities, mortgage interest payable, mortgages payable, other loans, notes payable, preferred shares liability and due to related parties which have contractual maturity dates of one year or less. The Company expects to settle its financial liabilities in the normal course of operations and to fund future operational requirements through operating cash flows and equity financings.

The following table summarizes the maturity profile of the Company's financial liabilities as at December 31, 2022 and 2021:

Liability	Terms	2022	2021
Accounts payable and accrued liabilities	Due within one year	$ 1,856,589	$ 2,878,253
Other loans	Due within one year	100,000	100,000
Mortgage interest payable	Due on demand	5,743,281	4,951,088
Mortgages payable	Due on demand	22,904,241	23,616,812
Notes payable	Due on demand	300,000	300,000
Preferred shares liability	Due on demand	16,304,961	18,505,185
Due to related parties	Due on demand	3,962,468	4,084,561
Total		**$51,171,540**	$ 54,435,899

19. Government grants

The Company recognized $nil (2021 - $409,324) in government grants for the Canada Emergency Wage Subsidy ("CEWS") and $367,897 (2021 - $272,749) for other various government grants for the year ended December 31, 2022. The CEWS grants were previously received in connection with a federal program aimed at assisting companies impacted by COVID-19. The Company has recognized the grant amounts as a reduction to cost of sales.

During the year the Company also received a grant towards the capital costs of machinery and equipment. See Note 8.

(Expressed in Canadian Dollars)

20. Income taxes

Income tax expense varies from the amount that would be computed by applying the basic federal and provincial tax rates to loss from operations before income taxes, shown as follows:

	2022	2021
Expected tax rate	**26.50%**	26.50%
Expected tax benefit resulting from loss	$ (4,054,772)	$ (462,415)
Permanent differences	3,323,103	143,720
Effect of temporary differences and losses not recognized	731,669	318,695
Income tax expense	**$ -**	**$ -**

Deferred income taxes reflect the impact of loss carry forwards and of temporary differences between amounts of assets and liabilities for financial reporting purposes and such amounts as measured by tax laws. The following deferred tax assets and liabilities have been recognized for accounting purposes:

	2022	2021
Deferred tax asset	$ 769,527	$ 465,908
Deferred tax liability	(769,527)	(465,908)
Net deferred tax liability	**$ -**	**$ -**

The effect of temporary differences and loss carry forwards that give rise to significant portions of the deferred tax liability, which has been recognized during the year are as follows:

	January 1, 2022	Recognized in statement of loss	December 31, 2022
Deferred tax asset			
Non-capital losses	$ 465,908	$ 303,619	$ 769,527
Deferred tax liability			
Biological assets and inventory	(351,467)	139,312	(212,155)
Property and equipment	(114,441)	(442,931)	(557,372)
Net deferred tax liability	**$ -**	**$ -**	**$ -**

Gross temporary differences and loss carry forwards that give rise to significant portions of the deferred tax asset, which have not been recognized, are approximately as follows:

	2022	2021
Non-capital losses	$ 9,183,920	$ 6,348,690
Capital losses	4,188,310	163,448
Share issuance costs	176,154	65,630
Financing fees	254,264	388,295
Property and equipment	11,639	11,639
Intangible assets	52,582	39,474
Investments		4,002,626
Total	**$13,866,868**	**$11,019,802**

(Expressed in Canadian Dollars)

20. Income taxes (continued)

The Company has the following Canadian non-capital losses available to reduce future years' federal and provincial taxable income, which expire as follows:

2037	$ 4,749
2038	399,772
2039	4,773,515
2040	1,252,218
2041	1,562,313
2042	4,095,229
	$12,087,796

As at December 31, 2022, the Company did not have any temporary differences with respect to investments in subsidiaries.

21. Commitments

Commitments

The Company entered into an agreement for corporate insurance services. As at December 31, 2022, the Company has a minimum commitment in the next year of $340,981 with respect to these agreements.

22. Economic dependence

Revenues from two customers (2021 – three customers) were in excess of 10% of the total revenues of the Company for the year. These customers comprised 39% and 12% respectively (2021 – 16%, 13%, and 12%) of total revenues.

23. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. $7,333 previously recorded as office and general expenses on the statement of loss and comprehensive income has been reclassified to operational expenses.

This is Exhibit “I” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

GN Ventures

Consolidated Statement of Financial Position

Unaudited

		December 2023		Dec-22
ASSETS				
Current assets				
Cash and cash equivalents	$	941,797	$	2,198,906
Receivables and other assets		689,564		1,058,011
Investment		0		0
Inventory		1,693,697		3,242,759
Prepaids		362,791		445,242
Total current assets		3,687,849		6,944,918
Property, plant and equipment		25,576,035		26,749,564
License fees/Intangible Assets		2,035,549		2,280,216
Other Assets		285,722		427,161
Total assets	$	31,585,155	$	36,401,859
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable (exclude Related Party)	$	1,356,831	$	1,391,557
Accruals		369,934		572,981
Mortgage interest payable		7,936,540		5,743,281
Mortgage payable		22,966,980		22,910,135
Other Loans		2,009,738		-
Intercompany		-		-
Due to related parties		4,262,468		4,262,468
Pref Share Liability		16,304,961		16,304,961
Total liabilities	$	55,207,452	$	51,185,383
Shareholders' equity				
Share capital		18,882,903		18,882,903
Deficit		(42,505,200)		(33,666,427)
Total shareholders' equity		(23,622,297)		(14,783,524)
Total liabilities and shareholders' equity	$	31,585,155	$	36,401,859

This is Exhibit "J" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

SECURED GRID PROMISSORY NOTE

DATED: August 16, 2018

To or to the order of: **GRAY JAY ESTATES INC.**

969 JULIANA DRIVE
WOODSTOCK, ONTARIO N4V 1C1

(the "**Lender**")

FOR VALUE RECEIVED 9869247 Canada Limited (the "**Borrower**") hereby promises to pay, in accordance with the terms and conditions hereof, to or to the order of the Lender at the office of the Lender specified above, the amount outstanding (the "**Principal Amount**") set forth on the grid attached hereto as Schedule ""A" (the "**Grid**"), together with interest thereon in the manner and at the rate specified in Section 3 hereof. All amounts advanced by the Lender to the Borrower shall be recorded by the Lender on the Grid, as may be amended from time to time.

The following are the terms and conditions of this secured grid promissory note (the "**Note**"):

1. DETERMINATION OF PRINCIPAL AMOUNT.

1.1 The indebtedness of the Borrower under this Note from time to time will be determined by reference to the books and records maintained by the Lender concerning advances made and payments received as recorded by the Lender on the Grid. The Grid and the records maintained by the Lender will constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Lender in respect of advances pursuant to this Note and all details in relation thereto. The failure of the Lender to correctly record any such amount or date will not, however, adversely affect the obligation of the Borrower to pay amounts due hereunder to the Lender in accordance with the terms hereof.

2. 2. PAYMENTS.

2.1 The Principal Amount and all interest accrued thereon is payable by the Borrower to the Lender UPON DEMAND.

2.2 The Principal Amount outstanding under this Note may be voluntarily prepaid at any time and from time to time in whole or in part, without premium, penalty or bonus.

2.3 Any and all payments made under this Note will be made in the same currency in which the principal was advanced.

2.4 Unless otherwise specified, all payments received under this Note will be applied firstly to the payment of amounts payable under this Note other than the Principal Amount and secondly to the payment of the Principal Amount.

3. INTEREST RATE, ETC.

3.1 Interest will be payable upon the unpaid balance of the Principal Amount outstanding under this Note and any other amounts due and owing hereunder from time to time at the Prime Rate plus two percent (2%). "Prime Rate" as used herein means the rate of interest expressed as a rate per annum that The Royal Bank of Canada establishes at its head office in Toronto from time to time as the reference rate of interest for determining interest chargeable by it on Canadian dollar loans to its customers in Canada and which it at present refers to as its prime rate.

Such interest to be calculated and payable quarterly, not in advance, both before and after maturity, default and judgment, with interest payable on overdue interest at the same rate.

3.2 Notwithstanding any other provision of this Note, in no event will any interest or rates referred to herein exceed the maximum interest rate permitted by applicable law. If such maximum interest rate would be exceeded by the terms hereof, the rates of interest payable hereunder will be reduced to the extent necessary so that such rates (together with any fees or other amounts which are construed by a court of competent jurisdiction to be interest or in the nature of interest) equal the maximum interest rate permitted by applicable law, and any overpayment of interest received by the Lender before such rates are so construed will be applied, forthwith after determination of such overpayment, to pay all then outstanding interest, and thereafter to pay outstanding principal.

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

4. SECURITY.

4.1 The Borrower will provide, or cause to be provided, to the Lender, as continuing collateral security for the liability and indebtedness of the Borrower under this Note:

(a) a general security agreement over all present and after acquired property, both real and personal, of the Borrower (the "**GSA**"); and

(b) a collateral charge over the real property of the Borrower described in the attached Schedule "B" (the "**Charge**");

all of which shall be in a form and manner satisfactory to the Lender, subject only to encumbrances permitted by the Lender in writing, together with any relevant registrations, filings and other supporting documentation deemed necessary by the Lender or its counsel, to perfect the same or otherwise in respect thereof.

4.2 The Note, the GSA, the Charge and any other documents contemplated hereby or thereby are collectively referred to as the "**Loan Documents**".

5. REPRESENTATIONS AND WARRANTIES

5.1 The Borrower represents and warrants that:

(a) The Borrower has been incorporated and organized under the federal laws of Canada, is a valid and subsisting corporation in good standing under such laws, and has the corporate power to carry on its business and to own and lease property;

(b) The execution of the Loan Documents and the incurring of liability to the Lender do not and will not result in the breach of any of the provisions of, or constitute a default under or conflict with or cause the acceleration of any of the obligations of the Borrower under:

(i) any contract, including any credit agreement;

(ii) any provisions of its constating documents;

(iii) any applicable law;

(iv) any judgment, decree or award ;

(c) Each of the Loan Documents to which the Borrower is a party has been duly authorized, executed and delivered by the Borrower, constitutes valid and binding obligations on the Borrower, and is enforceable in accordance with its terms; and

(d) All necessary legal requirements have been met and all other authorizations, approvals, consents and orders have been obtained with respect to the credit facilities advanced hereunder and the execution and delivery of the Loan Documents.

6. EVENT OF DEFAULT.

6.1 For purposes of this Note, any one or more of the following events will constitute an event of default ("**Event of Default**"):

(a) if the Borrower fails to pay any amount of principal hereunder when due and payable, or if the Borrower fails to pay any interest, fees or other obligations hereunder within 10 days of when due and payable; or

(b) if the Borrower neglects to observe or perform any covenant or obligation herein contained or contained in any other Loan Document on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 6.1) and the Borrower fails to remedy such default within the earlier of 30 days from the date (i) the Borrower becomes aware of such default, and (ii) the Lender delivers written notice of the default to the Borrower; or

(c) if the Borrower (i) fails to make any payments when due (after any grace period applicable thereto) to any Person in relation to any debt (other than the debt hereunder which is specifically dealt with in Section 6.1(a) above), or (ii) defaults in the observance or performance of any other agreement or condition in relation to any debt owing to any Person or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event will occur or condition exist, the effect of which default, event or other condition is to cause, or to permit the holder of such debt to cause such debt to become due prior to its stated maturity date; or

(d) if the Borrower denies, to any material extent, its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part; or

(e) if any representation or warranty made in this Note or in any other Loan Document, is false or erroneous in any material respect when made; or

(f) if the Borrower is unable to pay debts as such debts become due, or is, or is adjudged or declared to be, or admits to being, bankrupt or insolvent; or

(g) if the Borrower makes a general assignment for the benefit of creditors; or any proceeding or filing is instituted or made by the Borrower seeking relief on its behalf as debtor, or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its properties or assets; or the Borrower takes any corporate action to authorize any of the actions set forth in this subparagraph (g); or

(h) if any notice of intention is filed or any proceeding or filing is instituted or made against any of the Borrower in any jurisdiction seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any substantial part of its properties or assets or seeking possession, foreclosure or retention, or sale or other disposition of, or other proceedings to enforce security over, all or a substantial part of the assets of any of the Borrower unless the same is being contested actively and diligently in good faith by appropriate and timely proceedings and is dismissed, vacated or stayed within 30 days of institution thereof; or

(i) if a receiver, liquidator, trustee, sequestrator or other officer with like powers is appointed with respect to, or an encumbrancer pursuant to a security interest or otherwise takes possession of, or forecloses or retains, or sells or otherwise disposes of, or otherwise proceeds to enforce security over any of the properties or assets of any of the Borrower or gives notice of its intention to do so; or

(j) if any writ, attachment, execution, sequestration, distress or any other similar process becomes enforceable against the Borrower or if a distress or any analogous process is levied against any of the properties or assets of the Borrower, except where the same is being contested actively and diligently in good faith by appropriate and timely proceedings and the enforcement or levy has been stayed; or

(k) if any of the Borrower sells or otherwise disposes of, or threatens to sell or otherwise dispose of, all or a substantial part of its undertaking and property and assets whether in one transaction or a series of related transactions; or

(l) if any provision of any Loan Document will for any reason cease to be valid, binding and enforceable in accordance with its terms or the Borrower so asserts in writing, or any security interest created under any Loan Document will cease to be a valid and perfected security having, subject to the provisions hereof, the first priority in any of the collateral purported to be covered thereby other than, in the case of a security interest ceasing to be a perfected security interest, because of any action taken or omission to act by the Lender; or

(m) if any of the Borrower assigns its rights under this Note or any of the other Loan Documents or any interest herein or therein to a third party; or

(n) if one or more final judgments for the payment of money (whether or not covered by insurance) will be rendered against the Borrower and the Borrower fails to discharge the same within thirty (30) days from the date of notice of entry thereof; or

(o) if at any time there occurs an event or circumstance which, in the opinion of the Lender, acting reasonably, represents a material adverse change in the business, operations, property or financial or other condition of the Borrower which would negatively affect the security created under the Loan Documents or would negatively affect the ability of the Borrower to perform and discharge its obligations under the Loan Documents.

6.2 Upon the occurrence of an Event of Default the total Principal Amount then outstanding together with all accrued interest and any other amounts outstanding under this Note will, at the option of the Lender and upon notice to the Borrower, become immediately due and payable to the Lender without further notice, demand or other formality, all of which are hereby waived by Borrower.

6.3 The Borrower hereby indemnifies and holds the Lender harmless from and against any and all damages, costs and expenses (including legal fees on a full indemnity basis) arising out of or resulting from the collection of any amounts due by the Borrower to the Lender hereunder or any breach of the representations, warranties and covenants given by the Borrower to the Lender.

7. SET-OFF, WITHHOLDINGS ETC.

Each payment to be made by the Borrower under this Note or any other Loan Document will be made free and clear without set-off or counterclaim in respect of any amounts which may be owing by the Lender to the Borrower, and without deduction for or on account of, any tax or other deduction (except for taxes on the net income of the Lender) unless the Borrower is required to make such a payment subject to the deduction or withholding of tax under applicable law.

8. PRESENTMENT, ETC.

The Borrower waives presentment, notice of dishonour, protest, notice of protest, notice of non-payment and any other notice required by law to be given to the Borrower on this Note in connection with the delivery, acceptance, performance, default or enforcement of this Note.

9. INTERPRETATION/GENERAL.

9.1 In this Note,

(a) Unless specified otherwise, reference to a statute includes any regulations under such statute and refers to that statute and such regulations as they may be amended or to any successor legislation.

(b) The division into sections and paragraphs and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Note. The words "hereto", "herein", "hereof", "hereunder" and similar expressions refer to this Note and not to any particular portion of it.

(c) Words in the singular include the plural and vice versa, words in one gender include all genders, and the words "including", "include" and "includes" mean "including (or include or includes) without limitation".

(d) "**Person**" means an individual, a corporation, a limited liability company, an unlimited liability company, a partnership, a limited partnership, a trust, an unincorporated organization, a joint venture, a joint stock company and any Governmental Authority.

(e) "**Governmental Authority**" means any national, multi-national, federal, provincial, state, municipal, local or other government, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

(f) "**Business Day**" means any day other than a day which is a Saturday, Sunday or other day on which commercial banks are closed in the Province of Ontario.

9.2 If any provision of this Note is determined to be invalid, illegal or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Note, and the remaining provisions will remain in full force and effect.

9.3 Borrower and the Lender intend that the relationship between them created under this Note will be solely that of creditor and debtor.

9.4 The Borrower agrees that upon the request of the Lender, at any time and at its expense, it will perform all acts and execute all documents, including financing statements and schedules, as may be necessary or desirable to effect the purpose of this Note or to better evidence the transactions contemplated by this Note. Without limiting the foregoing, the Borrower undertakes to provide the Lender with an acknowledgement of its indebtedness hereunder in writing forthwith on the request of the Lender from time to time.

9.5 Time is of the essence hereunder.

9.6 The rights and remedies of the Lender under this Note are cumulative and are in addition to, and not in substitution for, any rights or remedies provided by law or by equity, and any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in this Note does not waive, alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be entitled for such default or breach.

9.7 This Note may only be amended by written agreement signed by each of the Borrower and the Lender. Any waiver of any provision of this Note will be effective only if it is in writing and signed by the party to be bound thereby, and only in the specific instance and for the specific purpose for which it has been given. No failure on the part of the Lender to exercise, and no delay in exercising, any right under this Note will operate as a waiver of such right. No single or partial exercise of any such right will preclude any further or other exercise of such right.

9.8 All references in this Note to dollars or to "$" are deemed to be references to Canadian currency unless otherwise specifically indicated.

10. GOVERNING LAW.

This Note is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

11. ASSIGNMENT, ETC.

11.1 The Lender may, without the prior written consent of the Borrower, assign, transfer, negotiate, pledge or otherwise hypothecate this Note, any of its rights hereunder or any part thereof and any security granted in connection herewith and all rights and remedies of the Lender in connection with the interest so assigned will be enforceable against the Borrower as the same would have been by the Lender but for such assignment, transfer, negotiation, pledge or hypothecation.

11.2 Neither this Note nor any of the rights or obligations under this Note are assignable by the Borrower without the prior written consent of the Lender.

11.3 The terms and provisions of this Note are binding upon and enure to the benefit of the Borrower, the Lender and their respective successors and permitted assigns.

12. LIMITATION PERIOD.

In accordance with section 22 of the *Limitations Act*, 2002, the limitation period otherwise applicable to this Note pursuant to section 4 of that legislation is extended to ten years.

13. NOTICE.

13.1 Any notice, direction or other communication required or contemplated by any provision of this Note (a "**Notice**") will be in writing and given by personal delivery, by registered mail, by electronic mail transmission, by overnight courier or by facsimile and addressed:

(a) in the case of a Notice to the Lender, at:

969 Juliana Drive
Woodstock, ON N4V 1C1

Attn: Cindy Fisher

(b) in the case of a Notice to the Borrower, at:

969 Juliana Drive
Woodstock, ON N4V 1C1

Attn: Cindy Fisher

13.2 Any Notice:

(a) delivered before 4:30 p.m. local time on a Business Day will be deemed to have been received on the date of delivery and any Notice delivered after 4:30 p.m.

local time on a Business Day or delivered on a day other than a Business Day, will be deemed to have been received on the next Business Day.

(b) mailed will be deemed to have been received seventy two (72) hours after the date it is postmarked, provided that if the day on which the Notice is deemed to have been received is not a Business Day, then the Notice will be deemed to have been received on the next Business Day.

(c) sent by facsimile before 4:30 p.m. local time on a Business Day will be deemed to have been received when the sender receives the answer back confirming receipt by the recipient, provided that any telecopy received after 4:30 p.m. local time on a Business Day or received on a day other than a Business Day will be deemed to have been received on the next Business Day.

(d) transmitted by electronic mail will be deemed to have been received upon the sender's receipt of acknowledgement from the intended recipient.

13.3 If the party sending the Notice knows or might reasonably be expected to know that, at the time of sending or within 72 hours thereafter, normal mail service has been disrupted, then the Notice may only be sent (or re-sent) by delivery, overnight courier, electronic mail transmission or facsimile.

13.4 Any Party may change its address for service, its fax number, its e-mail address, the name of the individual to the attention of whom a Notice is to be sent or the Person to whom a copy of the Notice is to be sent, by written notice given to the other Party in accordance with this Section 13.

DATED as of the date set out above.

9869247 CANADA LIMITED

Per: ______________________

Name: Terry Nelson Tykolis
Title: President

SCHEDULE "A"
GRID

DATE	AMOUNT ADVANCED	AMOUNT PAID	TOTAL PRINCIPAL OUTSTANDING	NOTATION MADE BY
November 2017	$285,000.00		$285,000.00	
January 2018	$1,338,686.68		$1,623,686.68	
February 2018	$1,082,772.13		$2,706,458.81	
March 2018	$794,826.45		$3,501,285.26	
April 2018	$852,506.37		$4,353,791.63	
May 2018	$464,884.61		$4,818,676.24	
June 2018	$406,883.75		$5,225,559.99	
July 2018	$181,376.25		$5,406,936.24	

SCHEDULE "B"
REAL PROPERTY

(a) Part Lot 13, Concession 13, Niagara River, Bertie, designated as Parts 1 and 2 on Plan 59R-15712, subject to an easement over Part 2 as in BE44961, Fort Erie, PIN 64246-0188 LT

(b) Part Lots 13 and 14, Concession 13, Niagara River, Bertie, designated as Part 1 on Plan 59R-16046, PIN 64246-0190 LT.

FIRST AMENDMENT TO PROMISSORY NOTE

THIS FIRST AMENDMENT (the "**Amendment**") made as of the 1st day of June, 2019.

BETWEEN:

9869247 CANADA LIMITED
(the "**Borrower**")

-and-

GRAY JAY ESTATES INC.
(the "**Lender**")

WHEREAS:

A. The Lender has extended a loan to the Borrower, the terms of which are evidenced by a Secured Grid Promissory Note dated August 16, 2018 (the "**Promissory Note**");

B. The Lender and the Borrower have agreed to amend the rate of interest payable on the principal amount of such loan; and

C. The Lender and the Borrower enter into this Amendment to evidence the agreed amendment to the interest rate and to amend, as required, the Promissory Note;

NOW THEREFORE IN CONSIDERATION OF the covenants and agreements set out below and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties), the Lender and the Borrower agree as follows:

1. Capitalized terms used in this Amendment but not otherwise defined herein have the meanings given to them in the Promissory Note.

2. The parties acknowledge that the recitals to this Amendment set out above are true and accurate in all respects.

3. Effective as of and from the date hereof, interest on the unpaid balance of the Principal Amount outstanding under the Promissory Note and any other amounts due and owing thereunder from time to time will accrue and be payable at the rate of twelve percent (12%) per annum. Section 3.1 of the Promissory Note is amended by the addition of the following new paragraph at the end of such Section:

   > "Notwithstanding the foregoing, as of, from and after June 1, 2019, interest will be payable upon the unpaid balance of the Principal Amount under this Note and any other amounts due and owing hereunder from time to time at the rate of twelve percent (12%) per annum."

4. Nothing in this Amendment shall be read to novate, void, supersede, replace or restate the Promissory Note or the debt evidenced thereby.

5. The Borrower acknowledges and agrees that the Promissory Note continues in full force and effect and that the Borrower remains obligated and indebted to the Lender on the same terms and conditions as set out in the Promissory Note, save and except for those matters specifically amended by this Amendment.

6. This Amendment shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

7. This Amendment shall be binding upon and shall enure to the benefit of the parties and their respective successors and permitted assigns.

8. This Amendment may be executed in counterparts, each of which so executed shall constitute an original and all of which taken together shall constitute one and the same instrument. This Amendment may be delivered by facsimile or similar device which reproduces signatures and the reproductions of signatures by facsimile or such similar device shall be treated as binding as if originals.

IN WITNESS WHEREOF the parties have executed this Amendment on the date first set out above.

9869247 CANADA LIMITED

Per: ______________________
Name: Terry Tykolis
Title: President

GRAY JAY ESTATES INC.

Per: ______________________
Name: Wilhelmus Van Haeren
Title: President

This is Exhibit “K” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

GENERAL SECURITY AGREEMENT

9869247 CANADA LIMITED

TO: GRAY JAY ESTATES INC. (the "Secured Party")

DATE: As of August 16, 2018

FOR VALUE RECEIVED and intending to be legally bound by this general security agreement (the "**Agreement**"), the undersigned (the "**Obligor**") agrees as follows:

1. INTERPRETATION

1.1 Capitalized Terms

In this Agreement, except where the context otherwise requires, capitalized terms that are used and not otherwise defined have the meanings defined in the Promissory Note (as defined below), and:

(a) "**Collateral**" means all present and after-acquired undertaking, property (both real and personal) and assets of the Obligor, except those expressly excluded in this definition, including all present and future right, title, interest and benefit of the Obligor in all property of the following kinds:

(i) all goods comprising the inventory of the Obligor, including goods held for sale or lease or that have been leased or consigned to or by the Obligor or that have been furnished or are to be furnished under a contract of service or that are raw materials, work in process or materials used or consumed in a business or profession or that are finished goods;

(ii) timber, whether cut or to be cut, timber licences, oil, gas, other hydrocarbons and minerals, whether extracted or to be extracted, animals and their young and unborn young, and crops, whether growing or harvested;

(iii) all other goods, including furniture, fixtures, equipment, machinery, plant, tools and vehicles;

(iv) all chattel paper;

(v) all money;

(vi) all real property;

(vii) all warehouse receipts, bills of lading and other documents of title, whether negotiable or not;

(viii) all instruments, including bills, notes, cheques, letters of credit and advices of credit;

(ix) all investment property, including shares, stock, warrants, bonds, debentures, debenture stock and other securities (in each case whether evidenced by a security certificate or an uncertificated security) and financial assets, security entitlements, securities accounts, futures contracts and futures accounts;

(x) all other tangible personal property;

(xi) all accounts, including deposit accounts in banks, credit unions, trust companies and similar institutions, rents, debts, demands and choses in action that are due, owing or accruing due to the Obligor, and all claims of any kind that the Obligor has, including claims against the Crown and claims under insurance policies;

(xii) all other intangibles including contracts, agreements, clearing house options, permits, licences, consents, approvals, authorizations, orders, judgments, certificates, rulings, insurance policies, agricultural and other quotas, subsidies, franchises, immunities, privileges and benefits and all goodwill, patents, trade marks, trade names, trade secrets, inventions, processes copyrights, applications for intellectual property rights and other industrial or intellectual property;

(xiii) with respect to the property described in items (i) to (xi) inclusive, all books, accounts, invoices, letters, papers, documents, disks and other records in any form, electronic or otherwise, evidencing or relating to that property and all contracts, investment property, instruments and other rights and benefits in respect of that property;

(xiv) with respect to the property described in items (i) to (xii) inclusive, all parts, components, renewals, substitutions and replacements of that property and all attachments, accessories and increases, additions and accessions to that property; and

(xv) with respect to the property described in items (i) to (xiii) inclusive, all proceeds from that property, including property in any form derived directly or indirectly from any dealing with that property or proceeds from the property, and any insurance or other payment as indemnity or compensation for loss of or damage to the property or any right to payment, and any payment made in total or partial discharge or redemption of an intangible, chattel paper, instrument or investment property;

but excluding (A) any consumer goods, (B) the last day of the term of any lease or any agreement to lease held by the Obligor now or in the future as more fully described in Section 2.2 of this Agreement and (C) any Restricted Property as more fully described in Section 2.3 of this Agreement. Any reference to "the Collateral" in this Agreement shall be interpreted as referring to "the Collateral or any of it."

