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**")

MOTION RECORD OF THE APPLICANTS
(Returnable January 22, 2024)

January 19, 2024

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Lawyers for the Applicants

TO THE SERVICE LIST:

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

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SUPERIOR COURT OF JUSTICE
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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**")

SERVICE LIST
(as at January 19, 2024)

TO:	**MILLER THOMSON LLP** Scotia Plaza 40 King Street West, Suite 5800 P.O. Box 1011 Toronto, ON Canada M5H 3S1 **Larry Ellis LSO#: 49313K** lellis@millerthomson.com Tel: 416.595.8639 **Craig A. Mills LSO#: 40947B** cmills@millerthomson.com Tel: 416.595.8596 **Gina Rhodes LSO#: 78849U** grhodes@millerthomson.com Tel: 416.597.4321 Counsel for the Applicants

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AND TO:	**MINISTRY OF FINANCE (ONTARIO)** Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca
AND TO:	**ATTORNEY GENERAL OF CANADA** Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 **Kelly Smith Wayland LSUC # 40290A** Tel: 647.533.7183 Email: Kelly.SmithWayland@justice.gc.ca Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Lawyers for the Minister of National Revenue
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
AND TO:	**CANADA REVENUE AGENCY** **Kelly Smith Wayland** Tel: 647.533.7183 Email: Kelly.SmithWayland@justice.gc.ca Email:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

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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**")

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TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
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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**")

NOTICE OF MOTION
(Returnable January 22, 2024)

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**") will make a motion before the Honourable Mr. Justice Osborne on Monday, January 22, 2024 at 10:00 a.m. or as soon after that time as the motion can be heard, via Zoom videoconference.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- [ ] In writing under subrule 37.12.1(1) because it is
- [ ] In writing as an opposed motion under subrule 37.12.1(4);
- [ ] In person;
- [ ] By telephone conference;
- [X] By video conference.

at the following location

Zoom link to be uploaded on Caselines.

THE MOTION IS FOR:

1. An amended and restated initial order (the "**ARIO**") substantially in the form attached as **Tab "3"** to the Applicants' Motion Record (a comparison to the Initial Order is attached as **Tab "4"** and a comparison to the Model Initial Order is attached as **Tab "5"** for ease of reference), *inter alia*:

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

(b) extending the stay of proceedings in favour of the Applicants granted pursuant to the Initial Order dated January 12, 2024 (the "**Initial Order**") from January 22, 2024 to and including February 29, 2024;

(c) increasing the amount of the Administration Charge (as defined in the Initial Order) from $150,000 to $350,000;

(d) increasing the amount of the Directors' Charge (as defined in the Initial Order) from $61,000 to $243,000; and

(e) approving the DIP Term Sheet (as defined below) between the Applicants and NE SPEC II LP on behalf of a company to be incorporated (the "**DIP Lender**"), authorizing borrowings in an amount up to $1,000,000 (plus interest, fees and expenses) (the "**DIP Loan**"), and granting a charge in favour of the DIP Lender (the "**DIP Lender's Charge**"); and

2. Such further and other relief as counsel may advise, and as this Court may deem just.

THE GROUNDS FOR THE APPLICATION ARE:

3. Capitalized terms not otherwise defined herein have the meanings prescribed to them in the Affidavits of Leanne Brigitte Simons sworn January 11, 2024 (the "**First Simons Affidavit**") and January 19, 2024 (the "**Second Simons Affidavit**"), or the ARIO.

Initial Order and CCAA Proceedings

4. On January 12, 2024, the Honourable Justice Osborne granted the Initial Order in favour of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**");

5. Pursuant to the Initial Order, among other things:

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

   (b) A stay of proceedings was granted in favour of the Applicants for an initial stay period up to January 22, 2024 (the "**Stay Period**");

   (c) Ernst & Young Inc. was appointed as Monitor of the Applicants in these CCAA Proceedings; and

   (d) The following charges against the Property were granted, in the following priority rankings (the "**Priority Charges**"):

      (i) First – Administration Charge (to the maximum amount of $150,000);

      (ii) Second – Directors' Charge (to the maximum amount of $61,000);