(b) "**Event of Default**" means the occurrence of any of the following:

(i) the non-payment when due of all or any part of the Obligations;

(ii) any breach by the Obligor of any term of this Agreement;

(iii) the Obligor is an insolvent person within the meaning of the *Bankruptcy and Insolvency Act* (Canada) or commits or threatens to commit any act of bankruptcy;

(iv) commencement of any proceeding or the taking of any step by or against the Obligor for any relief under applicable law relating to bankruptcy, insolvency, reorganization, arrangement, or for the appointment of one or more of a trustee, receiver, receiver and manager, custodian, liquidator or any other person with similar powers with respect to the Obligor or the Collateral or any part thereof;

(v) the Collateral or any part thereof is seized or otherwise attached by anyone pursuant to any legal process, and the same is not released within the shorter of a period of 15 days and 10 days less than such period as would permit such property or any part thereof to be sold pursuant thereto;

(vi) the institution by or against the Obligor of any formal or informal proceeding for the dissolution or liquidation or settlement of claims against or winding up of affairs of the Obligor;

(vii) the Obligor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law;

(viii) the Obligor defaults under any agreement with respect to any obligation to any persons other than the Secured Party, if such default has resulted, or may result with notice or lapse of time or both, in the acceleration of any such obligation or the right of such person to realize upon any Collateral; or

(ix) the Secured Party has commercially reasonable grounds for believing that the prospect of payment or performance of the Obligations is or is about to be impaired or that the Collateral is in danger of being lost, damaged or confiscated, or of being encumbered by the Obligor or seized or otherwise attached by any person pursuant to any legal process.

(c) "**Lien**" means:

(i) with respect to any property, any mortgage, debenture, deed of trust, lien, pledge, hypothec, hypothecation, encumbrance, lien, charge, assignment by way of security, consignment, security interest, royalty interest, adverse claim, defect of title or right to set off in, on or of the property;

(ii) the interest of a vendor or a lessor under any conditional sale agreement, capital lease (or financial lease) or title retention agreement having substantially the same economic effect as any of the foregoing, relating to any property;

(iii) with respect to securities, any purchase option, call or similar right of a third party, in respect of the securities;

(iv) any netting or set-off arrangement (except one arising by operation of law in the ordinary Course), defeasance arrangement or reciprocal fee arrangement; and

(v) any other arrangement having the effect of providing security or granting a lien.

(d) "**Obligations**" means all debts, liabilities and obligations of the Obligor to the Secured Party, whether present or future, direct or indirect, absolute or contingent, matured or not, at any time owing or remaining unpaid by the Obligor to the Secured Party in any currency, whether arising from dealings between the Secured Party and the Obligor or from other dealings or proceedings by which the Secured Party may be or become in any manner whatever creditors of the Obligor, and wherever incurred, and whether incurred by the Obligor alone or with another or others and whether as principal or surety and all interest, fees, commissions and legal and other costs, charges and expenses owing or remaining unpaid by the Obligor to the Secured Party in any currency including, without limitation, any and all obligations of the Obligor to the Secured Party under or in connection with the Promissory Note.

(e) "**PPSA**" means the *Personal Property Security Act* (Ontario).

(f) "**Promissory Note**" means the secured grid promissory note dated the date hereof and issued by the Obligor to and in favour of the Secured Party.

(g) "**Secured Party**" means Gray Jay Estates Inc.

1.2 PPSA Definitions

In this Agreement, the words "accessions," "account," "account debtor," "certificated security," "chattel paper," "clearing house option," "consumer goods," "control," "crops," "document of title," "equipment," "financial asset," "fixtures," "futures account," "futures contract," "goods," "instrument," "intangible," "inventory," "investment property," "money," "option," "proceeds," "receiver," "security," "securities account," "security certificate," "security entitlement," "standardized future" and "uncertificated security" shall have the same meanings as their defined meanings where they are defined in the PPSA.

1.3 No Contra Proferentum

This Agreement has been negotiated by the Obligor and the Secured Party with the benefit of legal representation, and any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply to the construction or interpretation of this Agreement.

1.4 Other Interpretation Rules

In this Agreement:

(a) The division into Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.

(b) Unless otherwise specified or the context otherwise requires, (i) "including" or "includes" means "including (or includes) but is not limited to" and shall not be construed to limit any general statement preceding it to the specific or similar items or matters immediately following it, (ii) a reference to any legislation, statutory instrument or regulation or a section of it is a reference to the legislation, statutory instrument, regulation or section as amended, restated and re-enacted from time to time, and (iii) words in the singular include the plural and vice-versa and words in one gender include all genders.

(c) Unless otherwise specified or the context otherwise requires, any reference in this Agreement to payment of the Obligations includes performance of the Obligations.

2. GRANT OF SECURITY AND RELATED MATTERS

2.1 Grant of Security

As security for payment and performance of the Obligations, the Obligor mortgages, charges, assigns, transfers and pledges the Collateral to the Secured Party as a fixed and specific mortgage and charge, and grants the Secured Party a security interest in the Collateral. Without limiting the preceding part of this Section, a security interest is taken in all of the Obligor's present and after acquired property, both real and personal.

2.2 Last Day of Lease

As the Collateral does not include the last day of the term of any lease or any agreement to lease held by the Obligor now or in the future, should the Liens created by this Agreement become enforceable the Obligor shall hold the last day in trust for the Secured Party and shall assign it to any person acquiring that term or the part of the term that is mortgaged and charged in the course of any enforcement of the Liens or any realization of the Collateral. Alternately, the Secured Party may assign the last day as attorney of the Obligor or may appoint any person acquiring the term or any other person or persons as a new trustee or trustees of the last day, free of any obligation regarding the last day.

2.3 Restricted Property

The Collateral shall not include any lease, agreement, contractual right, franchise, licence or approval, other than an account or chattel paper (collectively, "**Restricted Property**") held by the Obligor now or in the future if the Liens created by this Agreement would otherwise result in a breach, forfeiture or termination of the Restricted Property unless any necessary consent or waiver is obtained. The Obligor shall, on request by the Secured Party, promptly use all commercially reasonable efforts to seek any necessary consent or waiver to have the Restricted Property form part of the Collateral and to any disposition of the Restricted Property upon enforcement of this Agreement. If a consent or waiver is obtained, the applicable Restricted Property shall form part of the Collateral without any further action. If any consent or waiver is not obtained, and if the Liens created by this Agreement become enforceable, the Obligor shall hold any Restricted Property for which a consent or waiver has not been obtained and its benefits in trust for the Secured Party, and shall perform its obligations and exercise and enforce its rights under that Restricted Property, including rights of disposition, at the direction of the Secured Party.

2.4 Attachment

The Obligor agrees that the Secured Party has given value and that the Liens created by this Agreement are intended to attach (a) with respect to Collateral that is now in existence, upon execution of this Agreement, and (b) with respect to Collateral that comes into existence in the future, upon the Obligor acquiring rights in the Collateral or the power to transfer rights in the Collateral to the Secured Party. In each case, the parties do not intend to postpone the attachment of any Lien created by this Agreement.

2.5 Continuing Agreement

The Liens created by this Agreement are continuing, to secure a current or running account, and will extend to the ultimate balance of the Obligations, regardless of any intermediate payment or discharge of the Obligations in whole or in part. Without limiting the foregoing, the Obligations may include advances and re-advances under revolving credit facilities, which permit borrowing, repayment of all or part of the amount borrowed and re-borrowing of amounts previously paid.

2.6 In Addition to Other Rights; No Marshalling

This Agreement is in addition to and is not in any way prejudiced by or merged with any other Lien now or subsequently held by the Secured Party in respect of any Obligations. The Secured Party shall be under no obligation to marshal in favour of the Obligor any other Lien or any money or other property that the Secured Party may be entitled to receive or may have a claim upon.

2.7 Liabilities Unconditional

The liabilities of the Obligor under this Agreement are absolute and unconditional, and will not be affected by any act, omission, matter or thing that, but for this Section, would reduce, release or prejudice any of its liabilities under this Agreement, whether or not known to it or the Secured Party or consented to by it or the Secured Party.

2.8 Merger of Obligor

If the Obligor amalgamates or merges with one or more other entities, the Obligations and the Liens created by this Agreement shall continue as to the Obligations and the undertaking, property and assets of the Obligor at the time of amalgamation or merger, and shall extend to the Obligations and the present and future undertaking, property and assets of the amalgamated or merged entity, and the term Obligor shall extend to the amalgamated or merged entity, all as if the amalgamated or merged entity had executed this Agreement as the Obligor.

2.9 Limitation Periods

To the extent that any limitation period applies to any claim for payment of the Obligations or remedy for enforcement of the Obligations, the Obligor agrees that:

(a) any limitation period is expressly excluded and waived entirely if permitted by applicable law;

(b) if a complete exclusion and waiver of any limitation period is not permitted by applicable law, any limitation period is extended to the maximum length permitted by applicable law;

(c) any applicable limitation period shall not begin before an express demand for payment of the Obligations is made in writing by the Secured Party to the Obligor;

(d) any applicable limitation period shall begin afresh upon any payment or other acknowledgment of the Obligations by the Obligor; and

(e) this Agreement is a "business agreement" as defined in the *Limitations Act, 2002* (Ontario).

3. RIGHTS AND OBLIGATIONS OF THE OBLIGOR

3.1 Restrictions on Liens and Dispositions

The Obligor shall not create, assume, incur or permit the existence of any Lien on the Collateral except Permitted Liens, nor shall the Obligor sell, lease or otherwise dispose of the Collateral, or permit such a disposition to occur.

3.2 Possession and Control of Collateral

The Obligor shall, on request by the Secured Party, deliver to the Secured Party possession of all chattel paper, instruments and negotiable documents of title. The Obligor shall also take whatever steps the Secured Party requires to enable the Secured Party to obtain control of any investment property forming part of the Collateral, including (a) arranging for any securities intermediary, futures intermediary or issuer of uncertificated securities to enter into an agreement satisfactory to the Secured Party to enable the Secured Party to obtain control, (b) delivering any certificated security to the Secured Party with any necessary endorsement, and (c) having any security registered in the name of the Secured Party or its nominee. The Secured Party is not obligated to keep any Collateral separate or identifiable or to take steps to preserve rights relating to Collateral against prior parties or other persons. The Secured Party shall have no duty with respect to any Collateral delivered to it, other than to use the same degree of care in the safe custody of the Collateral delivered to it that it uses with respect to similar property that it owns of similar value. Without limiting the foregoing, the Secured Party may lodge all instruments, chattel paper, investment property or other Collateral with any bank or trust company to be held in safekeeping on behalf of the Secured Party (without incurring any liability for any act or omission of the bank or trust company), or may hold Collateral itself. The Obligor shall reimburse the Secured Party on demand for all expenses incurred by the Secured Party in connection with such safekeeping. The expenses shall form part of the Obligations.

3.3 Other Assurances; Power of Attorney

On request by the Secured Party, the Obligor shall (a) provide the Secured Party with details of all goods to which provisions of the PPSA or regulations or orders under the PPSA regarding serial numbers apply, (b) mark or take other steps to identify the Collateral as being subject to the Liens created by this Agreement, and (c) execute, acknowledge and deliver all financing statements, certificates, further assignments, documents, transfers, instruments, security documents, acknowledgments and assurances and do all further acts and things as the Secured Party may consider necessary or desirable to give effect to the intent of this Agreement (including providing the Secured Party with a fixed and specific mortgage and charge and a perfected security interest in all freehold and leasehold real property, all patents, trademarks and other intellectual property and all aircraft, ships and railway rolling stock in which the Obligor now or in the future holds an interest), or for the collection, disposition, realization or enforcement of the Collateral or the Liens created by this Agreement. The Obligor constitutes and appoints the Secured Party its true and lawful attorney, with full power of substitution, to do any of the foregoing or any other things that the Obligor has agreed to do in this Agreement, whenever and wherever the Secured Party may consider it to be necessary or desirable, and to use the Obligor's name in the exercise of the Secured Party's rights under this Agreement. This power of attorney is coupled with an interest and is irrevocable by the Obligor.

3.4 Composite Agreement

This Agreement is a composite mortgage and security agreement covering Collateral located in various provinces and territories of Canada and in other jurisdictions and, as to any Collateral located in a particular jurisdiction, this Agreement shall be a separate mortgage and security agreement enforceable against the Obligor without regard to the application of this Agreement to Collateral located in other jurisdictions. All provisions of this Agreement shall apply separately to the Collateral located in each separate jurisdiction with the same effect as if a separate mortgage and security agreement with respect to that Collateral had been executed and delivered by the Obligor. If requested by the Secured Party, the Obligor shall execute, deliver and register, at its expense, a separate mortgage and security agreement covering the Collateral located in any particular jurisdiction or jurisdictions. The separate mortgage and security agreement shall be in the form of this Agreement except for modifications required by the fact that it relates only to the Collateral located in the particular jurisdiction or jurisdictions and other modifications that the Secured Party considers necessary or desirable in the circumstances.

3.5 Secured Party May Perform Obligor's Duties

If the Obligor fails to perform any of its duties under this Agreement, the Secured Party may, but shall not be obligated to, perform any or all of those duties, without waiving any rights to enforce this Agreement. The Obligor shall pay the Secured Party, immediately on written demand, an amount equal to the costs, fees and expenses incurred by the Secured Party. The costs, fees, and expenses shall be included in the Obligations under this Agreement.

3.6 Secured Party Not Liable for Obligor's Agreements

Nothing in this Agreement shall make any Secured Party liable to observe or perform any term of any agreement to which the Obligor is a party or by which it or the Collateral is bound, or make any Secured Party a mortgagee in possession. The Obligor shall indemnify the Secured Party and save them harmless from any claim arising from any such agreement.

3.7 Release of Liens

If the Obligor has indefeasibly paid the Obligations in full in cash and otherwise performed all of the terms of the Promissory Note, and if all obligations of the Secured Party to extend credit under the Promissory Note has been cancelled, then the Secured Party shall, at the request and expense of the Obligor, release the Liens created by this Agreement and execute and deliver whatever documents are reasonably required to do so.

4. RIGHTS AND OBLIGATIONS ON DEFAULT

4.1 Application of Article

The provisions of this Article 4 apply upon the occurrence of an Event of Default and during its continuance.

4.2 Termination of Further Credit and Acceleration of Obligations

The Secured Party shall be under no obligation to make further advances or otherwise extend further credit and the Secured Party may declare that the Obligations are immediately due and payable in full, but if the Obligor becomes bankrupt (voluntarily or involuntarily), or institutes (or has instituted against it) any proceeding seeking liquidation, rearrangement, relief of debtors or creditors or the appointment of a receiver or trustee over any material part of its undertaking, property and assets or any analogous proceeding in any relevant jurisdiction, then without prejudice to the other rights of the Secured Party as a result of any of those events, without notice or action of any kind by the Secured Party and without presentment, demand or protest of any nature or kind, the Secured Party's obligation to make advances or otherwise extend credit shall immediately terminate and the Obligations shall become immediately due and payable. Upon the Obligations becoming due and payable, the Secured Party may enforce payment of the Obligations and the Secured Party shall have the rights and remedies of a secured party under the PPSA and other applicable law together with those rights and remedies provided by this Agreement or otherwise provided by applicable law.

4.3 Rights of Secured Party

The Secured Party may (a) require the Obligor to assemble the Collateral and deliver or make the Collateral available to the Secured Party at a reasonably convenient place designated by the Secured Party, (b) enter on any premises of the Obligor or any other place where Collateral may be located, (c) take possession of the Collateral by any method permitted by law, ~~(d) render any equipment unusable without removing it from the Obligor's premises~~, (e) use the Collateral in the manner and to the extent that the Secured Party may consider appropriate, and (f) hold, insure, repair, process, maintain, protect and preserve the Collateral and prepare it for disposition. The Secured Party is not, however, required to insure the Collateral, and the risk of any loss of or damage to the Collateral shall be borne by the Obligor.

4.4 Proceeds

The Secured Party may take charge of all proceeds of the Collateral and may hold them as additional security for the Obligations. The Secured Party may give notice to any or all account debtors of the Obligor and to any or all persons liable to the Obligor under an instrument to direct all payments or other proceeds relating to the Collateral to the Secured Party and any payments or other proceeds of the Collateral received by the Obligor from account debtors or from any persons liable to the Obligor under an instrument, after notice is given by the Secured Party, shall be held by the Obligor in trust for the Secured Party and immediately paid over to the Secured Party. The Secured Party shall not, however, be required to collect any proceeds of the Collateral. The Secured Party may also enforce any rights of the Obligor in respect of the Collateral by any manner permitted by law.

4.5 Rights Regarding Investment Property and Related Matters

The Secured Party may have any instruments or investment property registered in its name or in the name of its nominee and shall be entitled but not required to exercise voting and other rights that the holder of that Collateral may at any time have; but the Secured Party shall not be responsible for any loss occasioned by the exercise of those rights or by failure to exercise them. The Secured Party may also enforce its rights under any agreement with any securities intermediary, futures intermediary or issuer of uncertificated securities.

4.6 Notice of Disposition

If required to do so by applicable law, the Secured Party shall give the Obligor written notice of any intended disposition of the Collateral by any method required or permitted by applicable law. The Obligor waives giving of notice to the maximum extent permitted by applicable law.

4.7 Statutory Waivers

To the maximum extent permitted by law, the Obligor waives all of the rights, benefits and protections given by any present or future statute that imposes limits on the rights, remedies or powers of a Secured Party or on the methods of realization of security, including any seize or sue or anti deficiency statute or any similar provisions of any other statute. In particular, the Obligor waives all rights, benefits and protections given by sections 47 and 50 of the *Law of Property Act* (Alberta) insofar as they extend to or relate to any Collateral. *The Limitation of Civil Rights Act* (Saskatchewan) shall not apply to the Liens created by this Agreement or any rights, remedies or powers of a Secured Party or any receiver.

4.8 Disposition and Other Rights of the Secured Party

The Secured Party may (a) carry on all or any part of the business of the Obligor, (b) make payments on account of, to discharge, or to obtain an assignment of any Lien on the Collateral, whether or not ranking in priority to the Liens created by this Agreement, (c) borrow money required for the seizure, retaking, repossession, holding, insuring, repairing, processing, maintaining, protecting, preserving, preparing for disposition or disposition of the Collateral or for any other enforcement of this Agreement or for carrying on the business of the Obligor on the security of the Collateral in priority to the Liens created by this Agreement, (d) file proofs of claim and other documents to establish the claims of the Secured Party in any proceeding relating to the Obligor, and (e) sell, lease or otherwise dispose of all or any part of the Collateral at public auction, by public tender or by private sale, lease or other disposition, either for cash or on credit, at such time and on such terms and conditions as the Secured Party may determine. If any disposition involves deferred payment, the Secured Party will not be accountable for and the Obligor will not be entitled to be credited with the proceeds of disposition until payment is actually received in cash. On any disposition, the Secured Party shall have the right to acquire all or any part of the Collateral that is offered for disposition and the rights of the Obligor in that Collateral shall be extinguished. The Secured Party may also accept the Collateral in satisfaction of the Obligations or may from time to time designate any part of the Obligations to be satisfied by the acceptance of particular Collateral that the Secured Party reasonably determines to have a net realizable value equal to the amount of the designated part of the Obligations, in which case only the designated part of the Obligations shall be satisfied by the acceptance of the particular Collateral.

4.9 Commercially Reasonable Actions and Omissions

The Obligor agrees that it is commercially reasonable for the Secured Party (a) not to incur expenses that they reasonably consider significant to prepare Collateral for disposition or otherwise to complete raw material or work in process into finished goods or other finished products for disposition, (b) not to obtain third party consents for access to Collateral to be disposed of, or to obtain or, if not required by other law, not to obtain governmental or third party consents for the collection or disposition of Collateral to be collected or disposed of, (c) not to exercise collection remedies against account debtors or other persons obligated on Collateral or to remove Liens on or adverse claims against Collateral, (d) to exercise collection remedies against account debtors and other persons obligated on Collateral directly or through the use of collection agencies and other collection specialists, (e) to advertise dispositions of Collateral through publications or media of general circulation, whether or not the Collateral is of a specialized nature, (f) to contact other persons, whether or not in the same business as the Obligor, for expressions of interest in acquiring all or any portion of the Collateral, (g) to hire one or more professional auctioneers or other persons, including employees of the Obligor, brokers, investment bankers, consultants and other professionals to assist in the collection or disposition of Collateral, whether or not the Collateral is of a specialized nature, (h) to dispose of Collateral by utilizing internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets, (i) to dispose of assets in wholesale rather than retail markets, (j) to disclaim disposition warranties, (k) to vary or rescind any contract for the disposition of any Collateral, or (l) to purchase insurance or credit enhancements or take other steps to insure the Secured Party against risks of loss, collection or disposition of Collateral or to provide the Secured Party a guaranteed return from the collection or disposition of Collateral. The Obligor acknowledges that the purpose of this Section is to provide selected examples of actions and omissions that would be commercially reasonable in the Secured Party's exercise of remedies against the Collateral and that other actions and omissions shall not be considered commercially unreasonable solely on account of not being mentioned in this Section, nor shall the Secured Party be liable or accountable for any discount attributable to the specified actions and omissions. Nothing in this Section shall be construed to grant any rights to the Obligor or to impose any duties on the Secured Party that would not have been granted or imposed by this Agreement or by applicable law in the absence of this Section. In exercising its rights and obligations under this Agreement, the Secured Party shall be responsible or liable to the Obligor or any other person for any loss or damage from the realization or disposal of any Collateral or the enforcement of this Agreement, or any failure to do so, or for any act or omission on their respective parts or on the part of any of their directors, officers, employees, agents or advisors in that connection, except that the Secured Party may be responsible or liable for loss or damage arising from its wilful misconduct or gross negligence.

4.10 Costs of Realization

All costs incurred in connection with realizing the security constituted by this Agreement or exercising any of the Secured Party's rights under this Agreement, including costs incurred in connection with repossessing, holding, insuring, repairing, processing, preparing for disposition, and disposing of any Collateral and legal fees on a full indemnity (sometimes called solicitor and own client) basis (in this Section, "**realization**

costs") shall be payable by the Obligor to the Secured Party immediately on demand. Realization costs shall be included in the Obligations under this Agreement.

4.11 Other Security; Application of Money

The Secured Party may (a) refrain from enforcing any other security or rights held by or on behalf of the Secured Party in respect of the Obligations, or enforce any other security or rights in any manner and order as they see fit, and (b) apply any money received from or in respect of the Collateral in any manner and order as they see fit and change any application of money received in whole or in part from time to time, or refrain from applying any money and hold it in a suspense account.

4.12 Third Parties

No person dealing with the Secured Party is required to determine (a) whether the Liens created by this Agreement or the powers purporting to be exercised have become enforceable, (b) whether any Obligations remain owing; (c) the propriety of any aspect of the disposition of Collateral, or (d) how any payment to the Secured Party has been or will be applied. Any person who acquires Collateral from the Secured Party in good faith shall acquire it free from any interest of the Obligor.

4.13 Appointment of Receiver

The Secured Party may take proceedings in any court of competent jurisdiction for the appointment of a receiver (which term includes a receiver and manager) of the Collateral or may by appointment in writing appoint any person to be a receiver of the Collateral. The Secured Party may remove any receiver appointed by the Secured Party and appoint another in its place, and may determine the remuneration of any receiver, which may be paid from the proceeds of the Collateral in priority to other Obligations. Any receiver appointed by the Secured Party shall, to the extent permitted by applicable law, have all of the rights, benefits and powers of the Secured Party under this Agreement, the PPSA or otherwise. Any receiver shall be deemed the agent of the Obligor and the Secured Party shall not be in any way responsible for any misconduct or negligence of any receiver.

4.14 Rights Cumulative

No failure on the part of the Secured Party to exercise, nor any delay in exercising, any right or remedy under the Promissory Note or this Agreement shall operate as a waiver or impose any liability on the Secured Party, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and do not exclude any rights and remedies provided by applicable law. If the Secured Party has enforced any right or remedy under this Agreement and the enforcement proceeding has been discontinued, abandoned or determined adversely to the Secured Party for any reason, then the Obligor and the Secured Party shall, without any further action, be restored to their previous positions to the maximum extent permitted by law and subject to any determination in the enforcement proceeding or express agreement between the Obligor and the Secured Party, and thereafter all rights and remedies of the Secured Party shall continue as if no enforcement proceeding had been taken.

4.15 Obligor Liable for Deficiency

If the proceeds arising from the disposition of the Collateral fail to satisfy the Obligations, the Obligor shall pay any deficiency to the Secured Party on demand. Neither the taking of any judicial or extra judicial proceeding nor the exercise of any power of seizure or disposition or other remedy shall extinguish the liability of the Obligor to pay and perform the Obligations, nor shall the acceptance of any payment or alternate security create any novation. No covenant, representation or warranty of the Obligor in this Agreement shall merge in any judgment.

4.16 Release by Obligor

The Obligor hereby releases and discharges the Secured Party and any receiver from all claims of any kind, whether sounding in damages or not, that may arise or be caused to the Obligor or any person claiming through or under the Obligor, as a result of any act or omission of the Secured Party or any receiver except that the Secured Party or receiver may be responsible or liable for loss or damage arising from its wilful misconduct or gross negligence.

5. NOTICES

5.1 Notices in Writing

Any communication to be made under this Agreement shall be made in writing and, except as required or permitted by applicable law, shall be made by facsimile transmission or by letter. Except as specified by applicable law, any communication shall be effective when received if during business hours or on the next business day if received outside of business hours.

5.2 Addresses for Notice

The Obligor's address for notice is as set out in the Promissory Note. The Secured Party's address is as set out in the Promissory Note.

6. GENERAL

6.1 Entire Agreement

This Agreement embodies all the agreements between the Obligor and the Secured Party relating to the Liens created in this Agreement and the related rights and remedies. No party shall be bound by any representation or promise made by any person relating to this Agreement that is not embodied in it. Any waiver of, or consent to departure from, the requirements of any provision of this Agreement shall be effective only if it is in writing and signed by the Secured Party, and only in the specific instance and for the specific purpose for which it has been given.

6.2 Severability

If, in any jurisdiction, any provision of this Agreement or its application to any circumstance is restricted, prohibited or unenforceable, that provision shall, as to that jurisdiction, be ineffective only to the extent of that restriction, prohibition or unenforceability without invalidating the remaining provisions of this Agreement, without affecting the validity or enforceability of that provision in any other jurisdiction and, if applicable, without affecting its application to other circumstances.

6.3 Delivery and Counterparts

To evidence the fact that it has executed this Agreement, the Obligor may send a signed copy of this Agreement or its signature to this Agreement by facsimile transmission or e mail in portable document format (PDF) and the signature sent in that way shall be deemed to be its original signature for all purposes. This Agreement may be executed in any number of counterparts and all counterparts taken together shall be deemed to constitute a single agreement.

6.4 No Conditions

Possession of this Agreement by the Secured Party shall be conclusive evidence against the Obligor that the Agreement was not delivered in escrow or pursuant to any agreement that it should not be effective until any condition precedent or subsequent has been complied with. This Agreement shall be operative and binding notwithstanding that it is not executed by any proposed signatory.

6.5 Receipt and Waiver

The Obligor acknowledges receipt of a copy of this Agreement. The Obligor waives any notice of acceptance of this Agreement by the Secured Party. The Obligor also waives the right to receive a copy of any financing statement or financing change statement that may be registered in connection with this Agreement or any verification statement issued with respect to a registration, if waiver is not otherwise prohibited by law. The Obligor agrees that the Secured Party may from time to time provide information regarding this Agreement, the Collateral and the Obligations to persons that the Secured Party believes in good faith are entitled to the information under applicable law.

6.6 Governing Law

This Agreement and any dispute arising from or in relation to this Agreement shall be governed by, and interpreted and enforced in accordance with, the law of the Province of Ontario and the laws of Canada applicable in that province, excluding the conflict of law rules of that province.

6.7 Obligor's Exclusive Dispute Resolution Jurisdiction

The Obligor agrees that the courts of the province of Ontario have exclusive jurisdiction over any dispute arising from or in relation to this Agreement and the Obligor irrevocably and unconditionally attorns to the exclusive jurisdiction of that province. The Obligor agrees that the courts of that province are the most appropriate and convenient forum to settle disputes and agrees not to argue to the contrary.