Amended and Restated Initial Order

Extension of the Stay Period

6. The Stay Period currently expires on January 22, 2024 and the Applicants seek to extend the Stay Period to February 29, 2024 (the "**Extended Stay Period**");

7. The 7-week cash flow forecast ending March 17, 2024, prepared by the Applicants, with the assistance of the Monitor, and filed in support of the ARIO (the "**Cash Flow Forecast**"), demonstrates that the Applicants have sufficient cash during the Extended Stay Period, subject to the authorized borrowings under the DIP Term Sheet being approved;

8. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Applicants with time to continue the negotiate with the secured creditors and complete a transaction by way of a credit bid;

9. The Applicants have acted and continue to act in good faith and with due diligence;

10. No creditors will suffer material prejudice as a result of the extension of the stay of proceedings for the Extended Stay Period;

Increase in Priority Charges

11. The Priority Charges in the Initial Order were limited to those amounts reasonably necessary for the Applicants' ordinary course operations during the initial ten-day Stay Period. The Applicants now seek to increase the Priority Charges to the amounts reasonably necessary to operate during the Extended Stay Period;

12. The Applicants seek to increase the Administration Charge from $150,000 to $350,000 to reflect the additional work to be undertaken during these CCAA Proceedings and more accurately reflect projected professional fees considering the complexity of these CCAA proceedings, the work completed to date and the expected professional work being undertaken;

13. The Applicants seek to increase the Directors' Charge from $61,000 to $2430,000 to reflect the potential monthly director and officer liabilities during the Extended Stay Period as sized with the assistance of the Monitor. The continued involvement of the directors and officers covered thereunder is beneficial to these CCAA proceedings;

DIP FINANCING

14. The DIP Lender and the Applicants will enter into the DIP Term Sheet dated January 19, 2024 (the "**DIP Term Sheet**"). Based on, among other things, the Cash Flow Forecast, the Applicants believe that the DIP Loan is both reasonable and necessary for the Safari Group;

15. The material terms of the DIP Term Sheet are as follows:

(a) The DIP Loan is in the amount of $1,000,000;

(b) The purpose of the DIP Loan is to fund the Applicants' working capital requirements and restructuring needs in accordance with the Cash Flow Forecast attached to the DIP Term Sheet;

(c) The DIP Loan shall be available in two advances as follows:

(i) $500,000 shall be advanced to the Applicants immediately after the issuance of the ARIO; and

(ii) $500,000 within two (2) business days following receipt of a written request of the Applicants, subject to the terms of the DIP Term Sheet;

(d) Interest shall accrue under the DIP Loan at a rate equal to 14% per annum on the outstanding indebtedness;

(e) The Borrowers shall pay a commitment fee in the amount of $30,000 payable on the date that the Court issues the ARIO approving the DIP Loan; and

(f) The Maturity Date under the DIP Term Sheet is the earliest of, among other things, March 15, 2024 or the closing of a transaction for the sale of substantially all of the Applicants' assets, business or shares;

GENERAL

16. The provisions of the CCAA, including sections 2, 3, 11, 11.02, 11.03, 11.2, 11.51, 11.52, 11.7, and 36, and the statutory, inherent and equitable jurisdiction of this Court;

17. Rules 1.04, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

18. Such further and other grounds as counsel may advise.

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

19. The First Simons Affidavit, and the exhibits annexed thereto;

20. The Second Simons Affidavit, and the exhibits annexed thereto;

21. The First Report of the Monitor, to be filed; and

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

January 19, 2024

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Lawyers for the Applicants (Moving Parties)

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

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

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

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

NOTICE OF MOTION
(RETURNABLE JANUARY 22, 2024)

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Lawyers for the Applicants (Moving Parties)

TAB 2

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

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AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn January 19, 2024)

January 19, 2024

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Lawyers for the Applicants

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**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn January 19, 2024)

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

1. I swear this Affidavit in support of a motion by the Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**") and GN Ventures Ltd. ("**GN Ventures**", and collectively with Safari Flower, the "**Applicants**" or the "**Safari Flower Group**") for:

   (a) An amended and restated initial order (the "**ARIO**") under the *Companies' Creditors Arrangement Act*, R.S.C., c. C-36, as amended (the "**CCAA**") substantially in the form attached as **Tab "3"** to the Applicants' Motion Record, among other things:

      (1) extending the stay of proceedings in favour of the Applicants granted pursuant to the Initial Order dated January 12, 2024 (the

"**Initial Order**") from January 22, 2024 to and including February 29, 2024;

(2) increasing the amount of the Administration Charge (as defined in the Initial Order) from $150,000 to $350,000;

(3) increasing the amount of the Directors' Charge (as defined in the Initial Order) from $61,000 to $243,000; and

(4) approving the DIP Term Sheet (as defined below) between the Applicants and its secured creditor, NE SPEC II LP ("**Blacksail**") on behalf of a company to be incorporated (in such capacity, the "**DIP Lender**"), authorizing borrowings in an amount up to $1,000,000 (plus interest, fees and expenses) (the "**DIP Loan**"), and granting a charge in favour of the DIP Lender (the "**DIP Lender's Charge**").

2. 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.

3. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Initial Order or in my first affidavit sworn January 11, 2024 (the "**First Affidavit**"). Attached hereto as **Exhibit "A"** is a copy of my First Affidavit, without exhibits.

A. Background of the Applicants Leading to the CCAA Proceedings

4. 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.

5. Safari Flower is licensed by Health Canada to sell the following forms of cannabis: cannabis plant seeds, dried cannabis, and fresh cannabis. The Safari Flower Group also holds international certifications, permitting it to supply cannabis to the European, Israeli and Australian medicinal cannabis markets.

6. The full background of the Applicants leading to these CCAA Proceedings can be found in my First Affidavit.

7. On January 12, 2024, the Honourable Justice Osborne granted the Initial Order in favour of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**").

B. Update on the Applicants Activities Since the Granting of the Initial Order

8. Following the granting of the Initial Order, I, along with the Monitor and management of the Applicants, have been communicating with employees and stakeholders following the initial filing, and complying with statutory notices, mailings and communications.

9. As well, the Applicants, with the assistance of the Monitor, have negotiated with its secured creditor, NE SPC II LP (the "**DIP Lender**") a DIP Term Sheet (the "**DIP Term Sheet**") in the form attached hereto as **Exhibit "B"**. As the DIP Term Sheet has not yet

been executed at the time of swearing this affidavit, I have attached an unsigned version for review by the Honourable Court. An executed version of the DIP Term Sheet will be filed prior to the Comeback Hearing.

C. Relief Sought at the Comeback Hearing

Extension of Stay Proceedings

10. The Stay Period currently expires on January 22, 2024 and the Applicants seek to extend the Stay Period to February 29, 2024 (the "**Extended Stay Period**").

11. The 7-week cash flow forecast ending March 17, 2024, prepared by the Applicants, with the assistance of the Monitor, and filed in support of the ARIO (the "**Cash Flow Forecast**"), demonstrates that the Applicants have sufficient cash during the Extended Stay Period, subject to the authorized borrowings under the DIP Term Sheet being approved. A copy of the Cash Flow Forecast is attached as Schedule "A" to the DIP Term Sheet.

12. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Applicants with time to continue the negotiate with the secured creditors and complete a transaction. As noted in my First Affidavit, the Applicants intend to enter into a share purchase agreement pending the outcome of negotiations between their Lenders relating to assignment agreements that contemplate that purchase of one of the Lender's secured debt by the other Lender. I understand that these negotiations are still ongoing.

13. I am of the view that the Applicants have acted and continue to act in good faith and with due diligence.

Increase in Priority Charges

14. The Priority Charges in the Initial Order were limited to those amounts reasonably necessary for the Applicants' ordinary course operations during the initial ten-day Stay Period. The Applicants now seek to increase the Priority Charges to the amounts reasonably necessary to operate during the Extended Stay Period.

15. The Applicants seek to increase the Administration Charge from $150,000 to $350,000 to reflect the additional work to be undertaken during these CCAA Proceedings and more accurately reflect projected professional fees considering the complexity of these CCAA proceedings, the work completed to date and the expected professional work being undertaken.

16. The Applicants seek to increase the Directors' Charge from $61,000 to $243,000 to reflect the potential monthly director and officer liabilities as sized with the assistance of the Monitor. The continued involvement of the directors and officers covered thereunder is beneficial to these CCAA proceedings.