6.8 Secured Party Entitled to Concurrent Jurisdiction

Despite Section 6.7, the Secured Party is permitted to take proceedings in relation to any dispute arising from or in relation to this Agreement in any court of another province or another state with jurisdiction and to the extent allowed by law may take concurrent proceedings in any number of jurisdictions.

6.9 Successors and Assigns

The Obligor may not assign or transfer all or any part of its liabilities under this Agreement. This Agreement shall enure to the benefit of the Secured Party and its respective successors and assigns and be binding on the Obligor and its successors and any permitted assigns.

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

IN WITNESS OF WHICH the Obligor has duly executed this Agreement as of the date first written above.

9869247 CANADA LIMITED

Per: ______________________

Name: Terry Nelson Tykolis

Title: President

This is Exhibit "L" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

PROPERTY DESCRIPTION: PART LOTS 13 & 14 CONCESSION 13 NIAGARA RIVER, BERTIE DESIGNATED AS PART 1 PLAN 59R16046; TOWN OF FORT ERIE

PROPERTY REMARKS: PLANNING ACT CONSENT IN DOCUMENT SN544502.

ESTATE/QUALIFIER:
FEE SIMPLE
LT CONVERSION QUALIFIED

RECENTLY:
DIVISION FROM 64246-0189

PIN CREATION DATE:
2018/03/19

OWNERS' NAMES
9869247 CANADA LIMITED

CAPACITY SHARE

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
*** PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2018/03/19 ***						
***SUBJECT, ON FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:*						
****	*SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES **					
****	*AND ESCHEATS OR FORFEITURE TO THE CROWN.*					
****	*THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF*					
****	*IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY*					
****	*CONVENTION.*					
****	*ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.*					
***DATE OF CONVERSION TO LAND TITLES: 1999/12/13 ***						
RO106181	1969/07/31	BYLAW				C
SN389874	2013/11/01	CHARGE		*** DELETED AGAINST THIS PROPERTY *** TYKOLIS HOLDINGS LTD.	ROYAL BANK OF CANADA	
SN389875	2013/11/01	NO ASSGN RENT GEN		*** DELETED AGAINST THIS PROPERTY *** TYKOLIS HOLDINGS LTD.	ROYAL BANK OF CANADA	
REMARKS: RENTS, SN389874						
SN391620	2013/11/22	NOTICE		*** DELETED AGAINST THIS PROPERTY *** TYKOLIS HOLDINGS LTD.	ROYAL BANK OF CANADA	
REMARKS: SN389874						
59R16046	2018/01/17	PLAN REFERENCE				C
SN544502	2018/02/28	TRANSFER	$300,000	TYKOLIS HOLDINGS LTD.	9869247 CANADA LIMITED	C
REMARKS: PLANNING ACT STATEMENTS.						
SN544513	2018/02/28	DISCH OF CHARGE		*** DELETED AGAINST THIS PROPERTY ***		

REG. NUM.	DATE	INSTRUMENT TYPE	AMOUNT	PARTIES FROM	PARTIES TO	CERT/ CHKD
				ROYAL BANK OF CANADA		
REMARKS: SN389874.						
SN562069	2018/08/17	CHARGE	$25,000,000	9869247 CANADA LIMITED	GRAY JAY ESTATES INC.	C
SN586903	2019/04/29	NOTICE		9869247 CANADA LIMITED	GRAY JAY ESTATES INC.	C
REMARKS: SN562069						
SN617506	2020/01/23	CHARGE	$25,000,000	9869247 CANADA LIMITED	NEXT EDGE GENERAL PARTNER (ONTARIO) INC. NE SPC II LP	C
SN617507	2020/01/23	NO ASSGN RENT GEN		9869247 CANADA LIMITED	NEXT EDGE GENERAL PARTNER (ONTARIO) INC.	C
REMARKS: SN617506.						
SN617508	2020/01/23	POSTPONEMENT		GRAY JAY ESTATES INC.	NEXT EDGE GENERAL PARTNER (ONTARIO) INC.	C
REMARKS: SN562069 TO SN586903						
SN617619	2020/01/23	NOTICE	$2	9869247 CANADA LIMITED	NEXT EDGE GENERAL PARTNER (ONTARIO) INC. NE SPC II LP.	C
REMARKS: SN617506						

This is Exhibit “M” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

COMMITMENT LETTER

January 23, 2020

PRIVATE AND CONFIDENTIAL

Terry Tykolis
9869247 Canada Limited
2818 House Road
Stevensville, Ontario
L0S 1S0

Dear Mr. Tykolis:

NE SPC II LP is pleased to offer the loan described in this Commitment Letter (the "**Loan**") subject to the terms and conditions set forth below and in the schedules attached hereto (collectively, the "**Commitment Letter**"). Unless otherwise indicated, all amounts are expressed in Canadian currency.

PARTIES AND USE OF FUNDS

Borrower: 9869247 Canada Limited (the "**Borrower**").

Corporate Guarantor: GN Ventures Ltd. and Tykolis Real Estate Group Ltd. (collectively, the "**Guarantors**")

Lender: NE SPC II LP (the "**Lender**")

Programme:

Refinancing of related party loan	$ 25,000,000
Total	**$ 25,000,000**

Source of Funds:

Lender Term Loan	$ 25,000,000
Total	**$ 25,000,000**

No change in the use of funds may be made without the Lender's express prior written consent.

LOAN TERMS

Loan Amount: Up to $25,000,000, to be advanced in two tranches in the principal amounts of $14,000,000 (the "**First Advance**") and the lesser of $11,000,000 and the amount owing to Gray Jay Estates Inc. at the time of the second tranche (the "**Second Advance**") upon completion of all conditions precedent to the satisfaction of the Lender in its sole discretion (the date of the First Advance being the "**First Funding Date**", the date of the Second Advance being the "**Second Funding Date**" and, collectively, the "**Funding Date**").

Interest Rate:	12% per annum (the "**Interest Rate**") from the Funding Date to the Maturity Date (as such term is hereinafter defined).
Term:	Eighteen (18) months from the First Funding Date (the end of such period being the "**Maturity Date**").
Payment Date:	Unless otherwise specified all payments are to be made on the last day of each month.
Terms of Repayment:	Payments of interest only shall be payable on the last day of every month for the first three (3) months from the First Funding Date. The first interest payment shall be on the last day of the month following the month in which the First Funding Date occurs. Commencing from the 4th month after the First Funding Date, payments shall be made by way of: (a) equal monthly payments of principal on a 15-year amortization period (subject to the 3-month interest only period), plus interest for the First Advance and (b) equal monthly payments of principal on a 15-year amortization period (subject to the period elapsed between the First Advance and the Second Advance), plus interest. Notwithstanding the foregoing, the full principal amount of the Loan together with any and all accrued and unpaid interest and any other amounts owing by the Borrower to Lender as at the Maturity Date shall be paid by the Borrower to the Lender by one lump sum payment on the Maturity Date. All payments of principal or interest hereunder shall be made payable to or to the order of the Lender or to such person or persons as the Lender may from time to time in writing direct, and shall be made at the Lender's office in Toronto, Ontario prior to 1:00 p.m. (Toronto time). Any payments received by the Lender after 1:00 p.m. (Toronto time) on the day payable shall be deemed to have been made and to have been received by the Lender on the next Business Day. Any payment falling on a day that is not a Business Day be made on the next Business Day. "**Business Day**" shall mean a day which is not a Saturday or a Sunday or a day observed as a holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein.
Prepayment Privilege:	Following the first anniversary of the First Funding Date, the Loan may be repaid in whole or in part at any time without penalty. Prepayment shall only be available on thirty (30) days prior written notice to the Lender specifying the amount that the Borrower intends to prepay.
Fee:	As additional consideration for the Loan the Borrower hereby confirms and agrees that the following non-refundable fee shall be due and payable to the Lender:

1. Facility Fee: $350,000 shall be fully earned by the Lender upon the execution of this Commitment Letter, due and payable on the First Funding Date and deducted from the proceeds of the First Advance. 2.5% of the amount of the Second Advance shall be fully earned by the Lender and be due and payable on the Second Funding Date and deducted from the proceeds of the Second Advance.

SECURITY AND CONDITIONS PRECEDENT TO ADVANCE

Security:

The Borrower shall provide to the Lender (or cause to be provided to the Lender) the following guarantees, security, charges and assignments (collectively, the "**Security**") each in form and substance satisfactory and registered with such priority as deemed appropriate by the Lender and its legal counsel:

1. a collateral first charge/mortgage of land in the principal amount of $25,000,000 by the Borrower in respect of real property owned by the Borrower and municipally known as 2818 House Road, Stevensville, Ontario (legal description to be determined) (the "**Property**"), subject to a *pari passu* agreement with Gray Jay Estates Inc. acceptable to the Lender in its sole discretion (the "**Pari Passu Agreement**"). Title insurance from First Canadian Title required;

2. a first registered assignment of rents and leases by the Borrower in respect of the Property;

3. a general security agreement from the Borrower providing the Lender with a first security interest in all present and after-acquired personal property of the Borrower, except consumer goods;

4. an assignment of insurance by the Borrower in favour of the Lender together with delivery of the underlying commercial insurance certificate (including, without limitation, business interruption, commercial general liability and property insurance) listing the Lender as first mortgagee, first loss payee and additional insured, subject to the Pari Passu Agreement. Standard mortgage clause and 30 days' prior written notice of cancellation or any alteration in the terms of such policies to apply;

5. a corporate guarantee from each of the Guarantors for 100% of the outstanding loan amount in respect of all liabilities, obligations and indebtedness of the Borrower to the Lender, containing an assignment and postponement of claims by them in favour of the Lender in respect of the Borrower;

6. a general security agreement from each of the Guarantors providing the Lender with a first security interest in all of its present and after-acquired personal property, except consumer goods;

7. an assignment of insurance by each of the Guarantors in favour of the Lender together with delivery of the underlying commercial insurance certificate (including, without limitation, business interruption, commercial general liability and property insurance) listing the Lender as loss payee and additional insured as its interest may appear. 30 days' prior written notice of cancellation or any alteration in the terms of such policies to apply;

8. an environmental indemnity agreement (the "**Environmental Indemnity**") by the Borrower and the Guarantors to and in favour of the Lender;

9. the Pari Passu Agreement;

10. priority/subordination agreements or discharges as applicable with existing secured creditors;

11. subordination, postponement and standstill of all loans, advances and claims from all shareholders and/or related and affiliated parties of the Borrower and/or the Guarantors; and

12. such further security and instruments, certificates, corporate resolutions, authorizations, assurances, opinions and documentation that the Lender and its solicitors may reasonably require.

Conditions Precedent:

First Advance

The following conditions precedent shall be completed and/or fulfilled to the satisfaction of the Lender in its sole discretion prior to the First Funding Date:

1. The Lender shall have obtained approval for the Loan from its Credit Committee;

2. Satisfactory completion by the Lender of all due diligence required by the Lender in respect of the Borrower and the Guarantors and their respective business and financial prospects as well as the Property, such due diligence to include, without limitation:

   a) satisfactory review of the Borrower's and the Guarantors' contracts and agreements, including, without limitation, evidence of payment history and the terms and full details of all past due accounts;

   b) satisfactory review of updated financial forecasts for the Borrower and the Guarantors, including balance sheets, income statements and cash flow statements for the next 12 months;

   c) satisfactory review of all licenses required under the *Cannabis Act*;

d) confirmation that the Borrowers and Guarantors have paid all statutory liens, trust and other Crown Claims including employee source deductions, GST, PST, HST, EHT, amounts due under the Wage Earner Protection Plan Act ("**WEPPA**") and Workplace Safety and Insurance Board ("**WSIB**") premiums and any other amounts owing to the Crown that could rank in priority to the Lender's charge (collectively, the "**Priority Payables**") are paid and in good standing;

e) updated AACI appraisal report addressed to the Lender from an appraiser satisfactory to the Lender together with a transmittal letter to the Lender, confirming the value for the Property is not less than $37,000,000;

f) confirmation of payment of all taxes due and payable in respect of the Property;

3. Completion, execution, delivery and (where applicable) registration of all necessary legal documentation including, without limitation, the Security and delivery of:

a) duly executed priority agreements, subordination, postponement and standstill agreements or no interest letters, satisfactory to the Lender, such that the Lender shall be satisfied that there are no mortgages, charges, security interests or other encumbrances ranking ahead of the Lender's security in the assets of the Borrower (save and except under the Pari Passu Agreement) and the Guarantors;

b) certificates of insurance in form and substance acceptable to the Lender, together with evidence satisfactory to the Lender that each policy of insurance is in full force;

c) officers' certificates of the Borrower and the Guarantors in form and substance satisfactory to the Lender, including without limitation, certificates of incumbency, satisfactory evidence of the due incorporation, organization and subsistence of the Borrower and the Guarantors and the due authorization, execution, delivery and ability to perform their respective obligations under the Security Documents; and

d) opinions of counsel for the Borrower and the Guarantors addressed to the Lender and the Lender's counsel with respect to the due authorization, execution, delivery and enforceability of the Security Documents, and the registration of security interests in respect of the Borrower and the Guarantors and containing such other opinions as the Lender and the Lender's counsel consider appropriate, all in form and substance satisfactory to the Lender and the Lender's counsel acting reasonably.

4. Each of the covenants and agreements set out in this Commitment Letter shall have been performed, fulfilled and satisfied, no Event of Default shall have occurred and continue to subsist and no event or circumstance shall have occurred and no condition shall exist which will result, either immediately, or with the lapse of time or giving of notice or both, in the occurrence or existence of an Event of Default;

5. Each of the warranties and representations made by the Borrower and/or the Guarantors in this Commitment Letter, in any of the Security Documents and in any other document, material, information or report supplied or delivered in connection with the Loan to the Lender, the Lender's counsel or representatives of the Lender shall be true and correct on or after the First Funding Date with the same effect as if such representations and warranties had been made on and as of the First Funding Date, and the Borrower and the Guarantors shall have delivered to the Lender a certificate of a senior officer to such effect;

6. Confirmation by the Borrower and the Guarantors that all consents and approvals have been obtained, including, without limitation, regulatory, shareholder and board approvals and the approval of any other creditors, if applicable; and

7. Confirmation from the Borrowers and Guarantors that they shall utilize a payroll service to remit all payroll related payments including deductions at source (and/or provide confirmation of payment of such priorities satisfactory to the Lender, acting reasonably).

Second Advance Only:

The following conditions precedent shall be completed and/or fulfilled to the satisfaction of the Lender in its sole discretion prior to the Second Funding Date:

1. Syndication of the Loan on terms and conditions satisfactory to the Lender in its sole discretion;

2. Satisfactory completion by the Lender of all due diligence required by the Lender in respect of the Borrower and the Guarantors and their respective business and financial prospects as well as the Property, such due diligence to include, without limitation:

    a) confirmation that all Priority Payables are paid and in good standing;

b) confirmation of payment of all taxes due and payable in respect of the Property;

c) confirmation that each policy of insurance is in full force;

d) confirmation that no subsequent encumbrances have been registered against the Property; and

e) confirmation of no executions registered against the Borrower;

3. Each of the covenants and agreements set out in this Commitment Letter shall have been performed, fulfilled and satisfied, no Event of Default shall have occurred and continue to subsist and no event or circumstance shall have occurred and no condition shall exist which will result, either immediately, or with the lapse of time or giving of notice or both, in the occurrence or existence of an Event of Default; and

4. Each of the warranties and representations made by the Borrower and/or the Guarantors in this Commitment Letter, in any of the Security Documents and in any other document, material, information or report supplied or delivered in connection with the Loan to the Lender, the Lender's counsel or representatives of the Lender shall be true and correct on or after the Second Funding Date with the same effect as if such representations and warranties had been made on and as of the Second Funding Date, and the Borrower and the Guarantors shall have delivered to the Lender a certificate of a senior officer to such effect.

GENERAL CONDITIONS

Entire Agreement / Paramountcy: This Commitment Letter and the Security constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior negotiations, undertakings, representations and understandings, written or oral, between the Lender, the Borrower and the Guarantors, including, without limitation, a Terms Letter dated September 25, 2019 issued by Blacksail Capital Partners to the Borrower. To the extent that any provision of the Security is inconsistent with or in conflict with the provisions of this Commitment Letter, the provisions of this Commitment Letter shall govern and the inclusion of any term in any of the security that is not set out in this Commitment Letter shall not be an inconsistency. For greater certainty, a provision of this Commitment Letter and any of the other Loan Documents (as hereinafter defined) shall not be considered to conflict or be inconsistent if both relate to the same subject-matter and the provision in any of the other Loan Documents imposes more onerous obligations or restrictions than the corresponding provision in the Commitment Letter. Notwithstanding any advances made pursuant thereto, the Commitment Letter shall continue to be valid, binding and enforceable and shall not merge as a result thereof.

Successors and Assigns: This Commitment Letter shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns. The Borrower and the Guarantors shall not, without the Lender's prior written consent (in the Lender's sole discretion), assign any interest or obligation under the Commitment Letter or any of the Security to any other person, firm, corporation or other entity whatsoever. The Lender shall be entitled to assign or participate any or all of the indebtedness arising under or pursuant to this Commitment Letter (and any and all of the Security or any interest therein) and the Borrower and the Guarantors shall execute and deliver and cause each of its subsidiaries (if applicable) to execute and deliver any documents as may be reasonably required in connection therewith.

Governing Law: This Commitment Letter shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[THE REMAINDER OF THIS PAGE IS BLANK. SIGNATURE PAGES FOLLOW.]

Yours truly,

NEXT EDGE GENERAL PARTNER (ONTARIO) INC.,
in its capacity as general partner of NE SPC II LP

Per: ______________________
Name: Toreigh Stuart
Title: Director

ACCEPTANCE AND AGREEMENT

The undersigned hereby confirm agreement to and acceptance of the terms and conditions outlined in the Commitment Letter (including without limitation, the additional terms and conditions set forth in the schedules attached thereto) as of this 23 day of January, 2020.

9869247 CANADA LIMITED

Per: ________________________
Name: Terry Tykolis
Title: President

I have authority to bind the corporation.

GN VENTURES LTD.

Per: ________________________
Name: Marco Marrone
Title: Chief Executive Officer

I have authority to bind the corporation.

TYKOLIS REAL ESTATE GROUP LTD.

Per: ________________________
Name: Terry Tykolis
Title: President

Per: ________________________
Name: Tim Tykolis
Title: Vice President

I/We have authority to bind the corporation.

ACCEPTANCE AND AGREEMENT

The undersigned hereby confirm agreement to and acceptance of the terms and conditions outlined in the Commitment Letter (including without limitation, the additional terms and conditions set forth in the schedules attached thereto) as of this __23__ day of January, 2020.

9869247 CANADA LIMITED

Per: ______________________
Name: Terry Tykolis
Title: President

I have authority to bind the corporation.

GN VENTURES LTD.

Per: MM
Name: Marco Marrone
Title: Chief Executive Officer

I have authority to bind the corporation.

TYKOLIS REAL ESTATE GROUP LTD.

Per: ______________________
Name:
Title:

Per: ______________________
Name:
Title:

I/We have authority to bind the corporation.

Schedule A – Additional Terms and Conditions

1. **Interest**

(a) Interest is calculated monthly not in advance and payable monthly in arrears on the principal outstanding amount of the Loan commencing as of the applicable Funding Date and continuing both before and after maturity, default and judgment.

(b) Arrears of interest and any other amounts not paid when due bear interest at the Interest Rate and are calculated and paid in the same way as interest accruing on the principal amount of the Loan.

(c) In the event that any provision of this Commitment Letter would oblige Borrower to make any payment of interest or any other payment that is construed by a court of competent jurisdiction to be interest in an amount or calculated at a rate that would be prohibited by law or would result in a receipt by Lender of interest at a criminal rate (as such terms are construed under the *Criminal Code* (Canada)), then notwithstanding such provision, such amount or rate shall be deemed to have been adjusted *nunc pro tunc* to the maximum aggregate Loan amount or rate of interest, as the case may be, as would not be so prohibited by law or so result in a receipt by the Lender of interest at a criminal rate, such adjustment to be effected, to the extent necessary, (i) firstly, by reducing the amount or rate of interest otherwise required to be paid and (ii) thereafter, by reducing any fees, commissions, premiums and other amounts that would constitute interest for the purposes of section 347 of the *Criminal Code* (Canada). If, notwithstanding the provisions of this Section and after giving effect to all adjustments contemplated thereby, the Lender shall have received an amount in excess of the maximum permitted by the *Criminal Code* (Canada), then such excess shall be applied by the Lender to the reduction of the principal balance of the Loan outstanding and not to the payment of interest or if such excessive interest exceeds such principal balance, such excess shall be refunded to Borrower. Any amount or rate of interest referred to in this Section shall be determined in accordance with generally accepted actuarial practices and principles at an effective annual rate of interest over the term of this Commitment Letter on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be prorated over that period of time and otherwise be prorated over the terms of this Commitment Letter and, in the event of dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Lender shall be conclusive for the purposes of such determination.

(d) Unless otherwise stated, wherever in this Commitment Letter reference is made to a rate of interest "per annum" or a similar expression is used, such interest will be calculated on the basis of a calendar year of 365 days or 366 days, as the case may be, and using the nominal rate method of calculation, and will not be calculated using the effective rate method of calculation or on any other basis that gives effect to the principle of deemed re-investment of interest.

(e) For the purposes of the *Interest Act* (Canada) and disclosure under such act, whenever interest to be paid under this Commitment Letter is to be calculated on the basis of a year of 365 or 366 days or any other period of time that is less than a calendar year, the yearly rate of interest to which the rate determined pursuant to such calculation is equivalent is the rate so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by 365 or 366 or such other period of time, as the case may be.

2. **Costs and Expenses** – The Borrower shall pay all costs and expenses (including without limitation all reasonable travel expenses, legal fees and disbursements) incurred by or on behalf of the Lender in respect of the Loan, including without limitation, financial, facilitation and other advisory fees and disbursements and out-of-pocket expenses of the Lender in connection with the Loan contemplated herein including, but not limited to, all fees incurred by the Lender in connection with the preparation, negotiation, execution and delivery (and registration where relevant) of the Commitment Letter, the Security and all other agreements and documentation delivered in connection with the Loan (collectively, the "**Loan Documents**") and in connection with the assessment enforcement and preservation of the Lender's rights and remedies hereunder and thereunder, all appraisals, due diligence, insurance consultations and similar fees and all other fees and disbursements of the Lender in connection herewith, whether or not any funds are advanced under the Commitment Letter. If the Lender has paid any expense for which pursuant to the provisions of the Commitment Letter or any of the other Loan Documents, the Lender is entitled to reimbursement from the Borrower, such expense shall be payable by the Borrower within fifteen (15) days following demand for payment being provided by the Lender to the Borrower and in the event that the Borrower does not pay such amount to the Lender within fifteen (15) day period, interest shall accrue on such expense owing by the Borrower to the Lender at the Interest Rate. All such fees and expenses shall be secured by the Security, whether or not the Loan is advanced and shall include the time spent by the Lender and its representatives in retaking, holding, repairing, processing and preparing for disposition and disposing of the Security calculated at the Lender's standard rates in effect at such applicable time and established by the Lender in its sole discretion for internal personnel of the Lender.

3. **Counterparts and Facsimile Signature** – The Commitment Letter and any amendment, modification or supplement may be executed in any number of counterparts and by original signature, electronic signature, PDF electronic transmission or any other electronic means of communication acceptable to the Lender, each of which is deemed to be an original and all of which taken together shall constitute one and the same instrument.

4. **Disbursement** – Once all conditions precedent to the advance of the Loan shall be completed and/or fulfilled to the satisfaction of the Lender in its sole discretion, the Loan will be disbursed to the Lender's solicitors for disbursement to the Borrower or as the Borrower may direct in writing. The Lender may withhold disbursement or any non-disbursed balance of the Loan, if any, if, in the Lender's opinion, a material adverse change has occurred. For the purposes of this Commitment Letter, a "**Material Adverse Change**" means a material adverse change to (i) the business, property, condition (financial or otherwise) or results of operations of the Borrower, the Guarantors or any of them (ii) the ability of the Borrower, the Guarantors or any of them, to perform their obligations under the Commitment Letter and the other Loan Documents, or (iii) the validity or enforceability of the Commitment Letter or any of the other Loan Documents or the rights or remedies of the Lender hereunder or thereunder. Neither the execution nor delivery of the Commitment Letter nor the advance of funds binds the Lender to make any advance or further advance of the Loan.

5. **Application of Payments** - All payments will be applied in the following order: (i) prepayment indemnity (if applicable); (ii) protective disbursements (including any insurance premium payments); (iii) payment arrears, in the following order: (a) transaction/structuring fees, (b) costs and expenses in accordance with the Loan Documents, (c) interest and (d) principal; (iv) current balances, in the following order: (a) transaction/structuring fees, (b) costs and expenses in accordance with the Loan Documents, (c) interest and (d) principal; and (v) other amounts due

and payable. Other than regular payments of principal and interest the Lender may apply any monies received by it, before or after default, to any debt the Borrower may owe the Lender under the Commitment Letter or any other Loan Document and the Lender may change those applications from time to time. Notwithstanding anything to the contrary herein, any partial or late payments shall be applied against any part of the indebtedness owing hereunder by the Borrower to the Lender as the Lender may see fit in its sole and absolute discretion and the Lender shall at all times and from time to time have the right to change any application of any late or partial payment received by it and to re-apply the same on any part or parts of such indebtedness as the Lender may see fit in its sole and absolute discretion, notwithstanding any previous application.

6. **Defaults** – Any of the following events constitutes an event of default (each an "**Event of Default**"):

- a failure by the Borrower, the Guarantors or any of them to make any payment to the Lender when due whether such payment arises under this Commitment Letter, any of the Security or any other agreement between the Borrower, the Guarantors or any of them and the Lender; or
- a breach by the Borrower, the Guarantors or any of them of any of the terms of this Commitment Letter (including, but not limited to, the covenant set out in Section 13(k)), any of the Security or any other agreement between the Borrower, the Guarantors or any of them and the Lender; or
- a breach by the Borrower, the Guarantors or any of them of any of the terms under any agreement, document, or instrument relating to any indebtedness for borrowed money owing to any person other than the Lender in connection with any direct or indirect borrowing, guarantee, charge, security, letter of credit, indemnity or any other type of instrument in favour of any person other than the Lender, which default continues for more than the applicable cure period, if any; or
- a failure by the Borrower, the Guarantors or any of them to make any payment of any material amount of indebtedness to any other creditor, when due thereby enabling such creditor to demand payment of such indebtedness; or
- a breach by the Borrower, the Guarantors or any of them of any of the terms or obligations under any contract in respect of the Property, or other agreement in respect of the business operations of the Borrower, the Guarantors or any of them, provided such breach has not been waived, or, if capable of being remedied, has not been remedied the applicable cure period, if any; or
- a transfer, sale or change in legal or beneficial interest in the properties and assets of the Borrower, the Guarantors or any of them, including, without limitation, the Property or any part thereof, or further encumbering of any of the properties and assets of the Borrower, the Guarantors or any of them, including, without limitation, the Property; or
- any representation or warranty made by the Borrower, the Guarantors or any of them to the Lender whether contained in the Loan Documents or otherwise is untrue or ceases to be true in any material respect; or
- the Borrower, the Guarantors or any of them becomes bankrupt or insolvent or commits an act of bankruptcy, or institutes any proceeding or takes any corporate action or executes any agreement or notice of intention to authorize its participation in or the

commencement of any proceeding, or any proceeding is commenced against the Borrower, the Guarantors or any of them:

(i) seeking to adjudicate it a bankrupt or insolvent;

(ii) seeking liquidation, dissolution, winding up, restructuring, reorganization, arrangement, protection, relief or composition of it or any of its property or debt or making a proposal with respect to it under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or other similar laws (including, without limitation, under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies Creditors Arrangement Act* or any reorganization, arrangement or compromise of debt under the laws of its jurisdiction of incorporation or organization); or

(iii) seeking appointment of a receiver, liquidator, trustee, agent, custodian or other similar official for it or for any part of its properties and assets, including the Property or any part thereof; or

- a receiver, trustee, custodian or other similar official is appointed in respect of the Borrower, the Guarantors or any of them or for any part of its property and assets including without limitation the Property; or
- any person holding a security interest, charge, lien, hypothec or other encumbrance in respect of any of the property and assets of the Borrower, the Guarantors or any of them takes possession of all or any part of such property and assets, or a distress, execution, sequestration or other similar process is levied against all or any material part of the property and assets of the Borrower, the Guarantors or any of them, including, without limitation, the Property; or
- the Borrower, the Guarantors or any of them ceases or threatens to cease to carry on all or a substantial part of its business; or
- the Borrower, the Guarantors or any of them challenges the validity or enforceability of any of the Loan Documents or any of the Loan Documents shall cease to be in full force and effect; or
- there occurs any Material Adverse Change; or
- any judgment or award is made against the Borrower, the Guarantors or any of them in excess of $100,000 in respect of which there is not an appeal or proceeding for review being diligently pursued in good faith and in respect of which adequate provision has been made on the books of the Borrower or the Guarantor, as applicable; or
- there is a Change of Control of the Borrower, the Guarantors or any of them without the prior consent of the Lender. For the purposes of this Commitment Letter a "**Change of Control**" means the acquisition in any manner of the voting shares in the Borrower or either of the Guarantors, as applicable, representing more than 50% of the total issued and outstanding voting shares in the Borrower or either of the Guarantors, as applicable, (or such lesser amount as may be required to obtain effective voting control of the Borrower or either of the Guarantors, as applicable) by any person other than the current shareholders of the Borrower or either of the Guarantors, as applicable; or
- if the Lender in good faith believes and has commercially reasonable grounds to believe that the prospect of payment or performance of the all or any indebtedness, liabilities and other obligations of the Borrower, the Guarantors or any of them to the Lender hereunder

or under the Loan Documents or any other document delivered pursuant to, or arising from dealings between the Lender and any other person contemplated by this Commitment Letter, whether actual or contingent, direct or indirect, matured or not, now existing or arising hereafter is or is about to be materially impaired or that the Lender's security over the assets of the Borrower the Borrower, the Guarantors or any of them is or is about to be placed in jeopardy; or

- there is a default or an event of default as defined in the Lender's standard form Security.

7. **Remedies** – Upon the occurrence of an Event of Default, in addition to any other rights and remedies available pursuant to any Loan Document, the Loan (together with all accrued and unpaid interest, costs and other amounts payable to the Lender) will, at the option of the Lender become immediately due and payable and the Security will become enforceable, and the Lender may, personally or by agent, at such time or times as the Lender in its discretion may determine, do any one or more of the following:

(a) exercise all of the rights and remedies granted to secured parties under the *Personal Property Security Act* (Ontario) ("**PPSA**") and any other applicable statute, or otherwise available to the Lender at law or in equity;

(b) demand possession of any or all of the property and assets of the Borrower, the Guarantors or any of them, subject to the security interests, charges, hypothecs, liens and encumbrances arising pursuant to the Security (all such property and assets being collectively, the "**Collateral**") including the Property;

(c) enter the Property and any other premises of the Borrower, the Guarantors or any of them and take possession of, disable or remove all or any part of the Collateral in accordance with applicable law;

(d) carry on, or concur in the carrying on of, any or all of the business or undertaking of the Borrower, the Guarantors or any of them (or refrain from doing so) and enter on, occupy and use (without charge by the Borrower or the Guarantors or any of them) any of the premises, buildings, plant and undertaking of, or occupied or used by, the Borrower, the Guarantors or any of them;

(e) seize, collect, receive, enforce or otherwise deal with any Collateral in such manner, on such terms and conditions and at such times as the Lender deems advisable;

(f) prepare the Collateral for sale, lease, assignment or other disposition, realize on any or all of the Collateral and sell, lease, assign, give options to purchase, or otherwise dispose of (or concur in its sale, lease, assignment or other disposition) and deliver any or all of the Collateral (or contract to do any of the above), in one or more parcels at any public or private sale, at any exchange, broker's board or office of the Lender or elsewhere, on such terms and conditions as the Lender may deem advisable and at such prices as it may deem best, for cash or on credit or for future delivery. The Lender may make any sale, lease, assignment or other disposition of the Collateral in the name of and on behalf of the Borrower, the Guarantors or any of them, or otherwise;

(g) apply to a court of competent jurisdiction for the sale or foreclosure of any or all of the Collateral;

(h) at any public sale, and to the extent permitted by law on any private sale, bid for and purchase any or all of the Collateral offered for sale and, upon compliance with the terms of such sale, hold, retain and dispose of such property and assets without any further accountability to the Borrower, the Guarantors or any other person with respect to such holding, retention or disposition, except as required by applicable law. In any such sale to the Lender, the Lender may, for the purpose of making payment for all or any part of the Collateral so purchased, use any claim for any liabilities, obligations and indebtedness then due and payable to the Lender as a credit against the purchase price;

(j) appoint by instrument in writing one or more receivers of the Borrower, the Guarantors or any of them, or any or all of the Collateral with such rights, powers and authority (including any or all of the rights, powers and authority of the Lender under this Commitment Letter and any of the Security) as may be provided for in the instrument of appointment or any supplemental instrument, and remove and replace any such receiver from time to time. To the extent permitted by applicable law, any receiver appointed by the Lender will (for purposes relating to responsibility for the receiver's acts or omissions) be considered to be the agent of the Borrower, the Guarantors or any of them, as the case may be, and not of the Lender; provided that without restricting the generality of the foregoing, the Borrower and the Guarantors irrevocably authorize the Lender to give instructions to the receiver relating to the performance of its duties. The Lender may from time to time fix the receiver's remuneration and the Borrower shall reimburse the Lender for the amount of such remuneration. The Lender shall not be liable to the Borrower, the Guarantors or any other person for appointing or not appointing a receiver or in connection with the receiver's acts or omissions; or

(k) apply to a court of competent jurisdiction for the appointment of a receiver for the Borrower, the Guarantors or any of them, or of any or all of the Collateral.

The Lender may exercise any or all of the foregoing rights and remedies without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except as required by applicable law or as required pursuant to the Loan Documents) to or on the Borrower, the Guarantors or any other person, and the Borrower for itself and each of the Guarantor for itself hereby waive each such demand, presentment, protest, advertisement and notice to the extent permitted by applicable law. None of the above rights or remedies will be exclusive of or dependent on or merge in any other right or remedy, and one or more of such rights and remedies may be exercised independently or in combination from time to time.

8. **Authorization to Obtain Information** – The Borrower and the Guarantors authorize the Lender, from time to time, to obtain credit, compliance, account status and other information about it and its business from any financial institution, credit reporting or rating agency, credit bureau, governmental department, body or authority or utilities (e.g. hydro, natural gas).

9. **Notices** - The Lender may give the Borrower and the Guarantors written notice in person or by a letter sent by facsimile, by registered mail or PDF electronic transmission to the address of the Borrower or the Guarantor, as applicable, set forth on the first page of the Commitment Letter or such other address as the Borrower and the Guarantors advise the Lender of in writing.

10. **Right of the Lender to Conduct Investment Activity** – The Borrower and the Guarantors hereby acknowledge that the Lender and its affiliates may invest in numerous companies, partnerships and other commercial ventures, some of which may be competitive either directly or indirectly with the Borrower's or the Guarantors' businesses (each a "**Competitor**"). Neither the Lender, its affiliates nor any of their respective directors, officers or agents shall be liable to the Borrower or the Guarantors for any claim arising out of, or based on any investment by the Lender (or its affiliates) in any Competitor.

11. **Confidentiality** - Prior to the First Funding Date, the Borrower and the Guarantors may not disclose the existence or any details of this Commitment Letter or the transactions contemplated by it to any party other than their directors, officers, affiliates, employees and advisors who have a need to know and who have agreed to maintain such information in confidence.

12. **Publicity** – Upon the First Funding Date, the Lender, the Borrower and the Guarantors may make reasonable disclosure of the transaction with the consent of the others, which consent may not be unreasonably withheld. The Borrower and the Guarantors consent to the disclosure of the transaction to the Lender's shareholders to the extent required by law or in a manner consistent with the Lender's past practice.

13. **Covenants:**

(a) Perform Obligations: Each of the Borrower and the Guarantors shall fully observe and perform its obligations under this Commitment Letter, the Security Documents and all other agreements and documentation delivered hereunder, including, without limitation, duly and punctually paying all amounts payable by the Borrower and the Guarantors.

(b) Corporate Existence: Each of the Borrower and the Guarantors shall at all times maintain in good standing its corporate existence under the laws of its jurisdiction of incorporation and qualify and remain duly qualified to do business and own property in each jurisdiction in which such qualification is necessary in order to carry on its business and operations. The Guarantors will be permitted to amalgamate with the prior written consent of the Lender and provided the Lender shall receive all opinions, agreements, documents and registrations it requires to be satisfied with its Security.

(c) Compliance with Law: The Borrower and the Guarantors shall comply, in all respects, with all Applicable Laws.

(d) Material Adverse Change: Each of the Borrower and the Guarantors will provide the Lender with prompt written notice and all records, statements or other evidence of any material adverse change in its financial condition and of any matter, act or thing materially adversely affecting its property or assets, its interest therein or of any material loss, destruction, damage of or to any property referred to in or charged by any of the Security Documents.

(e) Inspection: Each of the Borrower and the Guarantors shall permit the Lender and all other Persons designated by the Lender to visit and inspect its properties and assets during normal business hours upon twenty-four (24) hours prior notice given to them and to examine and make copies of all books and records relating to its properties and assets and shall ensure that the Lender and each such person has free and unrestricted access to its property and assets and every part thereof and to such books and records, and that the Lender and each such person will be provided with such information and data relating to its properties and assets as the Lender or such Person may reasonably request.

(f) Further Assurances: At any and all times the Borrower and the Guarantors will do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, transfers and assurances as the Lender shall require for the purpose of giving, clarifying, perfecting and dealing with conflicting claims thereto, the validity, legality or enforceability of the mortgages, hypothecs, charges or security of the nature herein specified upon all property intended to be secured by the Security Documents and for the better assuring, conveying, mortgaging, hypothecating, assigning, confirming, pledging, charging and transferring unto the Lender all the hereditaments and premises, estates and property mortgaged, hypothecated, pledged and charged under the Security Documents, or transferred, or intended to be or which the Borrower and the Guarantors may hereafter become bound to mortgage, hypothecate, pledge or charge or transfer in favour of the Lender and all choses in action and other intangibles to be secured in favour of the Lender hereunder.

(g) Condition of Properties: Each of the Borrower and the Guarantors will keep or cause to be kept all of its properties and assets in good mechanical condition, repair and appearance subject to normal wear and tear.

(h) Statutory Claims, etc.: The Borrower and the Guarantors shall remit and pay when due, all statutory liens, trust and other Crown claims, any and all rents payable, periodic payments owing to prior secured creditors (if any) and any and all statutory priority claims (including without limitation, employee claims, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions payable to Canada Revenue Agency (i.e., income tax, pension plan contributions, employment insurance premiums, etc.) when due and payable and shall provide the Lender with proof of such payment and remittance, satisfactory to the Lender, within 15 days of the due date thereof, such proof to include, where applicable, copies of correspondence to and from Canada Revenue Agency together with cheque stubs and cancelled cheques (once received). The Borrower and the Guarantors consent to the Lender contacting any persons, including governmental agencies, necessary to confirm payment of same and agrees to sign any such further instruments, documents and take such further action as may be required to give effect to such consent.

(i) Payment of Obligations: Each of the Borrower and the Guarantors shall pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its debts and liabilities of whatever nature, except when the amount or validity thereof is being contested and adequate reserves with respect thereto are maintained by the Borrower or the Guarantors, as the case may be, in accordance with the International Financial Reporting Standards in effect from time to time, applied on a consistent basis, and statements and interpretations (if applicable) issued by the IFRS Foundation and the International Accounting Standards Board or any successor body ("**IFRS**").

(j) Maintenance of Existence and Conduct of Business: Each of the Borrower and the Guarantors shall preserve and keep in full force and effect its corporate existence; make all governmental and regulatory filings promptly; engage primarily in business of the same nature as now carried on by it; carry on and conduct its business in a proper, efficient and businesslike manner, in accordance with good business practises; take all reasonable action to obtain and maintain in full force and effect all rights, privileges, franchises and Permits (as hereinafter defined) necessary or desirable in the conduct of its business; and comply with all contractual obligations and applicable laws except to the extent that the failure to comply therewith would not, in the aggregate, cause or have a reasonable possibility of causing a Material Adverse Change.

(k) Prohibition of US Funds: None of the Borrower and the Guarantors shall permit any funds from the United States of America to flow into the Borrower or the Guarantors. Each of the Borrower and the Guarantors agree to deliver within 14 days of the First

Funding Date, an amendment to this Commitment Letter satisfactory to the Lender clarifying this covenant.

(l) Notice: Each of the Borrower and the Guarantors shall give written notice of each of the following events to the Lender promptly upon becoming aware of any such event:

(A) any Default or Event of Default;

(B) any default or event of default under any of its contractual obligations or any litigation, investigation or proceeding which may exist at any time involving the Borrower, the Guarantors or any of its affiliates or subsidiaries and any person, including, but not limited to, any governmental authority;

(C) any litigation or proceeding affecting it or any of its subsidiaries in which the portion of the alleged damages not fully covered by insurance is more than $50,000 Cdn. (or an equivalent amount in any other currencies) or in which any injunctive or similar relief is sought; and

(D) any event which has caused, or which has a reasonable possibility of causing, a Material Adverse Change.

(m) Proposal: The Borrower and the Guarantors shall provide the Lender with at least ten (10) Business Days prior written notice of any proposal or of any Notice of Intention to Make a Proposal to Creditors or of any intention to make a filing under the *Companies' Creditors Arrangement Act* or similar legislation for effecting a compromise of claims of creditors or under any legislation which provides for a stay of proceedings by creditors.

(n) Insurance - The Borrower and the Guarantors shall keep all assets insured for physical damages and losses on an all risk basis for their full insurable value and containing such other terms and with such deductible as may be acceptable to the Lender. The Lender reserves the right to request a certified copy of the policies. The policies shall name the Lender as first mortgagee (as applicable) and first loss payee and include a standard mortgage clause applicable to the Borrower's particular coverage. As further security the Borrower and the Guarantors shall assign all insurance proceeds to the Lender. The Borrower and the Guarantors shall notify the Lender immediately of any loss or damage to the property of the Borrower and the Guarantors. If the Borrower and the Guarantors do not maintain insurance as required the Lender may purchase insurance to protect its own interest and the Borrower shall pay the premiums.

(o) No Merger - Business Combination – Neither the Borrower nor the Guarantors shall merge, amalgamate, acquire, pledge assets or enter into any other business combination with any other entity, nor shall it enter into a sale of its business or any of its assets, nor create an affiliated company, nor grant any operating license, without the Lender's prior written consent.

(p) Further Mortgaging: The Borrower and the Guarantors will not place or secure any debt in addition to the Loan against any of their properties or assets, nor create, assume or permit to exist any mortgage, charge, hypothec, pledge, lien or other encumbrance or security interest with respect to any of their properties or assets, without the prior written consent of the Lender, which consent may not be unreasonably withheld.

(q) Transfer: Other than in the ordinary course of business, the Borrower and the Guarantors shall not dispose of or transfer by way of sale, conveyance, assignment, mortgage, charge, security interest or otherwise or relocate, their undertaking, properties or assets or any part thereof or any of their interest therein or any part thereof, without the prior written consent of the Lender.

(r) Purchase of Assets/Shares Restricted: For as long as there is any indebtedness of the Borrower owing to the Lender and unless the prior written consent of the Lender is obtained, which consent may not be unreasonably withheld, the Borrower and the Guarantors shall not purchase any assets from or shares of any person.

(s) Making of Loans and Investments Restricted: The Borrower and the Guarantors shall not make any loans to or investments in any person, except with the prior written consent of the Lender, which consent may not be unreasonably withheld.

(t) Further Indebtedness: Except for fees and other amounts owing pursuant to this Commitment Letter and the Security Documents, the Borrower and the Guarantors shall not incur any indebtedness, except trade debt in the ordinary course of business which, for greater certainty, excludes indebtedness for borrowed money.

(u) No Guarantees: The Borrower and the Guarantors (other than as provided in this Commitment Letter) shall not guarantee the obligations of any person other than to the Lender without the prior written consent of the Lender, which consent may not be unreasonably withheld.

(v) Payments to Non-Arm's Length Persons: The Borrower and the Guarantors shall not advance to or repay any amounts owing to any affiliate, subsidiary, parent corporation, other non-arm's length person or any shareholder of any of them, except for (A) salaries, overtime and commission in amounts or calculated on a basis agreed to by the Lender in writing, (B) a consulting fee not exceeding $50,000 for the 2020 fiscal year and (C) reimbursement of reasonable expenses incurred in the ordinary course of business, provided that expenses greater than $10,000 individually and expenses greater than $50,000 in aggregate per annum must be consented to by the Lender in writing. Notwithstanding the foregoing, provided that at the time of any such payment, there has been no demand by the Lender and no Event of Default has occurred and the making of such payment will not cause an Event of Default, the Borrower may make the following payments (collectively, the "**Permitted Payments**"):

(i) scheduled monthly payments of interest only to:

(A) GN Ventures Ltd. at a rate of 6% per annum on the maximum outstanding principal amount of $5,255,621.26; and

(B) Marianne Tykolis-Casey at a rate of 14% per annum on the maximum outstanding principal amount of $50,000 plus accrued interest which, as of December 31, 2019, is $18,583;

(ii) provided further that GN Ventures Ltd. has from the First Funding Date provided the Lender continuous, uninterrupted view only access to its bank accounts, payments of principal to GN Ventures Ltd. with prior written notice to the Lender of not less than two Business Days;

(iii) payments of principal to Marianne Tykolis-Casey with the prior written consent of the Lender, such consent not to be unreasonably withheld; and

(iv) payments to Trigon Construction in respect of ongoing construction, alterations and improvements to the Property, in the ordinary course of business upon fair and reasonable terms no less favourable to it than it would obtain in a comparable arm's-length transaction and disclosed to the Lender.

(w) Restricted Payments: Save and except the Permitted Payments, the Borrower and the Guarantors shall not make any payment to any person (i) of any dividends, withdrawals of capital or other payments of any kind on or in respect of any shares of its capital, (ii) on account of, or for the purpose of setting apart any property for a sinking or other analogous fund for, the purchase, redemption, retirement or other acquisition of any shares of its capital or any warrants, options or rights to acquire any such shares, or the making by such persons of any other distribution in respect of any shares of its capital, (iii) of any principal of or interest or premium on or of any amount in respect of any debt or liability of any creditor that has subordinated and/or postponed its debt and/or its security to the Lender, (iv) of any principal of or interest or premium on or of any amount in respect of a sinking or analogous fund or defeasance fund for any debt or liability of such person ranking in right of payment subordinate to any liability of such person under the Security Documents, (v) in respect of an investment, or (vi) of any management, consulting or similar fee or any bonus payment or comparable payment, or by way of gift or other gratuity, to any affiliate of such person or to any shareholder, director or officer thereof.

(x) Shareholders: Sell/Transfer - Change in Capital Structure – Unless the prior written consent of the Lender is obtained, which consent will not be unreasonably withheld, the Borrower and the Guarantors shall not in any way, permit or consent to any change in its capital structure or change the effective voting control (by contractual or other means).

(y) No Change in Name: The Borrower shall not change its names without the prior written consent of the Lender which consent will not be unreasonably withheld.

(z) Access to Information - The Borrower and the Guarantors shall provide the Lender with full, complete and unfettered access to all financial records and such other information concerning the Borrower and the Guarantors and their respective business and commercial prospects as the Lender may reasonably require. In addition to the reporting requirements set out in this Commitment Letter, the Lender may commission the opinion of another independent expert, at the cost and expense of the Borrower, in cases where the Lender deems it appropriate.

(aa) Reporting – Throughout the term of the Loan and for so long as any amount remains owing by the Borrower to the Lender, the Borrower and Guarantors shall provide to the Lender (or cause to be provided to the Lender) the following documentation:

(i) weekly bank statements in respect of GN Ventures Ltd.;

(ii) monthly bank statements in respect of the Borrower;

(iii) proof of payment of all municipal and property taxes payable in respect of the Property within 15 days from the due dates of the payments. In case of delayed payment of property taxes / occurrence of non payment of property taxes, the

Lender reserves the right to collect from the Borrower pro-rata property taxes on a monthly basis and maintain a tax reserve account for the taxes payable in respect of the Property;

(iv) proof of payment of all Priority Payables within 15 days of their respective due dates of the payments;

(v) monthly management prepared consolidated and unconsolidated financial statements for the Borrower and Guarantors are to be provided within 30 days of each month end of the Borrower and Guarantors, including accounts receivable and account payable statements, signed by an authorized officer of the Borrower and Guarantors, acceptable to the Lender together with a covenant compliance certificate;

(vi) annual management prepared consolidated and unconsolidated financial statements for the Borrower and Guarantors are to be provided within 45 days of the fiscal year end of the Borrower and Guarantors, including accounts receivable and account payable statements, signed by an authorized officer of the Borrower and Guarantors, acceptable to the Lender together with a covenant compliance certificate;

(i) annual consolidated and unconsolidated audited financial statements for the Borrower and Guarantors are to be provided within 150 days of the fiscal year end of the Borrower and Guarantors, signed by an authorized officer of the Borrower and Guarantors, acceptable to the Lender together with a covenant compliance certificate; and

(ii) such other financial information as the Lender may reasonably request from time to time.

(bb) Proof of Governmental Remittances - The Borrower and Guarantors shall confirm, on demand by the Lender, proof of payment of Priority Payables and any amounts owing by it to any government agency by delivering documentation prepared by the Borrower's and the Guarantor's accountant which is to be forwarded to the Lender along with the Borrower's and Guarantors' annual financial statements. The Borrower and the Guarantors also agree to sign a standard consent form enabling the Lender to inquire as to the status of these remittances.

14. **Financial Covenants** – The Borrower shall maintain a Net Tangible Assets of not less than $2 million, tested monthly.

"**Net Tangible Assets**" shall mean current assets (including, but not limited to, inventory), plus the book value of property, plant and equipment, minus all liabilities. For purposes of greater clarity: (i) inventory shall be based on actual costs and not valuation adjustments, (ii) liabilities shall include, but not be limited to, accounts payable and shall exclude subordinated debt and (iii) subordinated debt shall include, but not be limited to, accrued interest owing to Gray Jay Estates Inc.

15. **Environmental Matters** – In relation to the business, assets and projects of the Borrowers and the Guarantors: each of the Borrowers and the Guarantors is operating and will continue to operate in conformity with all environmental laws; each of the Borrowers and the Guarantors will ensure that all of its property and assets (including the Property) comply with existing legislation and will remain free of any environmental problem; the Borrower and the Guarantors will inform the Lender immediately upon becoming aware of any environmental problem or issue and will provide the Lender with copies of all communications with environmental authorities and all studies or assessments prepared on the behalf the Borrowers or the Guarantors, all as soon as received by the Borrowers or the Guarantors, as the case may be; each of the Borrowers and the Guarantors also agrees to pay the cost of any external environmental consultant engaged by the Lender to effect an environmental audit and the cost of any environmental rehabilitation, removal or repair necessary to protect, preserve or remediate the assets, including any fine or penalty the Lender is obligated to incur by reason of any statute, order or directive by a competent authority. For the purposes of this Commitment Letter, an "environmental problem" means an act of non-compliance to a law, regulation, etc or soil and/or underground water that contains one or many pollutants (contaminants) in levels of concentration that exceed parameters or norms applicable for the present use and intended use of any land including the Property.

16. **Representations and Warranties** - To induce the Lender to make the Loan, the Borrower and the Guarantors represent and warrant to the Lender as follows:

(a) Each of the Borrower and the Guarantors is a corporation duly organized and validly existing under its jurisdiction of formation, has full corporate power and authority to own its property and conduct its business as presently owned and conducted.

(b) Each of the Borrower and the Guarantors has full corporate power and authority to enter into and perform its obligations under each of the Loan Documents to which it is a party and has full corporate power and authority to own and operate its property and assets including without limitation the Collateral and to carry on its business as now conducted and as presently proposed to be conducted.

(c) None of the Borrower or the Guarantors is insolvent, bankrupt or proceeding with a winding up, whether voluntary or involuntary.

(d) The execution and delivery by each of the Borrower and the Guarantors of each of the Loan Documents to which it is a party, the performance by each of the Borrower and the Guarantors of its obligations thereunder and hereunder and compliance with the provisions thereof and hereof do not and will not conflict with or result in a breach (whether with notice or lapse of time or both) of (i) any of the terms, conditions or provisions of its charter documents, by-laws or any law applicable to it or to any of the Collateral, (ii) any agreement or instrument to which it is a party or by which any of the Collateral is bound or affected, (iii) any writ, judgment, injunction, determination or award applicable to it, or by which any of its properties or assets including any of the Collateral is bound or affected.

(e) The execution and delivery by each of the Borrower and the Guarantors of each of the Loan Documents to which it is a party, the performance by each of the Borrower and the Guarantors of its obligations thereunder and hereunder and compliance with the provisions thereof and hereof do not constitute a default under, or permit the termination of, or cause any material right to be adversely affected under any agreement, arrangement, instrument or understanding to which it is a party or by which any of its properties or assets including any of the Collateral is bound or affected.

(f) This Commitment Letter and the other Loan Documents have each been duly executed and delivered by each of the Borrower and the Guarantors, as applicable, and constitute legal, valid and binding obligations enforceable against the Borrower and the Guarantors, as applicable, in accordance with their respective terms (except as such enforcement may be subject to any applicable bankruptcy, insolvency or similar laws generally affecting the enforcement of creditors rights and the judgment exercisable by the courts in granting orders of specific performance and other equitable remedies).

(g) There are no actions, suits or proceedings pending or threatened, at law or in equity or before any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, or before any arbitrator or mediator of any kind, which involve a reasonable possibility of any material adverse change in the financial condition of the Borrower or the Guarantors and none of the Borrower or the Guarantors are in default with respect to any judgment, order, writ, injunction, decree, rule or regulation of any court, arbitrator or mediator or federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign.

(h) All information, data and reports (financial or otherwise) furnished by or on behalf of the Borrower and the Guarantors to induce the Lender to enter into this Commitment Letter were true, accurate and complete in all material respects at the time that they were furnished to the Lender and continue to be true as of the date hereof.

(i) None of the representations and warranties made herein and no document furnished by or on behalf of the Borrower or the Guarantors to the Lender in connection with the transactions contemplated herein contain any untrue statement of a material fact or omit to state any material fact necessary to make any such statement or representation not misleading to the Lender and there are no facts directly relating to the Borrower or the Guarantors, not disclosed herein or otherwise disclosed in writing to the Lender which, if known to the Lender, might reasonably be expected to deter the Lender from completing the transactions contemplated in this Commitment Letter.

(j) There has been no assignment, sale, transfer, conveyance, mortgage, charge, pledge or hypothecation, absolute or contingent, direct or indirect, of the whole or any part of the Borrower's or the Guarantors' rights, title and interest in any of their respective properties or assets.

(k) The entering into of this Commitment Letter and all documents referred to herein or contemplated hereby do not require any consent, approval or authorization of any other person.

(l) Each of the Borrowers and the Guarantors is maintaining the insurance required herewith in full force and effect.