17. I am of the view that the increase in the Administration Charge and the Directors' Charge is reasonable and appropriate in the circumstances and the Monitor is supportive of the increase in the Priority Charges.

DIP FINANCING

18. As set out in my First Affidavit, the Lenders have been aware since the expiry of the Accommodation Agreement that the Applicants would need additional financing for their

business operations during the CCAA proceedings, including while the Lenders continue negotiations for a future sale transaction.

19. As stated in my First Affidavit, Blacksail previously provided interim financing to the Applicants under the Accommodation Agreement. As the Applicants require further funding, Blacksail has agreed to continue to provide additional funding through a DIP Loan under the terms of the DIP Term Sheet. Gray Jay has no objection.

20. The DIP Term Sheet is a product of negotiations between the Applicants, the Monitor and its legal counsel, and the Lenders.

21. The material terms of the DIP Term Sheet are as follows:

(a) The DIP Loan is in the amount of $1,000,000;

(b) The purpose of the DIP Loan is to fund the Applicants' working capital requirements and restructuring needs in accordance with the Cash Flow Forecast attached to the DIP Term Sheet;

(c) The DIP Loan shall be available in two advances as follows:

(1) $500,000 shall be advanced to the Applicants immediately after the issuance of the ARIO; and

(2) $500,000 within two (2) business days following receipt of a written request of the Applicants, subject to the terms of the DIP Term Sheet;

(d) Interest shall accrue under the DIP Loan at a rate equal to 14% per annum on the outstanding indebtedness;

(e) The Applicants shall pay a commitment fee in the amount of $30,000, payable on the date that the Court issues the ARIO approving the DIP Facility, which fee shall be deducted from the first advance; and

(f) The Maturity Date under the DIP Term Sheet is the earliest of, among other things, March 15, 2024 or the closing of a transaction for the sale of substantially all of the Applicants' assets, business or shares; and

(g) The DIP Loan is to be secured by a court-ordered priority charge over all of the Applicants' present and after acquired property, subject only to the Administration Charge.

22. Based on, among other things, the Safari Flower Group's liquidity issues[1] and the Cash Flow Forecast, I am of the view that the DIP Loan is both reasonable and necessary in the circumstances for the Safari Group.

23. The Monitor supports the DIP Term Sheet.

[1] See Paragraphs 117 and 138 of my First Affidavit.

D. CONCLUSION

24. I swear this affidavit in support of a Motion under the CCAA for the ARIO in the form contained at Tab 3 of the Motion Record, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 19th day of January, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely	
Commissioner for Taking Affidavits	**LEANNE BRIGITTE SIMONS**

74626371.1

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 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

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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 "K".

(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**

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)

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Lawyers for the Applicants

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 19, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

NE SPEC II LP on behalf of a company to be incorporated (the "DIP LENDER")
<u>DEBTOR IN POSSESSION FINANCING TERM SHEET</u>
(the "**Term Sheet**")

January 19, 2024

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

Attention: Brigitte Simons and Pat Grobe

Re: Debtor in Possession Financing

A. 9869247 Canada Limited d.b.a. Safari Flower Company and GN Ventures Ltd. (collectively, the "**Borrowers**") made an application to the Ontario Superior Court of Justice (Commercial List) (the "**Court**") and on January 12, 2024 the Court granted an initial order (the "**Initial Order**"), which, authorized the Borrowers to commence proceedings (the "**CCAA Proceeding**") under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") and among other things, imposed a stay of proceedings in favour of the Borrowers (the "**Initial Stay**") and appointed Ernst & Young Inc. as monitor of the Borrowers (in such capacity, the "**Monitor**").

B. The Borrowers require funding to satisfy the cash flow requirements of the CCAA Proceedings and other short-term liquidity requirements; and

C. The DIP Lender has agreed to advance a debtor-in-possession loan in the aggregate principal amount of CAD $1,000,000, subject to and in accordance with the terms and conditions of this Term Sheet.

1.	**BORROWERS:**	9869247 Canada Limited d.b.a. Safari Flower Company and GN Ventures Ltd.
2.	**LOAN AMOUNT:**	CAD $1,000,000
3.	**DIP FACILITY:**	Non-revolving facility in the maximum aggregate amount of CAD $1,000,000 (the "**DIP Facility**"). The DIP Facility shall be used to fund the Borrowers' cash flow shortfall during the CCAA Proceeding, including working capital requirements and restructuring fees in accordance with the cash flow projections approved by the Monitor and the DIP Lender, attached hereto as **Schedule "A"** until the earliest of: (i) the repayment of the DIP Facility in full; (ii) the completion of the sale of the

		Borrowers' business and assets; or (iii) the termination of the CCAA Proceeding. The amount and the purpose of the DIP Facility may be amended by the Borrowers and the DIP Lender in writing and subject to the consent of the Monitor or order of the Court. Unless expressly reflected in the cash flow projections at Schedule "A", the Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers without the prior written consent of the DIP Lender and the Monitor.
4.	**ADVANCES:**	Subject to the Conditions Precedent set out in Section 10 of this Term Sheet, and the Borrowers being in compliance with the provisions of this Term Sheet, the DIP Lender shall make the DIP Facility available to the Borrowers by advances as follows: a) $500,000 immediately after the issuance of the amended and restated initial order (the "**ARIO**"), among other things, approving the DIP Facility and granting the DIP Charge (as defined below) (the "**First Advance**"); and b) $500,000 within two (2) business days following receipt of an Advance Request (as defined below), provided the Borrowers are not in default of the terms of this Term Sheet (the "**Second Advance**", and the First Advance and Second Advance each, an "**Advance**"). Each Advance shall be requested by the Borrowers in writing (each, an "**Advance Request**"). Nothing in this Term Sheet creates a legally binding obligation on the DIP Lender to advance any amount under the DIP Facility at any time unless the Borrowers complies with the provisions of this Term Sheet. Any Advance shall be funded by wire transfer into an account designated by the Borrowers, cheques payable to one of the Borrowers, or such other means as determined by the DIP Lender in its sole discretion, acting reasonably.
5.	**INTEREST:**	Interest shall accrue under the DIP Facility at a rate equal

		to 14% per annum on the outstanding indebtedness (the "**Interest**"). Interest shall be calculated on the daily outstanding balance owing under the DIP Facility, not in advance, and shall accrue and be paid on the Maturity Date (as defined herein).
6.	**RECOVERABLE EXPENSES:**	The Borrowers shall pay, in each case, on a full indemnity basis: (i) all reasonable legal expenses incurred by the DIP Lender in connection with the negotiation, preparation and performance of this Term Sheet, and (ii) all of the DIP Lender's costs of realization or enforcement, in each case in connection with or related to the DIP Facility, the DIP Charge (defined below), this Term Sheet, or the CCAA Proceeding related to the DIP (collectively, "**Recoverable Expenses**"), provided that the Recoverable Expenses will become payable on the Maturity Date. For greater certainty, Recoverable Expenses shall include all reasonable fees and expenses incurred by the DIP Lender, as it relates to the DIP Lender's participation as DIP Lender in connection with the CCAA Proceeding, and not in connection with the Transaction (as defined below). If the DIP Lender has paid any expense for which the DIP Lender is entitled to reimbursement from the Borrowers, such expenses shall be added to the DIP Facility and shall accrue interest at the rate set out above. All such fees and expenses and interest thereon shall be secured by the DIP Charge, whether or not any funds are advanced under the DIP Facility.
7.	**COMMITMENT FEE:**	The Borrowers shall pay a commitment fee in the amount of $30,000 (the "**Fee**") which shall be deemed to be fully earned by the DIP Lender and payable on the date that the Court issues the ARIO approving the DIP Facility. The Fee shall be deducted from the First Advance.
8.	**SECURITY**	All debts, liabilities and obligations of the Borrowers to the Lenders under or in connection with the DIP Facility, this Term Sheet and any other documents in connection therewith shall be secured by a Court-ordered priority charge granted to the Lenders in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired (the "**DIP Charge**"), subject only to an administration charge in the maximum aggregate amount of $350,000 for the payment