(m) The financial statements of the Borrower and the Guarantors which have been furnished to the Lender pursuant to this Commitment Letter or in connection with the Borrower's request for credit, present fairly the financial condition of the Borrower and the Guarantors and have been prepared in accordance with IFRS consistently applied and there has been no material adverse change in the financial condition of the Borrower or the Guarantors since the date of such statements. The Borrower and the Guarantors do not have any liability (contingent or otherwise) or other obligations for the payment of money of the type required to be disclosed in accordance with IFRS which are not disclosed on such financial statements.

(n) Each of the Borrowers and the Guarantors owns and has all right, title and interest in and to all of its assets, machinery, equipment including, but not limited to, the Equipment, and has the authority to grant security therein to the Lender free of all security interests, mortgages, liens, claims, charges or other encumbrances in favour of any other person other than Gray Jay Estates Inc. in respect of the Borrower.

(o) Any and all rents payable, periodic payments owing to prior secured creditors (if any) and any and all statutory priority claims (including, without limitation, goods and service tax, harmonized sales tax, provincial retail sales tax, workers' compensation remittances, employee source deductions payable to Canada Revenue Agency (i.e., income tax, pension plan contributions, and employment insurance premiums, etc.) have been paid in full and/or set aside for remittance when due (as the case may be) as of the date hereof.

(p) Each of the Borrowers and the Guarantors has filed all tax returns which are required to be filed by it, and has paid when required by applicable law all taxes (if any) which have become due as shown on such returns or on any assessment received by it; the income tax liability of the Borrower, the Guarantors and their respective subsidiaries has been assessed for all financial years to and including the financial year included in the most recent financial statements of the Borrower and the Guarantors delivered to the Lender; and there is no material outstanding matter of dispute or difference between any of the Borrower, the Guarantors, or their respective subsidiaries and any federal, provincial, state, territorial or municipal taxing authority, agency or department.

(q) The Borrower, the Guarantors and their respective subsidiaries hold in good standing all permits, licences, approvals, franchises, rights-of-way, easements and entitlements (collectively, "**Permits**") which they require, or is required by applicable law, to hold, own, lease, license or use the property included in the business carried on by them and to carry on such business, except for such Permits the absence of which do not affect them or their rights to carry on business in such jurisdiction and, have not had, and which do not have a reasonable possibility of having, a Material Adverse Change.

July 21, 2022

9869247 Canada Limited
2818 House Road
Stevensville, Ontario L0S 1S0

Attn: Brigitte Simons and Marco Marrone

Re: NE SPC II LP (the "**Lender**") loan to 9869247 Canada Limited (the "**Borrower**") and guaranteed by GN Ventures Ltd. (the "**Guarantor**") pursuant to a commitment letter dated January 23, 2020, as amended by letter agreements dated July 21, 2021, October 15, 2021, January 7, 2022 and February 1, 2022 (collectively, the "**Credit Agreement**")

Reference is made to the Credit Agreement and all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement. We confirm our mutual agreement as follows:

1. Effective February 28, 2022, the Credit Agreement is amended by extending the Maturity Date to the earlier of demand by the Lender and June 30, 2023.

2. From and after the date hereof, paragraph 3 of the February 1, 2022 letter agreement is deleted.

3. Effective February 28, 2022, the Interest Rate is 12% per annum.

4. The Borrower shall pay to the Lender an extension fee in the amount of 1.5% of the outstanding balance of the loan as at February 28, 2022 (the outstanding balance of the loan being $12,480,762), which extension fee is fully earned and secured by the Security Documents effective the date hereof and payable in six equal consecutive monthly installments in the amount of $31,201.91 commencing August 1, 2022. Any missed payment shall bear interest from and after the due date until paid in full at the Interest Rate and such missed payment shall constitute an Event of Default.

5. From and after the date hereof, the text under the heading "Prepayment Privilege" on page 2 of the Credit Agreement is hereby deleted and replaced with the following:

   "In the event of prepayment in whole or in part (with any such prepayment being subject to the provisions of the Pari Passu and Priority Agreement between the Lender, the Borrower and Gray Jay Estates Inc. ("**GJ**") dated January 23, 2020 (the "**Priority Agreement**")), the Borrower shall pay a prepayment and redeployment fee to the Lender as follows:

   1. up to and including August 31, 2022, 10% of the amount prepaid;

   2. from September 1, 2022, to and including November 30, 2022, 6% of the amount prepaid; and

   3. from December 1, 2022, to and including February 28, 2023, 3% of the amount prepaid.

   From and after March 1, 2023, the Loan may be repaid in whole or in part at any time without penalty provided that any such prepayment shall only be available on thirty (30) days prior written notice to the Lender specifying the amount that the Borrower intends to prepay."

6. From and after the date hereof, the Borrower shall maintain a minimum cash balance of $500,000 in a blocked interest-bearing account (the "**Segregated Funds**") subject to a blocked account

agreement in a form satisfactory to the Lender with a trigger to sweep funds to the Lender for application against the Loan on the occurrence of an Event of Default subject to the provisions of the Priority Agreement. For purposes of clarity, the Segregated Funds and the blocked account agreement shall form part of the Blacksail Security (as such term is defined in the Priority Agreement) and shall be held for the benefit and security of both the Lender and GJ subject to the terms and conditions of the Priority Agreement.

7. The Borrower shall maintain a minimum monthly cash balance of $1,750,000 comprised of a minimum operating account balance of $1,250,000 and the Segregated Funds.

8. The Borrower shall provide continuous, uninterrupted view only access to all of its bank accounts (including, without limitation, the account holding the Segregated Funds) at all times.

9. From and after the date hereof, section 13(v) of Schedule A – Additional Terms and Conditions to the Credit Agreement is hereby deleted and replaced with the following:

"(v) Payments to Non-Arm's Length Persons: The Borrower and the Guarantor shall not advance to or repay any amounts owing to any affiliate, subsidiary, parent corporation, other non-arm's length person or any shareholder of any of them, except for (A) salaries, overtime and commissions in amounts or calculated on a basis agreed to by the Lender in writing, acting reasonably and without delay, and (B) reimbursement of reasonable expenses incurred in the ordinary course of business, provided that expenses greater than $25,000 individually and expenses greater than $100,000 in the aggregate per annum must be consented to by the Lender in writing, acting reasonably and without delay. Notwithstanding the foregoing, provided that at the time of any such payment there has been no demand by the Lender and no Event of Default has occurred and the making of such payment will not cause an Event of Default, the Borrower or the Guarantor, as the case may be, may make the following payments (collectively, the "**Permitted Payments**"):

(i) scheduled monthly payments of interest only to Marianne Tykolis-Casey at a rate of 14% per annum on the maximum outstanding principal amount of $50,000 plus accrued interest which, as of December 31, 2019, is $18,853;

(ii) monthly payments of interest to GJ at a rate of 12% per annum on the outstanding principal amount of $11,115,522.67;

(iii) repayment of the outstanding principal amount of $50,000 to Marianne Tykolis-Casey on September 30, 2022;

(iv) payments to Trigon Construction (A) in respect of construction and improvement previously completed at the Property, as well as (B) in respect of any ongoing or future alterations and improvements to the Property in the ordinary course of business upon fair and reasonable terms no less favourable to it than it would obtain in a comparable arm's length transaction and disclosed to the Lender, and in each case, subject to the prior written consent of the Lender, such consent not to be unreasonably withheld; and

(v) payments to any holder of preferred shares in the capital of the Guarantor in connection with the purchase, redemption, retirement or other acquisition of such preferred shares upon giving written notice to the Lender."

10. The Borrower shall provide to the Lender copies of all monthly bank statements (including, without limitation, the account holding the Segregated Funds) within 3 Business Days of receipt and shall provide all other reporting required by the Credit Agreement.

11. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters related thereto. The Borrower acknowledges that no fees have been billed since the initial advance and that it shall forthwith pay on request all legal fees from such date.

12. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

13. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

14. This Agreement may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterparts.

15. The Borrower and the Guarantor agree that they will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

16. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

17. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

Please acknowledge the foregoing by executing where indicated below and returning a PDF copy of this letter to the Lender which shall be as effective as delivery of a manually original executed counterpart.

[The remainder of this page is blank. Signature page follows.]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

By: ______________________________

Name:
Title:

The Borrower hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

9869247 CANADA LIMITED

DocuSigned by:

______________________________ c/s

By: Name: Brigitte Simons
Title: President

I have authority to bind the Corporation.

The Guarantor hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

GN VENTURES LTD.

DocuSigned by:

____

By: Name: Pat Grobe
Title: Chief Financial Officer

I have authority to bind the Corporation.

This is Exhibit “N” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

January 18, 2023

9869247 Canada Limited
2818 House Road
Stevensville, Ontario L0S 1S0

Attn: Brigitte Simons and Marco Marrone

Re: NE SPC II LP (the "**Lender**") loan to 9869247 Canada Limited (the "**Borrower**") and guaranteed by GN Ventures Ltd. (the "**Guarantor**") pursuant to a commitment letter dated January 23, 2020, as amended by letter agreements dated July 21, 2021, October 15, 2021, January 7, 2022, **February 1, 2022** and July 21, 2022 (collectively, the "**Credit Agreement**")

Reference is made to the Credit Agreement and all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement. We confirm our mutual agreement as follows:

1. The Borrower shall maintain a minimum cash balance of $250,000 in a separate interest-bearing account (the "**Segregated Funds**"). The Segregated Funds shall form part of the Blacksail Security (as such term is defined in the Priority Agreement) but shall be excluded from the operation of the Priority Agreement. For greater certainty, GJ shall provide confirmation that the Lender shall have priority in the Segregated and their proceeds.

2. The Borrower shall cause Bank of Montreal to acknowledge the security interest of the Lender in the Segregated Funds in a form and substance satisfactory to the Lender.

3. The Borrower shall provide a direction to Bank of Montreal to wire the funds to the Lender which direction shall be held in escrow pending the occurrence of an Event of Default.

4. Effective upon the satisfaction of Sections 1, 2 and 3 hereof, Sections 6 and 7 of the July 21, 2022 letter are hereby deleted. For greater certainty, the Borrower shall provide continuous, uninterrupted view only access to all of its bank accounts (including, without limitation, the account holding the Segregated Funds) at all times.

5. On the occurrence of an Event of Default the Borrower shall pay to the Lender a fee in the amount of .50% of the outstanding balance of the Loan (the "**Administration Fee**") which fee shall be fully earned and added to the outstanding balance of the Loan and be secured by the Security on such date.

6. On the occurrence of an Event of Default, the Segregated Funds shall be forthwith paid to the Lender to be applied against the Administration Fee, any unpaid interest and the outstanding principal balance of the Loan.

7. Effective December 1, 2022, to and including April 30, 2023, principal payments shall not be required. For greater certainty, interest payments shall continue to be made when due.

8. On May 31, 2023, the Borrower shall make a principal payment in the amount of $158,000.

9. The Borrower shall maintain a minimum monthly cash balance of $750,000 comprised of a minimum operating account balance of $500,000 and the Segregated Funds.

10. The final installment of the extension fee required by the July 21, 2022, letter due January 1, 2023, shall be deferred and be paid in full on May 31, 2023.

11. The Borrower shall provide to the Lender copies of all monthly bank statements (including, without limitation, the account holding the Segregated Funds) within 3 Business Days of receipt and shall provide all other reporting required by the Credit Agreement together with monthly written updates providing the details of all international sales in a form satisfactory to the Lender.

12. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters related thereto. The Borrower acknowledges that no fees have been billed since the initial advance and that it shall forthwith pay on request all legal fees from such date.

13. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

14. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

15. This Agreement may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterparts.

16. The Borrower and the Guarantor agree that they will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

17. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

18. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

Please acknowledge the foregoing by executing where indicated below and returning a PDF copy of this letter to the Lender which shall be as effective as delivery of a manually original executed counterpart.

[The remainder of this page is blank. Signature page follows.]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

By: ______________________________
Name:
Title:
I have authority to bind the Corporation.

The Borrower hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

9869247 CANADA LIMITED

Brigitte Simons c/s

By: Name: Brigitte Simons
Title: President
I have authority to bind the Corporation.

The Guarantor hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

GN VENTURES LTD.

DocuSigned by:
C69C1A3C1CDA426...

By: Name: Pat Grobe
Title: Chief Financial Officer
I have authority to bind the Corporation.

The undersigned hereby Acknowledges and Accepts the foregoing and, notwithstanding the provisions of the Pari Passu and Priority Agreement dated January 23, 2020, the undersigned hereby subordinates its security interest in the Segregated Funds and its proceeds to and in favour of the Lender who shall have a first priority charge. For greater certainty, the pari passu provisions of such agreement shall not apply to the Segregated Funds and its proceeds which the Lender may apply to the obligations owing under the Credit Agreement as set out herein free and clear of any interest of the undersigned.

GRAY JAY ESTATES INC.

By: ______________________________
Name: Wilhelmus Van Haeren
Title: President
I have authority to bind the Corporation.

NE_GN_-_amending_agreement(10564859.1).doc

Final Audit Report 2023-01-20

Created:	2023-01-20
By:	Brigitte Simons (brigitte@craft-labs.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAABMXIFtCsisY8ZDnqtUqEyfWGOrWI2EVg

"NE_GN_-_amending_agreement(10564859.1).doc" History

Document digitally presigned by DocuSign\, Inc. (enterprisesupport@docusign.com)
2023-01-20 - 2:48:41 PM GMT- IP address: 24.150.63.249

Document created by Brigitte Simons (brigitte@craft-labs.com)
2023-01-20 - 5:12:50 PM GMT- IP address: 24.150.63.249

Document emailed to bsimons@safariflower.co for signature
2023-01-20 - 5:13:22 PM GMT

Email viewed by bsimons@safariflower.co
2023-01-20 - 5:13:34 PM GMT- IP address: 24.150.63.249

Signer bsimons@safariflower.co entered name at signing as Leanne Brigitte Simons
2023-01-20 - 5:15:00 PM GMT- IP address: 24.150.63.249

Document e-signed by Leanne Brigitte Simons (bsimons@safariflower.co)
Signature Date: 2023-01-20 - 5:15:02 PM GMT - Time Source: server- IP address: 24.150.63.249

Agreement completed.
2023-01-20 - 5:15:02 PM GMT

This is Exhibit “O” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

PARI PASSU AND PRIORITY AGREEMENT

THIS AGREEMENT dated January 23, 2020.

BETWEEN:

NE SPC II LP
("**Blacksail**")

- and -

GRAY JAY ESTATES INC.
("**Gray Jay**")

(Blacksail and Gray Jay being hereinafter sometimes referred to collectively as the "**Lenders**" and individually as a "**Lender**")

- and -

9869247 CANADA LIMITED
(the "**Borrower**")

RECITALS:

A. Pursuant to an Offer of Financing or Commitment Letter between the Borrower and Blacksail dated as of January 23, 2020 (the "**Commitment Letter**") Blacksail has agreed to provide to the Borrower a loan in the amount of $25,000,000, subject to certain terms and conditions, and as security therefor the Borrower has provided to Blacksail the "**Blacksail Security**" (as more particularly described in Schedule "A" hereto).

B. Pursuant to a secured grid promissory note dated August 16, 2018 (the "**Grid Note**"), Gray Jay provided to the Borrower loans in the aggregate amount of $29,721,577.67, with interest thereon at the Prime Rate (as defined in the Grid Note) plus 2.00% per annum, subject to certain terms and conditions, and as security therefor the Borrower provided to Gray Jay the "**Gray Jay Security**" (as more particularly described in Schedule "A" hereto).

C. As of the date hereof, the principal amount of the indebtedness of the Borrower to Gray Jay under the Grid Note is $ 11,115,522.67.

D. The parties hereto intend that each of Blacksail Security and the Gray Jay Security shall rank pari-passu with the other and that all of the Security shall be held for the benefit and security of both Lenders, subject to the terms and conditions of this agreement.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein the parties hereto agree as follows:

ARTICLE 1 - DEFINITIONS

1.01 In this agreement, the terms defined in Schedule "A" hereto shall have the meanings attributed to them therein.

ARTICLE 2 - CONSENT

2.01 Gray Jay hereby consents to the creation and issue by the Borrower of Blacksail Security and to the incurring by the Borrower of the indebtedness to Blacksail secured thereby.

2.02 Blacksail hereby consents to the creation and issue by the Borrower of the Gray Jay Security and to the incurring by the Borrower of the indebtedness to Gray Jay secured thereby.

ARTICLE 3 - PRIORITIES

3.01 Each of the Blacksail Security and the Gray Jay Security shall rank *pari-passu* with the other, with all the Security being for the benefit and security of both Lenders, without any preference or priority to either Lender, subject to the terms and conditions of this agreement.

3.02 To the extent necessary to give effect to the provisions of this agreement each Lender hereby:

(a) postpones and subordinates the Security of such Lender to the Security of the other Lender; and

(b) confirms and agrees that it holds all its right, title and interest in and to the Security of such Lender and in and to the property and assets of the Borrower arising by virtue of the grants and covenants contained in such Security on behalf of and for the benefit and security of both Lenders on a *pari-passu* basis, subject to the terms and conditions of this agreement.

3.03 Subject to Section 3.06, the covenants and agreements contained herein shall apply in all events and circumstances regardless of:

(a) the date of execution, attachment, registration or perfection of any Security held by either Lender;

(b) the date of any advance or advances made to the Borrower by either Lender;

(c) the date of default by the Borrower under any of the Security of either Lender or the dates of crystallization of any floating charges held by either Lender; or

(d) any priority granted by any principle of law or any statute, including the *Personal Property Security Act*, the *Registry Act* or the *Land Titles Act*.

3.04 Subject to Section 3.05 hereof, any proceeds of insurance or expropriation received by the Borrower, Blacksail or Gray Jay in respect of any of the property and assets charged by the Security shall be dealt with as though such proceeds of insurance or expropriation were paid or payable as proceeds of realization of the property and assets for which they compensate.

3.05 The proceeds of any mortgage impairment insurance policy or other similar insurance maintained by a Lender at its cost, to protect that Lender's advances against any uninsured or underinsured loss or damage to the assets and property charged by the Security, shall be applied against the advances of the Lender placing the insurance and will not be shared with the other Lender.

3.06 If either of the Blacksail Security or the Gray Jay Security is found to be unenforceable, invalid, unregistered or unperfected against any party other than the Lender herein by a court of competent jurisdiction and all appeals from any such finding have been heard and determined or the period for making any such appeal has expired without an appeal being made, the foregoing provisions of this Article 3 shall not apply to such Security.

3.07 Each Lender shall allow the other, and their agents, access at all reasonable times to any property and assets of the Borrower charged by the Security to view the same, and access to, so as to make copies of or extracts from, any books or account and all records, ledgers, reports, documents and other writings relating to such property and assets.

ARTICLE 4 - COVENANTS OF THE LENDERS

4.01 Gray Jay hereby confirms to and agrees with Blacksail that:

(a) the indebtedness of the Borrower to Gray Jay secured by the Gray Jay Security will not at any time exceed the principal amount of $11,000,000 plus interest thereon at 12% per annum and costs permitted under the Gray Jay Security; and

(b) save and except scheduled payments of interest under the Gray Jay loan facility which may be made by the Borrower and received by Gray Jay provided there is no default of the Borrower's obligations to Blacksail and the making of such payment will not cause a default, all present and future indebtedness and liability of the Borrower to Gray is postponed to all obligations of the Borrower to Blacksail. For the purposes of greater certainty, payments of scheduled interest permitted hereunder shall not include interest accrued under the Gray Jay loan facility up to the date of the first advance by Blacksail under the Commitment Letter. The aggregate amount of such accrued interest is $ 2,872,155.97 as of the date hereof.

4.02 Without the prior written consent of the other Lender, neither Lender shall permit the occurrence of any of the following:

(a) any change in the dates or amounts of the mandatory or voluntary repayments or prepayments of principal under any of the particular Lender's Security, except as a result of acceleration consequent upon the occurrence of an event of default;

(b) any change in the amount of credit available under any of the Commitment Letter or Grid Note, as the case may be;

(c) any change in the rates of interest, the amount of fees (including prepayment fees), the manner of calculating the same or the dates of payment thereof under the Commitment Letter or Grid Note, as the case may be, or any of the particular Lender's Security;

(d) without limiting the foregoing, any amendment or waiver of any of the particular Lender's Security in any manner which increases the principal amount of any indebtedness of the Borrower to the particular Lender, increases the amounts or frequency of principal repayments, accelerates the final maturity date of any of the particular Lender's debt, increases any stated rate at which interest accrues pursuant to the Commitment Letter or Grid Note, as the case may be, or the particular Lender's Security or increases any of the indebtedness of the Borrower to the particular Lender or materially increases the rights or privileges of the particular Lender in any other respect.

4.03 If at any time either of the Lenders receives notice from the Borrower of the Borrower's intention to make any prepayment or accelerated payment permitted by its agreements with the Lenders, then such Lender shall promptly notify the other. No prepayment is to be accepted by either lender without the written consent of Blacksail and Gray Jay, unless such prepayment is made in proportion to the outstanding principal amounts then owing to Blacksail and Gray Jay, immediately prior to such prepayment.

4.04 In the event monies are received by a Lender in contravention of the terms of the Commitment Letter or Grid Note, as the case may be, or the particular Lender's Security or this Agreement, it shall hold such monies in trust, segregated from its other property for the benefit of the Lenders and shall forthwith pay such monies in accordance with Section 3.01.

ARTICLE 5 - COVENANTS OF BORROWER

5.01 The Borrower hereby confirms to and agrees with the Lenders:

(i) that default under the Security of either Lender shall constitute default under the Security of the other Lender, notwithstanding any provision to the contrary in any Security; and

(ii) that so long as the Borrower remains obligated or indebted to the Lenders, or either of them, it shall hold its property and assets for the Lenders in accordance with their respective interests under this agreement;

(iii) that any amendment or variation of the terms of this agreement by the Lenders shall not require the consent or agreement of the Borrower unless the interests of the Borrower are directly affected thereby;

(iv) none of the provisions of this Agreement create any rights in favour of the Borrower or affect the manner in which the Creditors or any receiver and manager appointed by them over the property, assets and undertaking of the Borrower exercises its rights under the Security; and

(v) the Borrower shall promptly provide the Creditors upon request with any information which either of them reasonably requests about the business and affairs of the Borrower.

ARTICLE 6 - REALIZATION

6.01 Each Lender, upon becoming aware of any default under the terms of the Gray Jay Security or the Blacksail Security, as applicable, shall provide the other Lender with written notice of such default contemporaneously with any notice provided to the Borrower provided, however, that there shall be no liability on either Lender for inadvertent failure to provide such notice.

6.02 Prior to taking any steps to enforce the Blacksail Security beyond issuing demands and statutory notices, Blacksail shall provide Gray Jay with ten (10) days' prior written notice of Blacksail's intention to enforce the Blacksail Security (the "**Blacksail Notice**").

6.03 Prior to making any demand for payment or taking any steps to enforce its Security, Gray Jay shall provide Blacksail with one hundred and eighty (180) days' prior written notice (the "**Notice**") of Gray Jay's intention to make demand and enforce the Gray Jay Security (the "**Standstill Period**").

6.04 Prior to the expiry of the Blacksail Notice, the Lenders shall meet to discuss and reach agreement as to the procedure to be followed in the realization of the Security, including without limitation, the appointment of a single receiver or receiver-manager to effect such realization.

6.05 If after the expiry of the Blacksail Notice the Lenders are unable to mutually agree upon any joint action in accordance with Section 6.04 hereof, Blacksail may initiate such enforcement action it deems appropriate, acting reasonably, provided that all realization proceeds arising therefrom shall be distributed in accordance with the terms of this Agreement. For greater certainty, Gray Jay shall not take any steps to enforce the Gray Jay Security during the Standstill Period.

6.06 Absent prior enforcement action by Blacksail in accordance with the terms hereof, on the expiry of the Standstill Period, the Lenders shall meet promptly and, in any event, not later than the expiry of the Standstill Period to discuss and reach agreement as to the procedure to be followed in the realization of the Security, including without limitation, the appointment of a single receiver or receiver-manager to effect such realization.

6.07 If after the expiry of the Standstill Period, the Lenders are unable to mutually agree upon any joint action in accordance with Section 6.06 hereof, then either Lender may issue such demand or initiate such enforcement action it deems appropriate, acting reasonably, provided that all realization proceeds arising therefrom shall be distributed in accordance with the terms of this Agreement provided, however, that Blacksail shall have the sole right and authority to recommend to the Court a receiver or receiver-manager to effect such realization and Gray Jay hereby irrevocably accepts such recommendation and agrees to confirm same in any materials provided to the Court.

6.08 If subsequent to the expiry of the Standstill Period, either Lender does not wish to realize upon its Security it shall, upon request by the other Lender, subordinate and postpone its Security in favour of the other Lender and shall do all such further acts and things as may be necessary to give effect to such subordination and postponement. In such event, the Lender wishing to realize upon its Security may appoint a receiver or receiver-manager (in each case such receiver or receiver manager shall be selected by Blacksail) to realize upon its Security, provided that it shall give written notice of such appointment to the other Lender concurrent with such appointment. Notwithstanding the foregoing it is understood and agreed that any realization by a Lender shall be for the benefit of both Lenders in accordance with the provisions of this Agreement.

6.09 Any realization upon the Security by the Lenders or either Lender shall be made for an amount, after payment of all costs and expenses, at least equal to the aggregate amount owing to the Lenders, unless otherwise agreed upon by the Lenders. A Lender who receives a *bona fide* offer to purchase the property and assets charged by the Security for an amount, after payment of all costs and expenses, less than the aggregate amount outstanding to the Lenders, which offer it wishes to accept, shall, prior to accepting such offer, give the other Lender fifteen (15) days to consent to the acceptance of such offer. If the other Lender fails to consent to the acceptance of the offer within the said fifteen (15) day period, then such other Lender shall be deemed to have agreed to purchase, within a further fifteen (15) day period, the Security of the Lender who received the said offer for an amount equal to the *pro-rata* proceeds that such Lender would have received on a successful completion of such offer, after payment of costs and expenses, in accordance with the provisions of this Agreement.

6.10 Neither Lender shall become absolute owner by foreclosure of any of the property or assets which are subject to the Security without the consent of the other Lender.

6.11 Subject to Section 3.05, all proceeds received by the receiver or receiver-manager or either of the Lenders after the giving of a Notice by a Lender shall be applied as follows:

(i) firstly, in payment of all costs, charges and expenses of and incidental to the appointment of a receiver or receiver-manager and the exercise by such receiver or receiver-manager of all or any of its powers including the remuneration of the receiver or receiver-manager and all amounts properly payable by it;

(ii) secondly, in payment of or in reimbursement to the Lenders of all reasonable costs, charges and expenses incurred in connection with the protection and realization of the Security including any payments made upon claims having priority over the Security;

(iii) thirdly, on account of the indebtedness due to each of the Lenders under the Security, rateably according to the proportion that the principal amount then outstanding to each Lender bears to the total principal amount then outstanding to both Lenders under the Security;

(iv) fourthly, any surplus remaining to the Borrower or to the party next entitled thereto, or if there are competing claims to the knowledge of the Lenders, then payment may be made into Court by way of interpleader.

ARTICLE 7- OTHER SECURITY

7.01 Gray Jay acknowledges that Blacksail has obtained security for its loans in addition to the Blacksail Security. Such other security and any other security that may hereafter be obtained by Blacksail Security shall not be taken into consideration to reduce the amounts owing to it at any time for the purpose of this agreement. Gray Jay confirms that it has not obtained any security for its loans other than the Gray Jay Security.

ARTICLE 8 - SALE OR ASSIGNMENT

8.01 If either Lender wishes to sell or assign its Security and shall have received a *bona fide* offer from a third party to purchase its Security which it is prepared to accept, then it shall first offer to sell its Security to the other Lender for a period of fifteen (15) days, at the price and on the same terms and conditions as contained in the offer. If the offer is accepted by the other Lender within such fifteen (15) day period, then the sale and assignment of such security to the other Lender shall be completed in accordance with the terms and conditions contained in the offer. If the offer is not accepted by the other Lender within such fifteen (15) day period, then the Lender receiving the offer from the third party may complete the sale to such third party in accordance with the terms and conditions of the offer.