		of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the "**Administration Charge**"). The ARIO Order shall also provide for a charge in the maximum aggregate amount of $243,000 as security for the indemnity provided to the directors and officers of the Borrowers against obligations and liabilities they may incur after the commencement of the CCAA Proceeding (the "**Directors' Charge**"), subject to the terms and conditions set out in the Initial Order, the ARIO or any other Court order granting such charge. The Directors' Charge shall not stand in priority to the Interim Financing Charge.
8.	**MATURITY DATE:**	Unless otherwise agreed by the DIP Lender in its discretion, acting reasonably, the term of the DIP Facility shall expire, and the Borrowers shall repay all obligations owing to the DIP Lender under this Term Sheet on the earliest of (the "**Maturity Date**"): a) March 15, 2024 b) The closing of a transaction for the sale of substantially all of the Borrower's assets, business or shares (the "**Transaction**"); c) The date on which the CCAA Proceeding is terminated for any reason, including if the Borrowers become bankrupt, whether voluntarily or involuntarily; and d) A demand being made upon the occurrence of an Event of Default (as defined herein).
9.	**REPAYMENT:**	The aggregate principal amount owing under the DIP Facility plus all accrued and unpaid Interest, Recoverable Expenses and the Fee, shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time, without penalty (provided all accrued and unpaid Interest, Recoverable Expenses and the Fee are paid in full). If the Borrowers choose to prepay any amount owing under the DIP Facility, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to all Recoverable Expenses; and (iii) third, to any principal amount outstanding under the DIP Facility.

		If the DIP Lender completes the Transaction with the Borrowers, the Borrowers agree that all amounts outstanding under the DIP Facility, plus all accrued and unpaid Interest, Recoverable Expenses, and the Fee (if applicable), shall be credited against the amount of the consideration payable by the DIP Lender or its nominee under the Transaction.
10.	**CONDITIONS PRECEDENT:**	The availability of the First Advance under the DIP Facility shall be subject to and conditional upon the following, which may be waived by the DIP Lender, in its sole and unfettered discretion, in writing (the "**Conditions Precedent**"): a) written acceptance of this Term Sheet by the Borrowers; b) the Court shall have issued the ARIO, in a form satisfactory to the DIP Lender, acting reasonably, including: (i) approving this Term Sheet and the DIP Facility up to an authorized limit of CAD $1,000,000; (ii) and granting the DIP Charge in favour of the DIP Lender; c) the DIP Lender shall, acting reasonably, be satisfied that the Borrowers have complied with and are continuing to comply, in all material respects, with all applicable laws, regulations and policies in relation to their business other than as may be permitted by an Order of the Court in the CCAA Proceeding, provided that the issuance of any such Order does not result in the occurrence of an Event of Default; d) the DIP Lender shall have received an Advance Request that confirms that the Borrowers are in compliance with this Term Sheet and the ARIO; and e) no Event of Default has occurred or will occur as a result of the Advance.
11.	**REPRESENTATIONS AND WARRANTIES:**	The Borrowers represent and warrant to the DIP Lender, upon which representations and warranties the DIP Lender relies in entering into this Term Sheet and when making each Advance, as follows (the "**Representations and Warranties**"):

		a) the transactions contemplated by this Term Sheet: i. upon the granting of the ARIO, are within the powers of the Borrowers; ii. have been duly authorized by all necessary corporate approvals of the Borrowers; iii. have been duly executed and delivered by or on behalf of the Borrowers; iv. upon the granting of the ARIO, constitute legal, valid and binding obligations of the Borrowers; and v. upon the granting of the ARIO, do not require the consent or approval of, registration or filing with, or any other action by, any governmental authority, other than filings which may be made to register or otherwise record the DIP Charge or any security granted to the DIP Lender; b) the Borrowers are corporations existing under the laws of their respective jurisdiction of incorporation; c) the Borrowers own, or are licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property material to their business, and the use thereof by the Borrowers does not infringe upon the rights of any other person to the knowledge of the Borrowers; d) save to the extent disclosed by the Borrowers to the DIP Lender, the Borrowers have paid, where due, their tax and other obligations, including for payroll, employee source deductions, and Harmonized Sales Tax, and are not in arrears in respect of these obligations; e) the Borrowers maintain, with financially sound and reputable insurance companies, insurance in such amounts and against such risks as are customarily maintained by companies engaged in the same or similar business and operating in the same or similar locations; and f) all factual information provided by or on behalf of

		the Borrowers to the DIP Lender for the purposes of or in connection with this Term Sheet is true and accurate in all material respects on the date as of which such information is dated or certified and is not incomplete by omitting to state any fact necessary to make such information (taken as a whole) not materially misleading at such time in light of the circumstances under which such information was provided.
12.	**COVENANTS:**	The Borrowers covenant and agree with the DIP Lender, so long as any amounts are outstanding by the Borrowers to the DIP Lender hereunder, to: a) use reasonable efforts to keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers; b) promptly, upon receipt by the Borrowers of same, give the DIP Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order or the ARIO, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Charge, or otherwise for the variation of the priority of the DIP Charge; c) prior to service, provide the DIP Lender with all materials the Borrowers intend to file in the CCAA Proceedings and provide the DIP Lender and its counsel a reasonable amount of time to review same; d) provide the DIP Lender with any additional financial information reasonably requested by the DIP Lender; e) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 3 of this Term Sheet, or such other purposes that may be agreed to by the DIP Lender and the Monitor in writing; f) comply with the provisions of the Initial Order, the ARIO and any other court order made in the CCAA Proceeding; provided that if any court order in the

		CCAA Proceeding contravenes this Term Sheet or any other DIP Facility documentation so as to adversely impact the rights or interests of the DIP Lender in a material manner, the same shall be an Event of Default hereunder; g) provide the DIP Lender with prompt written notice of any event that constitutes, or would, with notice, lapse of time, or both, constitute an Event of Default, a breach of any covenant, or other term or condition of this Term Sheet, or of any document executed in connection with this Term Sheet; h) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles; i) not declare any dividend, or make any other distributions with respect to any shares of the Borrowers without the prior written consent of the DIP Lender and the consent of the Monitor or order of the Court; j) not make any payment to any director, officer, investor or related party (except salary and wages in the normal course) without the prior written consent of the DIP Lender and the Monitor or order of the Court; k) keep the Borrowers' assets fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets; l) not, without first giving the DIP Lender a reasonable opportunity to advance additional amounts to the Borrowers under a debtor-in-possession loan, and without the prior written consent of the DIP Lender (which consent shall not be unreasonably withheld) and the Monitor or order of the Court, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge (as defined in the ARIO), the DIP Charge and a charge in favour of the directors and officers of the Borrowers) over any of its Property, whether ranking in priority to or subordinate to the DIP

		Charge; and m) not sell, transfer, assign, convey or lease any Property out of the ordinary course of the Borrowers' business, unless consented to by the DIP Lender (which consent shall not be unreasonably withheld) and the Monitor, or permitted by an order of the Court.
13.	**INDEMNITY:**	Each of the Borrowers agrees to indemnify and hold harmless the DIP Lender and its affiliates and officers, directors, employees, representatives, advisors, solicitors and agents (collectively, the "**Indemnified Persons**") from and against any and all actions, lawsuits, proceedings (including any investigations or inquiries), claims, losses, damages, liabilities or expenses of any kind or nature whatsoever that may be incurred by or asserted against or involve any of the Indemnified Persons as a result of, in connection with or in any way related to the DIP Facility, the proposed or actual use of proceeds of the DIP Facility, this Term Sheet, the CCAA Proceeding, the Initial Order, the ARIO or any other agreements entered into between the DIP Lender and the Borrowers with respect to the foregoing. Notwithstanding the foregoing, the Borrowers shall have no obligation to indemnify any Indemnified Person against any such loss, liability cost or expense (a) to the extent that such Indemnified Person is found by a final judgment of a court of competent jurisdiction to arise from their gross negligence, bad faith or willful misconduct, or (b) to the extent arising from any dispute solely among Indemnified Persons other than any claims arising out of any act or omission on the part of the Borrowers. The DIP Lender shall not be responsible or liable to the Borrowers or any other person for consequential or punitive damages.
14.	**EVENTS OF DEFAULT:**	The DIP Facility shall be subject to the following events of default ("**Events of Default**"): a) the Borrowers' failure to pay any amount due hereunder when due and payable; b) any covenant, Condition Precedent, payment obligation, or other term or condition of this Term Sheet is not complied with or fulfilled to the satisfaction of the DIP Lender, acting reasonably; c) any representation or warranty made by the