8.02 Neither Lender shall sell or assign any of the Blacksail Security or the Gray Jay Security without obtaining from the purchaser or assignee an agreement to be bound by the provisions of this Agreement in form satisfactory to the other Lender.

ARTICLE 9 - NOTICE

9.01 Any notice required or permitted to be given pursuant to this Agreement shall be in writing and shall be addressed and delivered by the pre-paid registered mail or sent by facsimile transmission or PDF electronic transmission to the parties hereto as follows:

(i) as to the Borrower:

2818 House Road
Stevensville, ON L0S 1S0

Attention: Jennifer Maccarone
Email: jmaccarone@stevensgreen.ca

(ii) as to Blacksail:

c/o Next Edge Capital
1 Toronto St, Suite 200
Toronto, ON M5C 2V6

Attention: Toreigh Stuart
Facsimile No.: N/A
Email: Toreigh.stuart@nextedgecapital.com

(iii) as to Gray Jay:

969 Juliana Drive
Woodstock, ON N4V 1C1

Attention: Cindy Fisher
Facsimile No.: 519-602-6909
Email: cindy@vhgroup.ca

or to such other address as the parties may from time to time by notice in writing direct. Notice, if by facsimile or PDF shall be deemed to be received the next business day following transmission thereof, and if by mail, shall be deemed to be received three business days after the date of mailing, unless there exists at the time of mailing or within three days of mailing a labour dispute which would preclude the delivery of the mail, in which case notice shall only be deemed to have been received if actually delivered.

ARTICLE 10 - ARBITRATION

10.01 If the Lenders are unable to agree on any matter intended to be governed by this Agreement then, upon written notice to the other, either Lender may demand that the matter be submitted to arbitration. Unless the Lenders otherwise agree, the arbitration shall take place in Toronto, Ontario. In such event each Lender shall nominate one person within seven (7) days of the said notice and the arbitrators so chosen shall agree on an additional arbitrator. If the appointment of the additional arbitrator cannot be agreed upon within fourteen (14) days of the said notice either party to the dispute can refer the matter to a Judge to appoint such an arbitrator. The arbitration shall be carried out in accordance with the terms and conditions contained in the *Arbitration Act, 1991* (Ontario), as amended from time to time.

ARTICLE 11 - GENERAL

11.01 From time to time upon request therefor the Lenders shall advise each other of the particulars of the indebtedness and liability of the Borrower to each of them.

11.02 The Lenders and the Borrower shall do, perform execute and deliver all acts, deeds and documents as may be necessary from time to time to give full force and effect to the intent of this Agreement.

11.03 This Agreement may be executed in several counterparts each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and shall be effective as of the formal date hereof.

11.04 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and assigns, and shall be governed in all respects by the laws of the Province of Ontario.

11.05 This Agreement shall continue in full force and effect until the date on which it is terminated by the mutual consent of the Lenders the date on which the Borrower has irrevocably and finally paid in full in cash all of the indebtedness of one Lender and all commitments of that Lender to advance funds under its Security have been terminated. This Agreement shall continue in full force and effect after the filing or commencement of any petition or proceeding by or against the Borrower under any applicable insolvency legislation.

11.06 The obligations and representations and warranties herein of each of the parties herein are several. Nothing herein contained shall be construed as creating between the Lenders a partnership, joint venture or other joint association.

11.07 The rights, powers and remedies of the Lenders under this Agreement shall be in addition to all rights, powers and remedies given to the Lenders by virtue of any statute or rule of law, any agreement or instrument relating to the Commitment Letter or Grid Note, as the case may be, or any other agreement, all of which rights, powers and remedies shall be cumulative and may be exercised successively or concurrently.

[REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the parties have hereunto set their hands and seals or have affixed their corporate seals duly attested by the hand(s) of their proper officer(s) in that behalf, on the day and year first above written.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

Per:____________________________
Name: Toreigh Stuart
Title: Director

Per:____________________________
Name: David Scobie
Title: Director

I/We have authority to bind the partnership.

GRAY JAY ESTATES INC.

Per:____________________________
Name:
Title:

Per:____________________________
Name:
Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED

Per:____________________________
Name:
Title:

Per:____________________________
Name:
Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals or have affixed their corporate seals duly attested by the hand(s) of their proper officer(s) in that behalf, on the day and year first above written.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

Per:______________________________
Name:
Title:

Per:______________________________
Name:
Title:

I/We have authority to bind the partnership.

GRAY JAY ESTATES INC.

Per:______________________________
Name: Wilhelmus Van Haeren
Title: President

Per:______________________________
Name:
Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED

Per:______________________________
Name:
Title:

Per:______________________________
Name:
Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the parties have hereunto set their hands and seals or have affixed their corporate seals duly attested by the hand(s) of their proper officer(s) in that behalf, on the day and year first above written.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

I/We have authority to bind the partnership.

GRAY JAY ESTATES INC.

Per: ______________________________
Name:
Title:

Per: ______________________________
Name:
Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED

Per: ______________________________
Name: [illegible]
Title: President

Per: ______________________________
Name: Tim Tykolis
Title: Vice President

I/We have authority to bind the corporation.

SCHEDULE "A"

"**Blacksail Security**" means:

(a) Charge/Mortgage of Land in the amount of $25,000,000 made by the Borrower over 2818 House Road, Stevensville, Ontario (the "**Property**") registered on January 23, 2020;

(b) General Assignment of Rents made by the Borrower over 2818 House Road, Stevensville, Ontario (the "**Property**") registered on January 23, 2020;

(c) General Security Agreement from the Borrower dated January 23, 2020; and

(d) Assignment of Insurance Monies from the Borrower dated January 23, 2020.

"**Gray Jay Security**" means:

(a) Charge/Mortgage of Land in the amount of $25,000,000 made by the Borrower over the Property registered on August 17, 2018, as amended to increase the amount to $30,000,000 by an amending agreement registered on April 29, 2019; and

(b) General Security Agreement from the Borrower dated August 16, 2018.

"**Lenders**" means Gray Jay and Blacksail and "Lender" means either of them.

"**Security**" means the Blacksail Security and the Gray Jay Security and, where the context requires, means either the Blacksail Security or the Gray Jay Security, as the case may be.

All other capitalized terms used in the Agreement shall have the meaning ascribed to them in the Agreement.

Properties

PIN	64246 - 0188 LT
Description	PART LOT 13 CONCESSION 13, NIAGARA RIVER, BERTIE, PARTS 1 & 2, 59R15712; SUBJECT TO AN EASEMENT OVER PART 2, 59R15712 AS IN BE44961; TOGETHER WITH AN EASEMENT OVER PARTS 4,9 & 14, 59R15712 AS IN SN502947
Address	STEVENSVILLE
PIN	64246 - 0190 LT
Description	PART LOTS 13 & 14 CONCESSION 13 NIAGARA RIVER, BERTIE DESIGNATED AS PART 1 PLAN 59R16046; TOWN OF FORT ERIE
Address	STEVENSVILLE

Source Instruments

Registration No.	*Date*	*Type of Instrument*
SN562069	2018 08 17	Charge/Mortgage

Party From(s)

Name GRAY JAY ESTATES INC.
Address for Service 969 Juliana Drive
Woodstock, ON N4V 1C1

I, Wilhelmus Van Haeren, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s) — *Capacity* — *Share*

Name NEXT EDGE GENERAL PARTNER (ONTARIO) INC.
Address for Service c/o Next Edge Capital
1 Toronto Street, Suite 200
Toronto, ON M5C 2V6

I am a general partner, the firm name of the Limited Partnership is NE SPC II LP.

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number SN617506 registered on 2020/01/23

Schedule: The applicant postpones the rights under SN562069, as amended by SN586903, to all present and future advances (including re-advances) by NE SPC II LP secured by the charge/mortgage of land registered as instrument no. SN617506.

This document relates to registration number(s)SN562069, as amended by SN586903.

Signed By

Jeannie Wu	5000 Yonge Street, 10th Floor Toronto M2N 7E9	acting for Party From(s)	Signed	2020 01 23

Tel 416-222-8888

Fax 416-218-1860

I have the authority to sign and register the document on behalf of the Party From(s).

Submitted By

CHAITONS LLP	5000 Yonge Street, 10th Floor Toronto M2N 7E9	2020 01 23

Tel 416-222-8888

Fax 416-218-1860

Fees/Taxes/Payment

Statutory Registration Fee	$65.05
Total Paid	$65.05

ACKNOWLEDGEMENT AND DIRECTION

TO: Katharine Ho
(insert lawyer's name)

AND TO: CHAITONS LLP
(Insert firm name)

RE: NE SPC II LP loan to 9869247 Canada Limited re: postponement of interest over 2818 House Road, Stevensville, Ontario (file no. 64903)
(insert brief description of transaction)

This will confirm that:

- I/We have reviewed the information set out this Acknowledgement and Direction and in the documents described below (the "Documents"), and that this information is accurate;
- You, your agent or employee are authorized and directed to sign, deliver, and/or register electronically, on my/our behalf the Documents in the form attached;
- ~~You are hereby authorized and directed to enter into an escrow closing arrangement substantially in the form attached hereto being a copy of the version of the Document Registration Agreement, which appears on the website of the Law Society of Upper Canada as of the date of the Agreement of Purchase and sale herein. I/We hereby acknowledge the said Agreement has been reviewed by me/us and that I/We shall be bound by its terms;~~
- The effect of the Documents has been fully explained to me/us, and I/we understand that I/we are parties to and bound by the terms and provisions of the Documents to the same extent as if I/we had signed them; and
- I/we are in fact the parties named in the Documents and I/we have not misrepresented our identities to you.
- ~~I, ______________, am the spouse of ______________, the Transferor/Chargor), and hereby consent to the transaction described in the Acknowledgment and Direction. I authorize you to indicate my consent on all the Documents for which it is required.~~

DESCRIPTION OF ELECTRONIC DOCUMENTS

The Document(s) described in the Acknowledgement and Direction are the document(s) selected below which are attached hereto as "Document in Preparation" and are:

☐ A Transfer of the land described above.

☐ A Charge of the land described above.

☒ Other documents set out in Schedule "B" attached hereto.

Dated at ______________, this 23rd day of January, ~~2019~~20

WITNESS

(As to all signatures, if required)

GRAY JAY ESTATES INC.

Per: ______________
Name: Wilhelmus Van Haeren
Title: President

Per: ______________
Name:
Title:

I/We have authority to bind the corporation.

Doc#4654085v1

Properties

PIN	64246 - 0188 LT
Description	PART LOT 13 CONCESSION 13, NIAGARA RIVER, BERTIE, PARTS 1 & 2, 59R15712; SUBJECT TO AN EASEMENT OVER PART 2, 59R15712 AS IN BE44961; TOGETHER WITH AN EASEMENT OVER PARTS 4,9 & 14, 59R15712 AS IN SN502947
PIN	64246 - 0190 LT
Description	PART LOTS 13 & 14 CONCESSION 13 NIAGARA RIVER, BERTIE DESIGNATED AS PART 1 PLAN 59R16046; TOWN OF FORT ERIE

Source Instruments

Registration No.	*Date*	*Type of Instrument*
SN562069	2018 08 17	Charge/Mortgage

Party From(s)

Name GRAY JAY ESTATES INC.
Acting as a company
Address for Service 969 Juliana Drive
Woodstock, ON N4V 1C1

I, Wilhelmus Van Haeren, President, have the authority to bind the corporation.

This document is not authorized under Power of Attorney by this party.

Party To(s) *Capacity* *Share*

Name NEXT EDGE GENERAL PARTNER (ONTARIO) INC.
Acting as a company
Address for Service c/o Next Edge Capital
1 Toronto Street, Suite 200
Toronto, ON M5C 2V6

I am a general partner, the firm name of the Limited Partnership is NE SPC II LP.

Statements

The applicant postpones the rights under the selected instrument to the rights under an instrument registered as number CHARGE 1

Schedule: The applicant postpones the rights under SN562069, as amended by SN586903, to all present and future advances (including re-advances) by NE SPC II LP secured by the charge/mortgage of land registered as instrument no. ________________.

This document relates to registration number(s)SN562069, as amended by SN586903.

Account No. (if applicable)/N° de compte (si pertinent) | Registration Account Code/Code du compte d'enregistrement

Financing Change Statement/Change Statement
État de modification du financement/État de modification

2020/01/23 023 03003
1590A20200123D

Ontario

Ministry of Consumer and Business Services / Ministère des Services aux Consommateurs et aux Entreprises

Form/Formule 3C

10553(03/05)

Registration No. (for office use only) /N° d'enregistrement (usage interne)

YYYY/AAAA MM/MM DD/JJ Time/Heure Branch/Bureau Sequence/Séquence

01

Registered Under (office use only)/
Enregistré aux termes de (usage interne)

31 Reference File Number/ N° de dossier de référence: 742795002

Renewal (R) OR Discharge (C)/ Renouvellement (R) OU Mainlevée (C)

Enter Number of Additional Years if Renewal (see reverse)/ Indiquer le nombre d'années supplémentaires s'il s'agit d'un renouvellement (voir au verso).

First Given Name/ Prénom — Initial/Initiale — Surname/Nom de famille

32 Individual Debtor (as recorded)/ Débiteur particulier (tel qu'inscrit)

33 Business Debtor (as recorded)/ Débiteur commercial (tel qu'inscrit): 9869247 CANADA LIMITED

Ontario Corporation No./ N° matricule de la personne morale en Ontario

06/16 Secured Party/Lien Claimant/Registering Agent /Créancier garanti/Créancier privilégié/Agent d'enregistrement

08/17 Address/Adresse — City, etc./Ville, etc. — Prov./Prov. — Postal Code/Code postal

CHAITONS LLP (JW/64903)
5000 YONGE STREET, 10TH FLOOR
TORONTO ON M2N 7E9

Authorized Signature/Signature autorisée

Name and Signature of Secured Party/Lien Claimant OR Name of Secured Party/Lien Claimant AND Name and Signature of Agent of Secured Party/Lien Claimant. / Nom et signature du créancier garanti/créancier privilégié OU Nom du créancier garanti/créancier privilégié ET nom et signature de l'agent du créancier garanti/créancier privilégié.

(Cut along dotted line /Détachez à la ligne pointillée)

This is not a Certificate issued under the PPSA. It is provided as a courtesy to assist you! Le présent n'est pas un certificat délivré en vertu de PPSA. Il est délivré à titre gracieux pour vous aider.

Verification Statement/*État de vérification*

*The expiry date calculated by the system may exceed the date on which the registration ceases to be effective.
* La date d'expiration établie en vertu du système peut être postérieure à la date à laquelle l'enregistrement cesse d'être en vigueur.

Page/Page	OF/DE	Total Pages/Nombre de pages	*Expiry Date/*Date d'expiration YYYY/AAAA MM/MM DD/JJ
1		1	2023/08/17

Form Type/Type de formule	Page/Page	Line/Ligne	
2C	1	01	CAUTION FILING/AVERTIS: PAGE: 1 OF/DE: 1 MV SCHEDULE
2C	1	01	ATTACHED/LISTE VA: REG NUM/NO ENREGIST: 20200123 0952 1590 5335
2C	1	01	REG UNDER/T. ENREG:
2C	1	21	742795002
2C	1	22	AMEND-PAGE/CORR PAGE: NO PAGE/AUCUNE: CHANGE/MODIF: J
2C	1	22	REN YEARS/REN ANNEES: CORR PER/PER EXAC:
2C	1	24	9869247 CANADA LIMITED
2C	1	25	SUBORDINATION
2C	1	26	GRAY JAY ESTATES INC. HAS SUBORDINATED ITS SECURITY INTEREST IN THE
2C	1	27	ASSETS OF THE DEBTORS IN FAVOUR OF NE SPC II LP.
2C	1	16	CHAITONS LLP (JW/64903)
2C	1	17	5000 YONGE STREET, 10TH FLOOR
2C	1	17	TORONTO ON M2N 7E9

*** VERIFY IMMEDIATELY UPON RECEIPT / VERIFIEZ IMMEDIATEMENT VOTRE AVIS ***

10553(03/05)

(csr05a 09/2019)

This is Exhibit “P” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : GN VENTURES LTD.

FILE CURRENCY : 08JAN 2024

ENQUIRY NUMBER 20240109085007.63 CONTAINS 9 PAGE(S), 2 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj6 05/2022)

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM

40 KING ST W
TORONTO ON M5H 4A9

CONTINUED... 2

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
758548251

01 CAUTION FILING | PAGE NO. 001 | OF | TOTAL PAGES 2 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20191213 1001 1590 2814 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 3

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: GN VENTURES LTD. — ONTARIO CORPORATION NO.
04 ADDRESS: 3000, 700-9 AVENUE SW CALGARY AB T2P 3V4

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME: — ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: NE SPC II LP
09 ADDRESS: C/O NEXT EDGE CAPITAL, 1 TORONTO STREET, TORONTO ON M5C 2V6

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: CHAITONS LLP (LL/64903)
17 ADDRESS: 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
758548251

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		2		20191213 1001 1590 2814		

02 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS SUITE 200

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		001		20221115 1452 1590 8468	

21 RECORD REFERENCED | FILE NUMBER | 758548251

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	3	

			FIRST GIVEN NAME	INITIAL	SURNAME
23	REFERENCE				
24	DEBTOR/ TRANSFEROR	BUSINESS NAME	GN VENTURES LTD.		

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

		DATE OF BIRTH	FIRST GIVEN NAME	INITIAL	SURNAME
02/05	DEBTOR/				
03/06	TRANSFEREE	BUSINESS NAME			ONTARIO CORPORATION NO.
04/07		ADDRESS			

29 ASSIGNOR
08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR — CHAITONS LLP (DB/64903)
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS — 5000 YONGE STREET, 10TH FLOOR — TORONTO — ON — M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
758548314

	CAUTION FILING	PAGE NO.	OF TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001	2		20191213 1003 1590 2816	P PPSA	3

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: TYKOLIS REAL ESTATE GROUP LTD. — ONTARIO CORPORATION NO.
04 ADDRESS: 2818 HOUSE ROAD STEVENSVILLE ON L0S 1S0

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME: — ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: NE SPC II LP
09 ADDRESS: C/O NEXT EDGE CAPITAL, 1 TORONTO STREET, TORONTO ON M5C 2V6

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR
12 VEHICLE — YEAR / MAKE / MODEL / V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: CHAITONS LLP (LL/64903)
17 ADDRESS: 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
758548314

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		2		20191213 1003 1590 2816		

02 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
03 BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

05 DEBTOR NAME — DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS SUITE 200

COLLATERAL CLASSIFICATION
10 CONSUMER GOODS — INVENTORY — EQUIPMENT — ACCOUNTS — OTHER — MOTOR VEHICLE INCLUDED — AMOUNT — DATE OF MATURITY — OR — NO FIXED MATURITY DATE

11 MOTOR
12 VEHICLE — YEAR — MAKE — MODEL — V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT — ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		001		1		20200203 1142 1590 6079	

21 RECORD REFERENCED — FILE NUMBER 758548314

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22		X	A AMENDMENT		

23 REFERENCE
24 DEBTOR/ TRANSFEROR — FIRST GIVEN NAME — INITIAL — SURNAME
BUSINESS NAME: TYKOLIS REAL ESTATE GROUP LTD.

25 OTHER CHANGE
26 REASON/ AMEND DEBTOR'S NAME FROM TYKOLIS REAL ESTATE GROUP LTD. TO GN
27 DESCRIPTION VENTURES LTD. AS A RESULT OF AN AMALGAMATION FILED ON JANUARY 31,
28 2020.

02/ DATE OF BIRTH — FIRST GIVEN NAME — INITIAL — SURNAME
05 DEBTOR/
03/ TRANSFEREE — BUSINESS NAME: GN VENTURES LTD.
06 ONTARIO CORPORATION NO.
04/07 ADDRESS: 3000, 700 - 9 AVENUE SW — CALGARY — AB — T2P 3V4

29 ASSIGNOR
08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR — CHAITONS LLP (LL/64903)
17 SECURED PARTY/ LIEN CLAIMANT — ADDRESS: 5000 YONGE STREET, 10TH FLOOR — TORONTO — ON — M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		001		20221115 1047 1590 8387	

21 RECORD REFERENCED — FILE NUMBER 758548314

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	3	

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME TYKOLIS REAL ESTATE GROUP LTD.

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR CHAITONS LLP (DB/64903)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : GN VENTURES LTD.
FILE CURRENCY : 08JAN 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
758548251	20191213 1001 1590 2814	20221115 1452 1590 8468		
758548314	20191213 1003 1590 2816	20200203 1142 1590 6079	20221115 1047 1590 8387	

5 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crlj6 05/2022)

Ontario

This is Exhibit “Q” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Government
of Alberta

Personal Property Registry
Search Results Report

Search ID #: Z16937798

Transmitting Party

WEST-END REGISTRATIONS LICENSING & SEARCHES LTD. (P158)

10011 170 STREET
EDMONTON, AB T5P 4R5

Party Code: 50076967
Phone #: 780 483 8211
Reference #: 05076745-EDD3 5 3952

Search ID #: Z16937798 **Date of Search:** 2024-Jan-10 **Time of Search:** 10:14:24

Business Debtor Search For:

GN VENTURES LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.

Business Debtor Search For:

GN VENTURES LTD.

Search ID #: Z16937798 **Date of Search:** 2024-Jan-10 **Time of Search:** 10:14:24

Registration Number: 20011718127
Registration Date: 2020-Jan-17

Registration Type: SECURITY AGREEMENT
Registration Status: Current
Expiry Date: 2025-Jan-17 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
		Current
1	GN VENTURES LTD. 370 MARTINDALE STREET ST. CATHARINES, ON L2N 0A3	

Secured Party / Parties

Block		Status
		Current
1	NE SPC II LP 1 TORONTO STREET, SUITE 200 TORONTO, ON M5C 2V6 Email: erica.axani@nextedgecapital.com	

Collateral: General

Block	Description	Status
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current

Business Debtor Search For:
GN VENTURES LTD.
Search ID #: Z16937798 **Date of Search:** 2024-Jan-10 **Time of Search:** 10:14:24

Registration Number: 20011718364
Registration Date: 2020-Jan-17
Registration Type: LAND CHARGE
Registration Status: Current
Registration Term: Infinity

Exact Match on: Debtor No: 1

Debtor(s)

Block		Status
1	GN VENTURES LTD. 370 MARTINDALE STREET ST. CATHARINES, ON L2M 0A3	Current

Secured Party / Parties

Block		Status
1	NE SPC II LP 1 TORONTO STREET, SUITE 200 TORONTO, ON M5C 2V6 Email: erica.axani@nextedgecapital.com	Current

Result Complete

This is Exhibit "R" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

SEARCH CONDUCTED ON : 9869247 CANADA LIMITED

FILE CURRENCY : 08JAN 2024

ENQUIRY NUMBER 20240109085034.06 CONTAINS 11 PAGE(S), 3 FAMILY(IES).

THE SEARCH RESULTS MAY INDICATE THAT THERE ARE SOME REGISTRATIONS WHICH SET OUT A BUSINESS DEBTOR NAME WHICH IS SIMILAR TO THE NAME IN WHICH YOUR ENQUIRY WAS MADE. IF YOU DETERMINE THAT THERE ARE OTHER SIMILAR BUSINESS DEBTOR NAMES, YOU MAY REQUEST THAT ADDITIONAL ENQUIRIES BE MADE AGAINST THOSE NAMES.

MILLER THOMSON LLP (TORONTO) - TORONTOSEARCH TEAM

40 KING ST W
TORONTO ON M5H 4A9

CERTIFIED BY/CERTIFIÉES PAR

V. Quintanilla W.

REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES

(crfj6 05/2022)

CONTINUED... 2

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER
758548152

01

CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
	001		2		20191213 0957 1590 2810	P PPSA	3

02 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
03 BUSINESS NAME: 9869247 CANADA LIMITED
ONTARIO CORPORATION NO.
04 ADDRESS: 2818 HOUSE ROAD, STEVENSVILLE, ON L0S 1S0

05 DEBTOR NAME — DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
06 BUSINESS NAME:
ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: NE SPC II LP
09 ADDRESS: C/O NEXT EDGE CAPITAL, 1 TORONTO STREET, TORONTO, ON M5C 2V6

10 COLLATERAL CLASSIFICATION

CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
	X	X	X	X	X				

11 MOTOR
12 VEHICLE — YEAR / MAKE / MODEL / V.I.N.

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: CHAITONS LLP (LL/64903)
17 ADDRESS: 5000 YONGE STREET, 10TH FLOOR, TORONTO, ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 3

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 758548152

CAUTION FILING | PAGE NO. | OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER | REGISTRATION PERIOD
01 002 2 20191213 0957 1590 2810

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
02 DEBTOR
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY /
LIEN CLAIMANT
09 ADDRESS SUITE 200

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY | OR | NO FIXED MATURITY DATE
10

YEAR | MAKE | MODEL | V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
17 AGENT ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 4

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		001		20221115 1047 1590 8388	

21 RECORD REFERENCED FILE NUMBER 788548152

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	3	

23 REFERENCE DEBTOR/ TRANSFEROR — FIRST GIVEN NAME / INITIAL / SURNAME
24 BUSINESS NAME 9869247 CANADA LIMITED

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH / FIRST GIVEN NAME / INITIAL / SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

		YEAR	MAKE	MODEL	V.I.N.
11	MOTOR				
12	VEHICLE				

13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR CHAITONS LLP (DB/64903)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 5

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER: 758548224

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		001		2		20191213 1000 1590 2813	P PPSA	3

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME: 9869247 CANADA LIMITED — ONTARIO CORPORATION NO.
04 ADDRESS: 2818 HOUSE ROAD STEVENSVILLE ON L0S 1S0

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME: — ONTARIO CORPORATION NO.
07 ADDRESS:

08 SECURED PARTY / LIEN CLAIMANT: NE SPC II LP
09 ADDRESS: C/O NEXT EDGE CAPITAL, 1 TORONTO STREET, TORONTO ON M5C 2V6

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10				X	X					

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING AGENT: CHAITONS LLP (LL/64903)
17 ADDRESS: 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 6

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

FILE NUMBER
00 758548224

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER	REGISTRATION PERIOD
01		002		2		20191213 1000 1590 2813		

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
02 DEBTOR
03 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
04 ADDRESS

DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR
06 NAME BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT
09 ADDRESS SUITE 200

COLLATERAL CLASSIFICATION
CONSUMER GOODS INVENTORY EQUIPMENT ACCOUNTS OTHER MOTOR VEHICLE INCLUDED AMOUNT DATE OF MATURITY OR NO FIXED MATURITY DATE
10

YEAR MAKE MODEL V.I.N.
11 MOTOR
12 VEHICLE

13 GENERAL
14 COLLATERAL
15 DESCRIPTION

16 REGISTERING
AGENT
17 ADDRESS

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 7

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		001		20221115 1047 1590 8389	

21 RECORD REFERENCED FILE NUMBER 758548224

	PAGE AMENDED	NO SPECIFIC PAGE AMENDED	CHANGE REQUIRED	RENEWAL YEARS	CORRECT PERIOD
22			B RENEWAL	3	

23 REFERENCE FIRST GIVEN NAME INITIAL SURNAME
24 DEBTOR/ TRANSFEROR BUSINESS NAME 9869247 CANADA LIMITED

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28
02/ 05 DEBTOR/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
03/ 06 TRANSFEREE BUSINESS NAME ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
08 SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

11 MOTOR YEAR MAKE MODEL V.I.N.
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR CHAITONS LLP (DB/64903)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 8

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN

00 FILE NUMBER 742795002

01 CAUTION FILING | PAGE NO. 001 | OF TOTAL PAGES 001 | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER 20180817 1118 1862 0422 | REGISTERED UNDER P PPSA | REGISTRATION PERIOD 5

02 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
03 BUSINESS NAME 9869247 CANADA LIMITED
ONTARIO CORPORATION NO.
04 ADDRESS 2781 STEVENSVILLE ROAD STEVENSVILLE ON L0S 1S0

05 DEBTOR NAME — DATE OF BIRTH | FIRST GIVEN NAME | INITIAL | SURNAME
06 BUSINESS NAME
ONTARIO CORPORATION NO.
07 ADDRESS

08 SECURED PARTY / LIEN CLAIMANT GRAY JAY ESTATES INC.
09 ADDRESS 969 JULIANA DRIVE WOODSTOCK ON N4V 1C1

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10		X	X	X	X	X				

11 MOTOR VEHICLE — YEAR | MAKE | MODEL | V.I.N.
12

13 GENERAL COLLATERAL DESCRIPTION
14
15

16 REGISTERING AGENT MILLER THOMSON LLP (BTS)
17 ADDRESS 255 QUEENS AVE, SUITE 2010 LONDON ON N6A 5R8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 9

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj1fv 05/2022)

Ontario

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

CAUTION FILING | PAGE NO. OF | TOTAL PAGES | MOTOR VEHICLE SCHEDULE | REGISTRATION NUMBER | REGISTERED UNDER

01 001 1 20200123 0952 1590 5335

21 RECORD REFERENCED FILE NUMBER 742795002

PAGE AMENDED | NO SPECIFIC PAGE AMENDED | CHANGE REQUIRED | RENEWAL YEARS | CORRECT PERIOD

22 J OTHER

FIRST GIVEN NAME | INITIAL | SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME 9869247 CANADA LIMITED

25 OTHER CHANGE SUBORDINATION
26 REASON/ GRAY JAY ESTATES INC. HAS SUBORDINATED ITS SECURITY INTEREST IN THE
27 DESCRIPTION ASSETS OF THE DEBTORS IN FAVOUR OF NE SPC II LP.
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION
CONSUMER GOODS | INVENTORY | EQUIPMENT | ACCOUNTS | OTHER | MOTOR VEHICLE INCLUDED | AMOUNT | DATE OF MATURITY OR | NO FIXED MATURITY DATE

10

YEAR | MAKE | MODEL | V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR CHAITONS LLP (JW/64903)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 5000 YONGE STREET, 10TH FLOOR TORONTO ON M2N 7E9

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 10

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

FORM 2C FINANCING CHANGE STATEMENT / CHANGE STATEMENT

	CAUTION FILING	PAGE NO.	OF	TOTAL PAGES	MOTOR VEHICLE SCHEDULE	REGISTRATION NUMBER	REGISTERED UNDER
01		01		001		20230626 1047 1590 9154	

21 RECORD REFERENCED FILE NUMBER 742795002

22 PAGE AMENDED NO SPECIFIC PAGE AMENDED CHANGE REQUIRED B RENEWAL RENEWAL YEARS 5 CORRECT PERIOD

FIRST GIVEN NAME INITIAL SURNAME

23 REFERENCE
24 DEBTOR/ TRANSFEROR BUSINESS NAME 9869247 CANADA LIMITED

25 OTHER CHANGE
26 REASON/
27 DESCRIPTION
28

02/ DATE OF BIRTH FIRST GIVEN NAME INITIAL SURNAME
05 DEBTOR/
03/ TRANSFEREE BUSINESS NAME
06 ONTARIO CORPORATION NO.
04/07 ADDRESS

29 ASSIGNOR
SECURED PARTY/LIEN CLAIMANT/ASSIGNEE
08
09 ADDRESS

COLLATERAL CLASSIFICATION

	CONSUMER GOODS	INVENTORY	EQUIPMENT	ACCOUNTS	OTHER	MOTOR VEHICLE INCLUDED	AMOUNT	DATE OF MATURITY	OR	NO FIXED MATURITY DATE
10										

YEAR MAKE MODEL V.I.N.

11 MOTOR
12 VEHICLE
13 GENERAL
14 COLLATERAL
15 DESCRIPTION
16 REGISTERING AGENT OR MILLER THOMSON LLP (SWO)
17 SECURED PARTY/ LIEN CLAIMANT ADDRESS 255 QUEENS AVENUE, SUITE 2010 LONDON ON N6A 5R8

*** FOR FURTHER INFORMATION, CONTACT THE SECURED PARTY. ***

CONTINUED... 11

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF PERSONAL PROPERTY SECURITY/ LE REGISTRATEUR DES SÛRETÉS MOBILIÈRES
(crj2fv 05/2022)

RUN NUMBER : 009
RUN DATE : 2024/01/09
ID : 20240109085034.06

PROVINCE OF ONTARIO
MINISTRY OF PUBLIC AND BUSINESS SERVICE DELIVERY
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 11
(13022)

TYPE OF SEARCH : BUSINESS DEBTOR
SEARCH CONDUCTED ON : 9869247 CANADA LIMITED
FILE CURRENCY : 08JAN 2024

INFORMATION RELATING TO THE REGISTRATIONS LISTED BELOW IS ATTACHED HERETO.

FILE NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER	REGISTRATION NUMBER
758548152	20191213 0957 1590 2810	20221115 1047 1590 8388		
758548224	20191213 1000 1590 2813	20221115 1047 1590 8389		
742795002	20180817 1118 1862 0422	20200123 0952 1590 5335	20230626 1047 1590 9154	

7 REGISTRATION(S) ARE REPORTED IN THIS ENQUIRY RESPONSE.

CERTIFIED BY/CERTIFIÉES PAR
V. Quintanilla W.
REGISTRAR OF
PERSONAL PROPERTY SECURITY/
LE REGISTRATEUR
DES SÛRETÉS MOBILIÈRES
(crlj6 05/2022)

Ontario

This is Exhibit “S” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

January 18, 2023

9869247 Canada Limited
2818 House Road
Stevensville, Ontario L0S 1S0

Attn: Brigitte Simons and Marco Marrone

Re: NE SPC II LP (the "**Lender**") loan to 9869247 Canada Limited (the "**Borrower**") and guaranteed by GN Ventures Ltd. (the "**Guarantor**") pursuant to a commitment letter dated January 23, 2020, as amended by letter agreements dated July 21, 2021, October 15, 2021, January 7, 2022, **February 1, 2022** and July 21, 2022 (collectively, the "**Credit Agreement**")

Reference is made to the Credit Agreement and all capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Credit Agreement. We confirm our mutual agreement as follows:

1. The Borrower shall maintain a minimum cash balance of $250,000 in a separate interest-bearing account (the "**Segregated Funds**"). The Segregated Funds shall form part of the Blacksail Security (as such term is defined in the Priority Agreement) but shall be excluded from the operation of the Priority Agreement. For greater certainty, GJ shall provide confirmation that the Lender shall have priority in the Segregated and their proceeds.

2. The Borrower shall cause Bank of Montreal to acknowledge the security interest of the Lender in the Segregated Funds in a form and substance satisfactory to the Lender.

3. The Borrower shall provide a direction to Bank of Montreal to wire the funds to the Lender which direction shall be held in escrow pending the occurrence of an Event of Default.

4. Effective upon the satisfaction of Sections 1, 2 and 3 hereof, Sections 6 and 7 of the July 21, 2022 letter are hereby deleted. For greater certainty, the Borrower shall provide continuous, uninterrupted view only access to all of its bank accounts (including, without limitation, the account holding the Segregated Funds) at all times.

5. On the occurrence of an Event of Default the Borrower shall pay to the Lender a fee in the amount of .50% of the outstanding balance of the Loan (the "**Administration Fee**") which fee shall be fully earned and added to the outstanding balance of the Loan and be secured by the Security on such date.

6. On the occurrence of an Event of Default, the Segregated Funds shall be forthwith paid to the Lender to be applied against the Administration Fee, any unpaid interest and the outstanding principal balance of the Loan.

7. Effective December 1, 2022, to and including April 30, 2023, principal payments shall not be required. For greater certainty, interest payments shall continue to be made when due.

8. On May 31, 2023, the Borrower shall make a principal payment in the amount of $158,000.

9. The Borrower shall maintain a minimum monthly cash balance of $750,000 comprised of a minimum operating account balance of $500,000 and the Segregated Funds.

10. The final installment of the extension fee required by the July 21, 2022, letter due January 1, 2023, shall be deferred and be paid in full on May 31, 2023.

11. The Borrower shall provide to the Lender copies of all monthly bank statements (including, without limitation, the account holding the Segregated Funds) within 3 Business Days of receipt and shall provide all other reporting required by the Credit Agreement together with monthly written updates providing the details of all international sales in a form satisfactory to the Lender.

12. The Borrower shall be responsible for all legal fees and disbursements incurred by the Lender in connection with the preparation and negotiation of this Agreement and all matters related thereto. The Borrower acknowledges that no fees have been billed since the initial advance and that it shall forthwith pay on request all legal fees from such date.

13. This Agreement is supplemental to and shall be read with and be deemed to be part of the Credit Agreement, which shall be deemed to be amended *mutatis mutandis* as herein provided. Any reference to the Credit Agreement and any agreements or documents entered into in connection with the Credit Agreement shall mean the Credit Agreement as amended hereby and all such agreements and documents are also hereby amended *pro tanto* to give effect to this Agreement.

14. All the terms and conditions of the Credit Agreement, except insofar as the same are amended by the express provisions of this Agreement, are confirmed and ratified in all respects, shall survive and shall not merge with or be extinguished by the execution and delivery of this Agreement and shall hereafter continue in full force and effect, as amended.

15. This Agreement may be executed in any number of separate counterparts by any one or more of the parties thereto, and all of said counterparts taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by telecopier, PDF or by other electronic means shall be as effective as delivery of a manually executed counterparts.

16. The Borrower and the Guarantor agree that they will execute such further assurances with respect to this Agreement and the Credit Agreement as may be required to evidence the true intent and meaning of this Agreement.

17. This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

18. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable herein.

Please acknowledge the foregoing by executing where indicated below and returning a PDF copy of this letter to the Lender which shall be as effective as delivery of a manually original executed counterpart.

[The remainder of this page is blank. Signature page follows.]

Provided that the foregoing meets with your approval, kindly execute where indicated and return a PDF copy of this letter to the Lender.

NEXT EDGE GENERAL PARTNER (ONTARIO) INC., in its capacity as general partner of NE SPC II LP

By: ______________________________
Name:
Title:
I have authority to bind the Corporation.

The Borrower hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

9869247 CANADA LIMITED

By: Brigitte Simons c/s
Name: Brigitte Simons
Title: President
I have authority to bind the Corporation.

The Guarantor hereby Acknowledges and Accepts the terms and conditions of this Agreement as of the date first above written.

GN VENTURES LTD.

DocuSigned by:
C69C1A3C1CDA426...
By: Name: Pat Grobe
Title: Chief Financial Officer
I have authority to bind the Corporation.

The undersigned hereby Acknowledges and Accepts the foregoing and, notwithstanding the provisions of the Pari Passu and Priority Agreement dated January 23, 2020, the undersigned hereby subordinates its security interest in the Segregated Funds and its proceeds to and in favour of the Lender who shall have a first priority charge. For greater certainty, the pari passu provisions of such agreement shall not apply to the Segregated Funds and its proceeds which the Lender may apply to the obligations owing under the Credit Agreement as set out herein free and clear of any interest of the undersigned.

GRAY JAY ESTATES INC.

By: ______________________________
Name: Wilhelmus Van Haeren
Title: President
I have authority to bind the Corporation.

NE_GN_-_amending_agreement(10564859.1).doc

Final Audit Report 2023-01-20

Created:	2023-01-20
By:	Brigitte Simons (brigitte@craft-labs.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAABMXIFtCsisY8ZDnqtUqEyfWGOrWI2EVg

"NE_GN_-_amending_agreement(10564859.1).doc" History

Document digitally presigned by DocuSign\, Inc. (enterprisesupport@docusign.com)
2023-01-20 - 2:48:41 PM GMT- IP address: 24.150.63.249

Document created by Brigitte Simons (brigitte@craft-labs.com)
2023-01-20 - 5:12:50 PM GMT- IP address: 24.150.63.249

Document emailed to bsimons@safariflower.co for signature
2023-01-20 - 5:13:22 PM GMT

Email viewed by bsimons@safariflower.co
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Signer bsimons@safariflower.co entered name at signing as Leanne Brigitte Simons
2023-01-20 - 5:15:00 PM GMT- IP address: 24.150.63.249

Document e-signed by Leanne Brigitte Simons (bsimons@safariflower.co)
Signature Date: 2023-01-20 - 5:15:02 PM GMT - Time Source: server- IP address: 24.150.63.249

Agreement completed.
2023-01-20 - 5:15:02 PM GMT

This is Exhibit "T" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD.
Consolidated Cash Flow Forecast
$CDN

		1	2	3	
Week Beginning	Notes	**8-Jan-24**	**15-Jan-24**	**22-Jan-24**	**Total**
Receipts					
Collections of Sales	1	$ 60,364	$ 168,719	$ 72,994	$ 302,077
Other Collections	2	-	-	-	-
Total Receipts		**60,364**	**168,719**	**72,994**	**302,077**
Disbursements					
Operating Costs	3	41,000	57,000	55,000	153,000
Payroll Costs	4	71,600	-	15,000	86,600
Utilities	5	39,317	56,950	51,540	147,807
Operational G&A and Taxes	6	23,896	-	13,558	37,455
Restructuring Costs	7	50,000	225,000	75,000	350,000
Total Disbursements		225,813	338,950	210,099	774,862
Net cash receipts/(disbursements)		**$ (165,449)**	**$ (170,231)**	**$ (137,105)**	**$ (472,785)**
Cash on hand					
Opening Balance	8	$ 928,607	$ 763,158	$ 592,927	$ 928,607
Net Cash Receipts/(disbursements)		(165,449)	(170,231)	(137,105)	(472,785)
Ending cash balance		**$ 763,158**	**$ 592,927**	**$ 455,823**	**$ 455,823**

IN THE MATTER OF THE CCAA OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "Applicants")

Notes to the Unaudited Cash Flow Forecast of the Applicants

January 8, 2024 to January 28, 2024 (the "Forecast Period")

Disclaimer:

In preparing this cash flow forecast (the "**Cash Flow Forecast**"), the Applicants, with the assistance of Ernst & Young Inc. (the "**Proposed Monitor**"), 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 Applicants' operations and additional assumptions discussed below with respect to the requirements and impact of a *Companies' Creditors Arrangement Act* ("**CCAA**") filing (the "**Probable and Hypothetical Assumptions**" or the "**Assumptions**"). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the 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 the receipts and disbursements of the Applicants during the Forecast Period. The Applicants, with the assistance of the Proposed Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations during the first 10 day stay period.

Receipts and disbursements are denominated in thousands of Canadian dollars.

Assumptions:

1. **Sales**
   This category includes revenues generated by the Applicants through the sale of cannabis products to provincial distributors domestically, bulk to other licensed producers and internationally to licensed customers in their respective countries.

2. **Other Receipts**
   This category includes HST refunds.

3. **Operating Costs**

Represents disbursements related to purchase of raw materials, consumables, general repairs and maintenance, and security.

4. **Payroll Costs**
   Employees are paid on a bi-monthly basis. Payroll costs include WSIB, EHT and benefits.

5. **Utilities**
   Represents the cost of gas, water and hydro.

6. **Operational G&A and Taxes**
   Operational expenses such as health Canada licences, insurance, sales taxes, property taxes and excise duty taxes.

7. **Restructuring Costs**
   Restructuring costs include professional fee payments and expenses of the Applicants' legal counsel, the proposed Monitor and its counsel in connection with the Applicants' restructuring proceedings.

8. **Beginning Balance**
   Represents the projected opening cash balance as of January 8, 2024.

This is Exhibit "U" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 11, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

ADVISORY AND SUCCESS FEE AGREEMENT

THIS Advisory and Success Fee Agreement (this **"Agreement"**) is made as of the __7th___ day of June, 2023 (the **"Effective Date"**).

BETWEEN:

HYDE ADVISORY & INVESTMENTS INC.

(the **"Consultant"**)

- and -

9869247 CANADA LIMITED, d.b.a. SAFARI FLOWER COMPANY

(the "**Company**")

WHEREAS the Consultant is in the business of providing, directly or through a third party, a range of strategic support, regulatory compliance, licensing advisory, corporate due diligence and transaction facilitation services within the global cannabis industry (the **"Services"**);

AND WHEREAS the Company is a Health Canada licensed producer, owner and operator, together with its parent company, GN Ventures Ltd., operating out of the licensed premises municipally known as 2818 House Road, Stevensville, ON L0S 1S0, and legally described as: Part Lot 13 Concession 13, Niagara River, Bertie, Parts 1 & 2, 59R15712; subject to an easement over Part 2, 59R15712 as in BE44961, together with an easement over Parts 4, 9 & 14, 59R15712 as in SN502947 Part Lots 13 & 14, Concession 13, Niagara River, Bertie, designated as Part 1 Plan 59R16046

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Town of Fort Erie (the "**Premises**");

AND WHEREAS the Company wishes to retain the Consultant to provide the Services in connection with a potential Transaction (as defined below) involving the Company and the sale, transfer, lease, rental or other commercialization of the Premises to a targeted list of potential interested parties (each a "**Candidate**" and, collectively, "**Candidates**").

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Definitions

For purposes of this Agreement,

a) **"Agreement"** means this Agreement;

b) "**Candidate**" means a targeted list of potential interested parties identified by the Consultant;

c) "**Company**" means 9869247 Canada Limited, d.b.a. Safari Flower Company, its parent company, GN Ventures Ltd., its subsidiaries, affiliates, associated companies, successors and permitted assigns;

d) "**Premises**" means the land, buildings and improvements located on the property municipally known as 2818 House Road, Stevensville, ON L0S 1S0, and legally described as: Part Lot 13 Concession 13, Niagara River, Bertie, Parts 1 & 2, 59R15712; subject to an easement over Part 2, 59R15712 as in BE44961, together with an easement over Parts 4, 9 & 14, 59R15712 as in SN502947 Part Lots 13 & 14, Concession 13, Niagara River, Bertie, designated as Part 1 Plan 59R16046 Town of Fort Erie;

e) **"Protected List**" means the list of entities identified by the Company

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in Schedule “A” to this Agreement;

f) **“Qualified Lead”** means, without limitation, one or more Candidates introduced to the Company by Consultant during the Initial Term or any Further Term, which is not on the Company’s Protected List;

g) **“Success Fee”** has the meaning set out in Section 2(c) below;

h) **“Transaction”** includes, without limitation, any transaction or series of transactions in which the Company sells, transfers, conveys, assigns, leases or otherwise legally grants ownership and/or occupancy rights in the Company and/or the Premises, or any parts thereof, to a Qualified Lead under the terms of a sale, share or asset transfer, license, lease or similar agreement;

i) **“Transaction Facilitation Services”** means, without limitation, activities undertaken by Consultant aimed at identifying and engaging in discussions with potential Candidates and other stakeholders in relation to a Transaction;

j) **“Transaction Value”** means, without limitation, an amount equal to the sum (without duplication) of: (i) the gross dollar amount received by, or paid or payable to, (whether in one or more tranches) the Company and/or its securityholders by any party involved in the Transaction, including amounts paid for securities and/or indebtedness issued or issuable, and the aggregate fair market value of any securities or other non-cash consideration received by, or paid or payable to, the Company and/or to its securityholders (including, any joint venture interest delivered to, or retained by, the Company) in connection with the Transaction; (ii) the aggregate fair market value of any securities issued or issuable or other non-cash consideration paid or payable by the Company and/or any subsidiary or affiliate thereof in connection with the Transaction, and (iii) the aggregate amount of indebtedness and financial liabilities (for greater clarity, including accounts payable) of the Company and its subsidiaries and affiliates

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assumed by any party involved in the Transaction, and the aggregate amount of indebtedness and financial liabilities (for greater clarity, including accounts payable) of any party involved in the Transaction assumed by the Company and/or any subsidiary or affiliate thereof.

2. Remuneration and Guarantee

(a) *The Company Discretion re. Deal Terms*. Any Transaction must be approved by the Board of the Company and the Company shall only be required to enter into a Transaction which is on terms and conditions wholly satisfactory to the Board of the Company, in its sole discretion.

(b) *Remuneration Trigger*. The Company's obligation to remunerate Consultant under this Agreement is triggered where a Qualified Lead enters into a Transaction with the Company.

(c) *Success Fee*. If during the Initial Term or a Further Term, a Transaction is completed, or the Company enters into an agreement in respect of a Transaction which is then subsequently completed, the Company will pay the Consultant a fee (the **"Success Fee"**), equal to:

(i) two and a half percent (2.5%) of the Transaction Value up to ten million dollars ($10,000,000); plus

(ii) three percent (3.0%) of the Transaction Value between ten million one dollars ($10,000,001) and fifteen million dollars ($15,000,000); plus

(iii) four percent (4%) of the Transaction Value in excess of fifteen million dollars ($15,000,000); and

(iv) in the case of a Transaction that is the lease, rental, assignment or other grant of occupancy rights, or any similar commercial arrangement, in respect of the Premises or any part thereof, two (2) months' gross lease, rent or other monthly payment, as the case may be, paid by the Qualified Lead under the terms of such

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arrangement,

plus any goods and services tax and other applicable tax in respect of the Success Fee. The Success Fee is payable to the Consultant (or as it may otherwise direct), in Canadian dollars.

(d) *Success Fee During Holdover*. If, within six (6) months following the expiry or earlier termination of the Initial Term or a Further Term, the Company completes a Transaction with a Qualified Lead, the Success Fee shall still be payable to the Consultant on completion of such Transaction.

(e) *No Deductions from Gross Rent.* Tenant incentives, including free rent, rent abatements or inducements, will not be taken into account in the calculation of the Success Fee pursuant to this Section 2.

(f) *Timing of Success Fee Payment.* Payment shall be made by the Company to the Consultant (or as the Consultant may otherwise direct) as follows:

(i) where completion of the Transaction includes a formal closing procedure (i.e., the transfer of legal title to the Company's shares or the Premises in exchange for consideration received by the Company or its legal representatives, or payment is made at the direction of the Company), the Success Fee is due, and shall be paid, as a condition of the Transaction closing contemporaneous with such closing;

(ii) where the Transaction includes proceeds or consideration that is due to the Company: (I) in one or more tranches post-closing; or (II) is conditional upon specified post-closing sales, production, deliverables, or other quantifiable metrics (hereinafter "**Conditional Proceeds**"), the portion of the Success Fee attributable to such Conditional Proceeds, shall be due and paid to

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Consultant immediately upon receipt of such proceeds or consideration by the Company (i.e., where a Transaction includes an earnout provision, the Consultant shall be paid immediately upon receipt of the earnout payment by the Company); and

(iii) where the Transaction involves the lease, rental, assignment or other grant of occupancy rights, or any similar commercial arrangement, in respect of the Premises or any part thereof, the Success Fee shall be due and paid to the Consultant (or as the Consultant may otherwise direct) as follows: (I) one (1) month's gross rent payable upon the entering into of the commercial agreement; and (II) the balance (i.e., one (1) month of the gross rent) payable at a rate of fifty percent (50%) of the gross monthly payment received by the Company under the agreement until the Success Fee is paid in full (i.e., by the beginning of the third month of the agreement).

(g) *Sales Taxes*. The Company will be responsible for HST and any other sales taxes applicable in respect of the Success Fee payable under this Agreement.

(h) *Verification of Amount of Remuneration.* The Company acknowledges and agrees that once a Transaction has been closed, Consultant shall be permitted to inspect any and all of the Transaction documents within five (5) business days of a written request for said documents being delivered to the Company. The Company agrees to provide Consultant or Consultant's representative with access to such Transaction documents via electronic transmission of pdf files or, at the option of Consultant, in person at the Company's offices during regular business hours.

(i) *Success Fee in Definitive Agreement.* The Company acknowledges and warrants that the payment obligation in respect of the Success Fee

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created by this Agreement will be specifically referenced in the terms of the definitive agreement for the Transaction. To this end, the definitive agreement will include a provision specifying that the Success Fee shall be paid to the Consultant (or at its direction) directly out of the proceeds of the Transaction, be it sale, transfer, conveyance, lease, rental or other commercial arrangement, or any combination thereof.

3. Access to Information, and Disclosure and Use

a) *Access to Information.* The Company will arrange for Consultant to have timely access to the Company's executive officers, legal counsel and such other personnel as Consultant may reasonably request, and to information regarding the Assets as Consultant may reasonably request in carrying out this engagement. Upon receipt of such information, Consultant shall keep all information strictly confidential and shall not disclose any such information except to Consultant's representatives on a need-to-know basis, without the Company's prior written consent. In addition, the Company will use its best efforts to keep Consultant informed with respect to all information and circumstances regarding the Transaction as may be relevant to Consultant properly performing its duties under this Agreement, and the Company will promptly provide Consultant with copies of all material documents relating to the Transaction upon request. The Company agrees to provide, or arrange to have provided to Consultant such information, and the Company will update such information as appropriate. The Company agrees that Consultant may rely upon such information and that all such information will be true, accurate and complete in all material respects. The Company acknowledges that Consultant will be entitled to rely upon such information, and Consultant is entitled to assume, and is under no obligation to verify independently, the accuracy, completeness or reasonableness of such information. Further, Consultant is under no obligation to investigate any changes which may occur in such

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information after the date upon which it is provided to it. Notwithstanding the foregoing, the Company will advise Consultant promptly of any material change or change in a material fact, actual or contemplated, and of any material information of which the Company becomes aware which might reasonably be considered relevant to Consultant's engagement. The Company will advise Consultant promptly of any communication or notice received by the Company from, and of any proceeding initiated before or by, any applicable regulatory authority (including, without limitation, Health Canada and any stock exchange, if applicable) or court relating to the Transaction or which might otherwise be relevant to this engagement.

b) *Disclosure and Use*. All opinions, advice and other materials provided by Consultant hereunder, are to be used solely by the Company's management team and board of directors in considering a Transaction and shall not be quoted from, summarized or otherwise disclosed, nor will any reference to Consultant or to this engagement be made, without Consultant's prior written consent, not to be unreasonably withheld, provided it is understood that, with the prior written consent of Consultant, the Company may use the aforesaid advice and opinions in its disclosure to shareholders of the Company in seeking any required consent(s) to the proposed Transaction in a form and manner to be reasonably agreed to by the parties hereto.

c) *Confidential Information*. The parties acknowledge and agree that during the course of this engagement, they will be exposed to Confidential Information (as hereinafter defined) and such Confidential Information may only be used by the Consultant or the Company, as the case may be, for purposes of evaluating a proposed Transaction. For purposes of this Agreement, "Confidential Information" shall include, but not be limited to: (i) all information or knowledge pertaining to the Company's or Consultant's business, affairs or operations including any financial information, technical information, personnel, intellectual

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property, data, designs, business plans, documents, materials, records, customers, counterparties and/or legal agreements; and (ii) the existence or identity of any Qualified Lead provided by Consultant to the Company, each of which is not otherwise generally known, or available, to the public.

4. Scope of Consultant's Services

a) *Not Trading In, or Advising On, Securities*. Consultant is not trading in, or advising on, securities or commodities and is therefore not required to register with the Ontario Securities Commission. More broadly, Consultant is not in the business of providing investment advice and the Company is encouraged to retain trained and certified financial, legal and/or investment professionals to provide this type of support and advice on any Transaction.

b) *Sourcing of Qualified Leads*. Consultant will make best efforts to source Qualified Leads who may wish to enter into a Transaction with the Company. Consultant has an extensive database of cannabis industry business contacts who collectively afford Consultant a unique and significant opportunity to identify Qualified Leads for the Company.

c) *Strategic Advisory Services*. Consultant provides strategic support to a range of cannabis sector clients in the areas of business/licensing strategy, regulatory compliance, facility operations, corporate governance and acquisition due diligence. As part of the scope of Services under this Agreement, Consultant will provide the Company with high level strategic insights directed towards the selection of suitable Qualified Leads and alignment with licensing requirements, related to one or more prospective Transactions including, specifically, those services set out in Schedule "C" to this Agreement.

d) *Consulting Services Outside this Agreement.* In the event the Company

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requires supplemental advisory services outside of those services included in Schedule “C” to this Agreement, and Consultant is equipped to provide the required services, a separate Consulting Agreement will be drawn up between the parties.

5. Term, Termination and Survival.

a) *Term*. The initial term of this Agreement shall be for a period of six (6) months (the **“Initial Term”**), commencing on the Effective Date. Thereafter, the Agreement shall automatically renew for successive six (6) month terms (each a “**Further Term**”) unless otherwise terminated by 30 days’ written notice from one party to the other.

b) *Termination*. This Agreement may be terminated: (i) immediately by either party upon written notice to the other party if the other party commits a material breach of this Agreement or in the event the other party becomes insolvent, or initiates bankruptcy or wind-up proceedings; (ii) immediately by either party upon written notice to the other party in the event the other party commits an act of fraud, dishonesty, gross misconduct or gross negligence in connection with this Agreement; or (iii) by written notice in accordance with paragraph 5(a) above. In all cases of termination of this Agreement, other than as set out in clause 5(b)(ii) above, the Holdover period set out in paragraph 2(d) hereof shall be binding on the Company.

c) *Survival*. The provisions of section 2 (Remuneration and Guarantee), section 3 (Access to Information and Disclosure and Use), section 5 (Term, Termination and Survival), section 6 (Non-Circumvention and No Other Fees), section 7 (Nature of Relationship and Exclusivity), Section 8 and Schedule A (Indemnification), and section 9 (General Matters) shall survive such termination.

6. Non-Circumvention and No Other Fees

a) *Non-Circumvention*. It is recognized that Consultant will expend time,

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specialized knowledge and resources in pursuit of a Transaction for the Company. The Company therefore agrees it shall not take any action, or fail to take any action, intended to circumvent or defeat, or having the effect of circumventing or defeating Consultant's right to receive a Success Fee under this Agreement. The Company agrees to compensate Consultant in the event that the Company's action or inaction defeats the parties' *bona fide* intentions to identify Qualified Leads and consummate a Transaction and Consultant suffers harm or a loss in connection therewith including, for greater certainty, the loss of the Success Fee that would otherwise have been payable.

b) *No Other Fees*. Consultant represents that it is the sole party entitled to the Success Fee for any Transaction facilitated by Consultant and further agrees that no other party will look to the Company in connection with any other like fee in relation to a Transaction. Moreover, Consultant will not look to any other party to the Transaction for any additional fee in connection with such Transaction without the prior written consent of the Company.

c) *Assignment*. Consultant will not assign this Agreement without the prior written consent of the Company.

7. Nature of Relationship and Exclusivity

a) *Independent Contractors*. The Company and Consultant agree that the relationship created by this Agreement shall be that of independent contractors. The parties further agree that they have not created a partnership and nothing contained in this Agreement shall in any manner whatsoever constitute any party the partner, agent or legal representative of any other party, nor create any fiduciary relationship between them for any purpose whatsoever.

b) *Exclusivity*. The Company acknowledges and agrees that this is a non-exclusive engagement with Consultant.

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8. Indemnification

The Company agrees to indemnify Consultant and certain other parties in accordance with the provisions contained in Schedule B hereto, which schedule forms part of this Agreement.

9. General Matters

a) *Entire Agreement***.** This Agreement, together with the schedules attached hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, negotiations and understandings, both written and oral, between the parties with respect to the subject matter hereof. This Agreement may not be modified unless done so in writing and signed by both parties.

b) *Inurement.* This Agreement shall inure to the benefit of and be binding upon the parties and their respective successors and permitted assigns. This Agreement may not be assigned or transferred by either party hereto without the prior written consent of the other party(ies), which consent shall not be unreasonably withheld. Any assignment or purported assignment of this Agreement shall only be effective upon the intended assignee agreeing in writing to, and assuming, all of the obligations of the assignor hereunder.

c) *Applicable Law and Jurisdiction.* This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties further agree that any dispute or question, either of fact or of law, which may arise under this Agreement shall be resolved by the courts of the Province of Ontario and the parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

d) *Currency.* All dollar amounts expressed herein and payable as Success

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Fee are in Canadian dollars.

e) *Counterparts.* This Agreement may be executed in any number of counterparts, each of which when so executed will be deemed to be an original and all of which, when taken together, will constitute one and the same Agreement. Each of the parties to this Agreement will be entitled to rely on delivery of an electronic copy of this Agreement and acceptance by each party of any such electronic copy will be legally effective to create a valid and binding agreement between the parties to this Agreement in accordance with the terms of this Agreement.

f) *Severability.* The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity, legality or enforceability of any other provision thereof. Each Party agrees that no failure or delay by the other Party in exercising any right, power or privilege hereunder will operate as a waiver thereof.

g) *Legal Advice.* The Company and Consultant confirm that they have been advised to obtain independent legal, tax and financial advice with respect to this Agreement (and the consequences related thereto) and have done so or have considered doing so and, in their sole judgment, have decided that it is not necessary.

[The remainder of this page is intentionally left blank; signature page follows.]

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IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date set out above.

HYDE ADVISORY & INVESTMENTS INC.

Per:

Name: David Hyde

Title: Director

I have authority to bind the corporation

9869247 CANADA LIMITED

Per:

Name: Brigitte Simons

Title: CEO

I have authority to bind the corporation

SCHEDULE A – PROTECTED LIST

1. Beechhill Capital, Gray Jay Estates Ltd., and all affiliates;
2. NE SPC II LP, Garrington Group of Companies, and all affiliates; and
3. Marricann Inc., CanAdelaar B.V., and all subsidiaries.

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SCHEDULE B – INDEMNIFICATION

As consideration for Hyde Advisory & Investments Inc. ("**HAI**") agreeing to provide the services described in the engagement agreement to which this schedule is attached (the "**Engagement**"), 9869247 Canada Limited (the "**Indemnitor**") agrees to indemnify and hold harmless HAI, its subsidiaries and affiliates, and each of their respective directors, officers, employees, agents, advisors, and each other person, if any, controlling HAI or any of its subsidiaries or affiliates (collectively, the "**Indemnified Parties**" and each, an "**Indemnified Party**"), to the full extent lawful, from and against all expenses, losses, damages and liabilities of any nature (including the reasonable fees and expenses of their respective counsel, but not including any amount for lost profits) (collectively, "**Losses**") that are incurred in investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party (collectively, the "**Claims**") or to which an Indemnified Party may become subject or otherwise involved in any capacity insofar as the Claims arise out of or are based upon, directly or indirectly, the Engagement together with any Losses that are incurred in enforcing this indemnity. This indemnity shall not be available to an Indemnified Party in respect of Losses incurred where a court of competent jurisdiction in a final judgement that has become non-appealable determines that such Losses resulted from the gross negligence or willful misconduct of the Indemnified Party.

If for any reason (other than a determination as to any of the events referred to above) this indemnity is unavailable to an Indemnified Party or is insufficient to hold an Indemnified Party harmless in respect of any Claim, the Indemnitor shall contribute to the Losses paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the Losses paid or payable by an Indemnified Party as a result of such Claim, the amount (if any) equal to (i) such amount paid or payable, minus (ii) the amount of the fees actually received by the Indemnified Party, if any, under the Engagement.

The Indemnitor agrees that in case any legal proceeding shall be brought against, or an investigation is commenced in respect of, the Indemnitor and/or an Indemnified Party and an Indemnified Party or its personnel are required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with or by reason of the Engagement, the Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by its personnel in connection therewith at their normal per diem rates together with such disbursements and out-of-pocket expenses incurred by the Personnel in connection therewith) shall be paid by the Indemnitor as they occur.

HAI will notify the Indemnitor promptly in writing after receiving notice of an action, suit, proceeding or claim against HAI or any other Indemnified Party or receipt of notice of the commencement of any investigation which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, stating the

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particulars thereof, will provide copies of all relevant documentation to the Indemnitor and, unless the Indemnitor assumes the defence thereof, will keep the Indemnitor advised of the progress thereof and will discuss all significant actions proposed. The omission to so notify the Indemnitor shall not relieve the Indemnitor of any liability which the Indemnitor may have to an Indemnified Party except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability under this indemnity which the Indemnitor would otherwise have incurred had HAI not so delayed in giving, or failed to give, the notice required hereunder.

The Indemnitor shall be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence of any Claim, provided such defence is conducted by experienced and competent counsel acceptable to the Indemnified Parties. Upon the Indemnitor notifying HAI in writing of its election to assume the defence and retaining counsel, the Indemnitor shall not be liable to an Indemnified Party for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Indemnitor, the Indemnitor throughout the course thereof will provide copies of all relevant documentation to HAI, will keep HAI advised of the progress thereof and will discuss with HAI all significant actions proposed.

Notwithstanding the foregoing paragraph, any Indemnified Party shall have the right, at the Indemnitor's expense, to separately retain counsel of such Indemnified Party's choice, in respect of the defence of any Claim if: (i) the employment of such counsel has been authorized by the Indemnitor; or (ii) the Indemnitor has not assumed the defence and employed counsel therefor promptly after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Indemnitor or the Indemnified Party has advised the Indemnified Party that representation of both parties by the same counsel would be inappropriate for any reason, including for the reason that there may be legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor (in which event and to that extent, the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf) or that there is a conflict of interest between the Indemnitor and the Indemnified Party or the subject matter of the Claim may not fall within the indemnity set forth herein (in any of which events the Indemnitor shall not have the right to assume or direct the defence on such Indemnified Party's behalf), provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties. No admission of liability and no settlement of any Claim shall be made by the Indemnitor without the prior written consent of the Indemnified Parties affected (which consent may not be unreasonably withheld) unless such settlement includes an unconditional release of each Indemnified Party from any liabilities arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by any Indemnified Party.

The Indemnitor hereby acknowledges that HAI acts as trustee for the other Indemnified Parties of the Indemnitor's covenants under this indemnity and HAI agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

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The indemnity and contribution obligations of the Indemnitor hereunder shall be in addition to any liability which the Indemnitor may otherwise have (including under the Engagement), shall extend upon the same terms and conditions to the Indemnified Parties and shall be binding upon and enure to the benefit of any successors, permitted assigns, heirs and personal representatives of HAI and any other Indemnified Party. The foregoing provisions shall survive any termination of the Engagement.

Accepted and agreed to as of this __7th___ day of June, 2023.

9869247 CANADA LIMITED

By: ______________________________

Title: __CEO______________________________

SCHEDULE C – SCOPE OF TRANSACTION FACILITATION SERVICES

While the precise scope of Transaction Facilitation Services will vary slightly based on the circumstances of each Transaction, the below list identifies those services which form part of this Agreement and are typically conducted by Consultant as part of a Transaction:

- Initial discussions with Company stakeholders and review of a wide range of Company data in order to learn about the Company's business, its' key selling features and the type of buyer(s)/investor(s) best-suited to the opportunity.
- Gathering of key Company information and documentation/files to be shared with Qualified Leads.
- Review of corporate deck and other key Company presentation materials, providing feedback aimed at optimizing these materials.
- Ongoing discussions with representatives from the Company, Candidates, Qualified Leads and other relevant stakeholder groups in pursuit of facilitating a Transaction.
- Facilitating non-disclosure agreements between the Company and Qualified Leads who enter into discussions about a Transaction.
- Arranging and attending calls between the Company and Qualified Leads and acting as the Company's advisor during Transaction-related discussions.
- Providing updates to the Company on the status of discussions with Qualified Leads.
- Discussing and accepting Letters of Intent ("LOI's") from Qualified Leads to be brought to the Company for discussion.
- Supporting the Company during Transaction-related negotiations with one or more Qualified Bidders.
- Provision of strategic licensing advisory services pertaining to potential transactions between the Company and Qualified Leads.
- Review of comparable transactions (i.e., "comps") in the legal cannabis sector which can be used to inform Transaction negotiations.
- Various sales and marketing activities (all of which are pre-approved by the Company) including some or all of:
    - reach-outs to pre-qualified buyers/investors on the Hyde Advisory & Investments Inc. Candidates list;
    - use of focused social media posts (e.g., LinkedIn, Twitter);
    - identification and solicitation of potential Candidates through the extensive HAI professional network (e.g., past and present clients, licence holders, licence applicants, industry consultants, investment groups, etc.);
    - creation of an opportunity summary to be posted on the Hyde Advisory & Investments Inc. website listings page (pre-approved by the Company);
    - creation of a marketing video (NOTE: if initial marketing and sales efforts do not lead to a Transaction and the Company wishes to pursue this step. NOTE also that an extra fee will be levied to cover the video production costs).

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")	Court File No.: CV-24-00712687-00CL

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn January 11, 2024)

MILLER THOMSON LLP
40 King Street West, Suite 5800
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Tel: 416.597.4321

Lawyers for the Applicants

TAB 3

Court File No.: CV-24-00712687-00CL

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 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

CONSENT

Ernst & Young Inc., hereby consents to act as the Court-appointed Monitor in this proceeding, should an Initial Order be granted by the Court.

Dated at Toronto this 10th day of January, 2024.

ERNST & YOUNG INC.

Per: K. Fung

Name: Karen Fung
Title: Senior Vice President
(I have the authority to bind the corporation)

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD

Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

MONITOR'S CONSENT

GOWLING WLG
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, OntarioM5X 1G5

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Email: virginie.gauthier@gowlingwlg.com

Haddon Murray
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Lawyers for Ernst & Young Inc., as proposed Monitor

TAB 4

Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 12TH
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day via Zoom videoconference.

ON READING the affidavit of Leanne Brigitte Simons sworn on January 11, 2024 and the Exhibits thereto (the "**Simons Affidavit**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and counsel for the secured creditors, no one appearing for any other party although duly served as appears from the affidavit of service of Maureen McLaren sworn on January 11, 2024, and on reading the consent of Ernst & Young Inc., to act as the Monitor of the Applicants ("**Monitor**"),

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Simons Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the banking and cash management system currently in place as described in the Simons Affidavit or replace it with another substantially similar banking and cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement (a "**Plan**") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and

(c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below).

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $200,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as the Applicants deem appropriate; and

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

11. **THIS COURT ORDERS** that until and including January 22, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any

business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, testing and irradiation services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or

such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS’ AND OFFICERS’ INDEMNIFICATION AND CHARGE

17. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants

after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

18. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $61,000, as security for the indemnity provided in paragraph 17 of this Order. The Directors' Charge shall have the priority set out in paragraphs 29 and 31 herein.

19. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 17 of this Order.

APPOINTMENT OF MONITOR

20. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the

Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

21. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) assist the Applicants in their preparation of their cash flow statements;

(d) assist the Applicants in communications with their stakeholders, including creditors or governmental authorities;

(e) have full and complete access to the Property wherever it may be located, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) perform such other duties as are required by this Order or by this Court from time to time.

22. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, for which a permit or license is issued or required pursuant to any provision of any federal, provincial, or other law respecting, among other things, the manufacturing, possession, processing, and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act, 2001*, S.C. 2002, c.22, the Ontario *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, the *Cannabis License Act, 2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Cannabis Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

23. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take Possession of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, the Ontario *Occupational Health and Safety Act*, the Canadian *Fisheries Act*, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

25. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save

and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

27. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 29 and 31 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $150,000); and

Second – Directors' Charge (to the maximum amount of $61,000).

30. **THIS COURT ORDERS** that the filing, registration or perfection of Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

32. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants also obtain the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

33. **THIS COURT ORDERS** that the Directors' Charge and the Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued

pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants' creation of the Charges; and

(c) the payments made by the Applicants pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

34. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

35. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii)

within five (5) business days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the any of Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

36. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.ey.com/ca/safari

37. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the respective Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to

be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

38. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

41. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative

in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

44. **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.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at TORONTO

INITIAL ORDER
(Dated January 12, 2024)

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Lawyers for the Applicants

TAB 5

~~Revised: January 21, 2014~~

Court File No. ~~—~~: ●

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE ~~—~~MR.	)	~~WEEKDAY~~FRIDAY, THE ~~#~~ 12TH
	)	
JUSTICE ~~—~~OSBORNE	)	DAY OF ~~MONTH~~JANUARY, ~~20YR~~2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ~~[APPLICANT'S NAME]~~9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the ~~"Applicant"~~"**Applicants**")

INITIAL ORDER

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

ON READING the affidavit of ~~[NAME]~~Leanne Brigitte Simons sworn ~~[DATE]~~on January 11, 2024 and the Exhibits thereto (the "**Simons Affidavit**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for ~~[NAMES]~~the Applicants, counsel for the Monitor, and counsel for the secured creditors, no one appearing for ~~[NAME]~~[1]any other party

~~[1] Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

although duly served as appears from the affidavit of service of ~~[NAME]~~Maureen McLaren sworn ~~[DATE]~~on January 11, 2024, and on reading the consent of ~~[MONITOR'S NAME]~~Ernst & Young Inc., to act as the Monitor of the Applicants ("**Monitor**"),

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record is hereby abridged and validated~~[2]~~ so that this Application is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Simons Affidavit.

APPLICATION

3. ~~2.~~ **THIS COURT ORDERS AND DECLARES** that the ~~Applicant is a company~~Applicants are companies to which the CCAA applies.

~~PLAN OF ARRANGEMENT~~

~~3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan").~~

~~[2] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the ~~"~~“**Property**~~"~~”). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its~~their business (the ~~"~~“**Business**~~"~~”) and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively ~~"~~“**Assistants**~~"~~”) currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. ~~[~~**THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the ~~central~~banking and cash management system[3] currently in place as described in the Simons Affidavit ~~of [NAME] sworn [DATE]~~ or replace it with another substantially similar ~~central~~banking and cash management system (the ~~"~~“**Cash Management System**~~"~~”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash

~~[3] This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the~~ any plan of compromise or arrangement (a "**Plan**") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.~~]~~

6. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; ~~and~~

(b) the fees and disbursements of any Assistants retained or employed by the ~~Applicant~~Applicants in respect of these proceedings, at their standard rates and charges; and

(c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below).

7. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the ~~Applicant~~Applicants shall be entitled but not required to pay all reasonable expenses incurred by

the ~~Applicant~~Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors’ and officers’ insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the ~~Applicant~~Applicants following the date of this Order.

8. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees~~'~~’ wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii~~) Quebec Pension Plan, and (iv~~) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, ~~"~~“**Sales Taxes**~~"~~”) required to be remitted by the ~~Applicant~~Applicants in connection with the sale of goods and services by the ~~Applicant~~Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the ~~Applicant.~~

~~9. THIS COURT ORDERS that until a real property lease is disclaimed **[or resiliated]**[4] in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid~~Applicants.

9. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant is~~Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or

[4] ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

10. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined)~~, have the right to:

(a) permanently or temporarily cease, downsize or shut down any of ~~its~~their business or operations~~, [~~ and to dispose of redundant or non-material assets not exceeding $~~●~~50,000 in any one transaction or $~~●~~200,000 in the aggregate~~]~~[5];

(b) ~~[~~terminate the employment of such of its employees or temporarily lay off such of its employees as ~~**it deems**~~the Applicants deem appropriate~~]~~; and

(c) pursue all avenues of refinancing of ~~its~~their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the ~~Applicant~~Applicants to proceed with an orderly restructuring of the Business (the ~~"~~"**Restructuring**~~"~~")~~.~~

~~12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled~~

[5] ~~Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

~~to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims **[or resiliates]** the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer **[or resiliation]** of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.~~

~~13. THIS COURT ORDERS that if a notice of disclaimer **[or resiliation]** is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer **[or resiliation]**, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer **[or resiliation]**, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith~~.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

11. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE – MAX. 30 DAYS]~~January 22, 2024, or such later date as this Court may order (the ~~"~~"**Stay Period**~~"~~"), no proceeding or enforcement process in any court or tribunal (each, a ~~"~~"**Proceeding**~~"~~") shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor, or

affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

12. ~~15.~~ **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being ~~"~~“**Persons**~~"~~” and each being a ~~"~~“**Person**~~"~~”) against or in respect of the ~~Applicant~~Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the ~~Applicant~~Applicants to carry on any business which the ~~Applicant is~~Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the ~~Applicant~~Applicants, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. ~~17.~~ **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the ~~Applicant~~Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, testing and irradiation services, insurance, transportation services, utility or other services to the Business or the ~~Applicant~~Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the ~~Applicant,~~Applicants and that the ~~Applicant~~Applicants shall be entitled to the continued use of ~~its~~their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the ~~Applicant~~Applicants in accordance with normal payment practices of the ~~Applicant~~Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the ~~Applicant~~Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the ~~Applicant~~Applicants.

Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.~~[6]~~

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. ~~19.~~ **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the ~~Applicant~~Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the ~~Applicant~~Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the ~~Applicant~~Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the ~~Applicant~~Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,~~[7]~~ except

~~[6] This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~[7] The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director~~'~~’s or officer~~'~~’s gross negligence or wilful misconduct.

18. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the ~~"~~“**Directors’ Charge**~~"~~”)[8] on the Property, which charge shall not exceed an aggregate amount of $●61,000, as security for the indemnity provided in paragraph ~~[20]~~17 of this Order. The Directors’ Charge shall have the priority set out in paragraphs ~~[38]~~29 and ~~[40]~~31 herein.

19. ~~22.~~ **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors~~'~~’ Charge, and (b) the ~~Applicant's~~Applicants’ directors and officers shall only be entitled to the benefit of the Directors~~'~~’ Charge to the extent that they do not have coverage under any directors~~'~~’ and officers~~'~~’ insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph ~~[20]~~17 of this Order.

APPOINTMENT OF MONITOR

20. ~~23.~~ **THIS COURT ORDERS** that ~~[MONITOR’S NAME]~~Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the ~~Applicant~~Applicants with the powers and obligations set out in the CCAA or set forth herein and that the ~~Applicant~~Applicants and ~~its~~their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the

~~[8] Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

~~Applicant~~Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor~~'~~'s functions.

21. ~~24.~~ **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

~~(c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a [TIME INTERVAL] basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;~~

(c) ~~(d) advise~~assist the ~~Applicant~~Applicants in ~~its~~their preparation of ~~the Applicant's~~their cash flow statements ~~and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than [TIME INTERVAL], or as otherwise agreed to by the DIP Lender;~~

~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan~~;

~~(f)~~

(d) assist the ~~Applicant, to the extent required by the Applicant, with the holding and administering of~~Applicants in communications with their stakeholders, including creditors~~'~~ or ~~shareholders' meetings for voting on the Plan~~governmental authorities;

(e) ~~(g)~~ have full and complete access to the Property wherever it may be located, including the premises, books, records, data, including data in electronic form, and other financial documents of the ~~Applicant~~Applicants, to the extent that is necessary to adequately assess the ~~Applicant's~~Applicants' business and financial affairs or to perform its duties arising under this Order;

(f) ~~(h)~~ be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(g) ~~(i)~~ perform such other duties as are required by this Order or by this Court from time to time.

22. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, for which a permit or license is issued or required pursuant to any provision of any federal, provincial, or other law respecting, among other things, the manufacturing, possession ~~of the Property~~, processing, and distribution of cannabis or cannabis

products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act, 2001,* S.C. 2002, c.22, the Ontario *Cannabis Control Act, 2017,* S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, the *Cannabis License Act, 2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Cannabis Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

23. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take ~~control, care, charge, possession or management (separately and/or collectively, "~~Possession~~")~~ of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999,* the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, ~~or~~ the Ontario *Occupational Health and Safety Act*, the Canadian *Fisheries Act*, and regulations thereunder (collectively, the ~~"~~"**Environmental Legislation**~~"~~"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result

of this Order or anything done in pursuance of the Monitor~~'~~’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

24. ~~27.~~ **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the ~~Applicant and the DIP Lender~~Applicants with information provided by the ~~Applicant~~Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the ~~Applicant~~Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the ~~Applicant~~Applicants may agree.

25. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

26. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the ~~Applicant~~Applicants as part of the costs of these proceedings. The ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the ~~Applicant~~Applicants on a ~~[TIME INTERVAL]~~weekly basis~~ and,~~

~~in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amount[s] of $● [, respectively,] to be held by them as security for payment of their respective fees and disbursements outstanding from time to time~~.

27. ~~30.~~ **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

28. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and the ~~Applicant~~Applicants'~~s~~ counsel shall be entitled to the benefit of and are hereby granted a charge (the ~~"~~"**Administration Charge**~~"~~") on the Property, which charge shall not exceed an aggregate amount of $~~●~~150,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs ~~[38]~~29 and ~~[40]~~31 hereof.

~~**DIP FINANCING**~~

~~32. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from [DIP LENDER'S NAME] (the "DIP Lender") in order to finance the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $● unless permitted by further Order of this Court.~~

~~33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Applicant and the DIP Lender dated as of [DATE] (the "Commitment Letter"), filed.~~

~~34. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "Definitive Documents"), as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.~~

~~35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs **[38]** and **[40]** hereof.~~

~~36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:~~

~~(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;~~

~~(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ● days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the Commitment Letter, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and~~

~~(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.~~

~~37. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.~~

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

29. ~~38.~~ **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge and the ~~DIP Lender's~~Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows[9]:

First – Administration Charge (to the maximum amount of $●150,000); and

Second ~~– DIP Lender's Charge; and~~

~~Third~~ – Directors' Charge (to the maximum amount of $●61,000).

30. ~~39.~~ **THIS COURT ORDERS** that the filing, registration or perfection of ~~the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "~~Charges~~")~~ shall not be required, and that the Charges shall be valid and enforceable for all purposes,

[9] ~~The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

31. ~~40.~~ **THIS COURT ORDERS** that each of the ~~Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein)~~Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, ~~"~~“**Encumbrances**~~"~~”) in favour of any Person.

32. ~~41.~~ **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge~~Charges, unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor~~, the DIP Lender~~ and the beneficiaries of the ~~Directors' Charge and the Administration Charge~~Charges, or further Order of this Court.

33. ~~42.~~ **THIS COURT ORDERS** that the Directors' Charge~~,~~ and the Administration Charge~~, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~ shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the ~~"~~“**Chargees**~~"~~”)~~ and/or the DIP Lender~~ thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions

of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an ~~"~~“**Agreement**~~"~~”) which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) ~~neither~~ the creation of the Charges ~~nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents~~ shall not create or be deemed to constitute a breach by any of the ~~Applicant~~Applicants of any Agreement to which ~~it~~any Applicant is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the ~~Applicant entering into the Commitment Letter, the~~Applicants’ creation of the Charges~~, or the execution, delivery or performance of the Definitive Documents~~; and

(c) the payments made by the ~~Applicant~~Applicants pursuant to this Order~~, the Commitment Letter or the Definitive Documents~~, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

34. ~~43.~~ **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the ~~Applicant's~~Applicants’ interest in such real property leases.

SERVICE AND NOTICE

35. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~the Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five (5) business days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the ~~Applicant~~any of Applicants of more than $~~1000~~1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

36. ~~45.~~ **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at ~~http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/~~https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: ~~'<@>'.~~www.ey.com/ca/safari

37. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the respective Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

38. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. ~~48.~~ **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the ~~Applicant~~Applicants, the Business or the Property.

40. ~~49.~~ **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 or elsewhere, to give effect to this Order and to assist the ~~Applicant~~Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide

such assistance to the ~~Applicant~~Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the ~~Applicant~~Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

41. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

42. ~~51.~~ **THIS COURT ORDERS** that any interested party (including the ~~Applicant~~Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. ~~52.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

44. **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.

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

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Total changes	601

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 SAFARI FLOWER COMPANY *et al*.

Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPLICATION RECORD OF THE APPLICANTS
(Returnable January 12, 2024)

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