		Borrowers is incorrect or misleading in any material respect when made; d) the seeking or support by the Borrowers of any Court order (in the CCAA Proceedings or otherwise) that is adverse or potentially adverse to the interests of the DIP Lender; e) the issuance of any court order staying, reversing, vacating or modifying the terms of the Initial Order, the ARIO, the DIP Facility or the DIP Charge without the DIP Lender's consent, which consent shall not be unreasonably withheld; f) the service or filing of a notice of appeal, application for leave to appeal, or an appeal in respect of the Initial Order or the ARIO that is not being diligently contested by the Borrowers, provided that, if the Borrowers are unsuccessful in contesting any such appeal, that shall automatically constitute an Event of Default; g) an event occurs that will, in the opinion of the DIP Lender, acting reasonably, materially impair the Borrowers' financial condition, operations or ability to perform its obligations under this Term Sheet or any order of the Court; h) failure by the Borrowers to comply with the Initial Order, the ARIO or any further Order of the Court; i) any material adverse change in: (i) the business operations, or financial condition of the Borrowers or their affiliates; (ii) the Property of the Borrowers; and (iii) the DIP Charge, including its priority; (iv) the ability of the Borrowers to perform their obligations under this Term Sheet or to any person under any material contract; (v) the DIP Lender's ability to enforce any of its rights or remedies against the Property, or for the obligations of the Borrowers to be satisfied from the realization thereof; j) any of the Borrowers become bankrupt, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of any of the Borrowers, or any of the Borrowers' property; and

		k) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter (collectively, a "**Claim**") that is not being diligently contested by the Borrowers, the purpose of which is to seek or the result of which would be to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Charge or its priority, (ii) for monetary, injunctive or other relief against the DIP Lender or the Property, or (iii) preventing, hindering or otherwise delaying the exercise by the DIP Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIO or under applicable law, or the enforcement or realization by the DIP Lender against any of its collateral, provided that if the Borrowers are unsuccessful in contesting any such Claim, that shall automatically constitute an Event of Default.
15.	**REMEDIES AND ENFORCEMENT:**	Upon the occurrence of an Event of Default, the DIP Lender may, in its sole discretion, by way of written notice to the Borrowers, elect to terminate the DIP Facility and accelerate all amounts outstanding under the DIP Facility. In addition, upon the occurrence of an Event of Default, the DIP Lender may, upon providing four business days' written notice to the Borrowers and the Monitor, in accordance with the Initial Order or the ARIO: a) apply to the Court for the appointment of a receiver, an interim receiver or a receiver and manager over any of the Borrowers' property, or for the appointment of a trustee in bankruptcy of the Borrowers; b) apply to the Court to be allowed to exercise the rights and powers of a secured lender pursuant to the *Personal Property Security Act* (Ontario), or any legislation of similar effect; and c) exercise all such other rights and remedies available to the DIP Lender under this Term Sheet, the Initial Order, the ARIO, any other order of the Court or applicable law.

		No failure or delay on the part of the DIP Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.
16.	**DIP LENDER APPROVALS:**	Any consent, approval, instruction or other expression of the DIP Lender to be delivered in writing may be delivered by any written instrument, including by way of electronic mail, by the DIP Lender, or its counsel, pursuant to the terms hereof.
17.	**LEGAL FEES:**	The Borrowers shall be responsible for all of the DIP Lender's reasonable legal fees incurred in respect of the DIP Facility on a full indemnity basis on a joint and several basis.
18.	**FURTHER ASSURANCES:**	The Borrowers will, at their own expense and promptly on demand by the DIP Lender at any time, do such acts and things and execute and deliver such documents as the DIP Lender may reasonably request to give effect to any other provisions set out hereunder.
19.	**ENTIRE AGREEMENT; CONFLICT:**	This Term Sheet constitutes the entire agreement between the parties relating to the subject matter hereof. To the extent that there is any inconsistency between this Term Sheet and any of the other documentation that the DIP Lender requires the Borrowers to execute, this Term Sheet shall govern.
20.	**WAIVERS:**	No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing by the DIP Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
21.	**SEVERABILITY:**	Any provision in this Term Sheet, which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction.
22.	**ASSIGNMENT:**	The Borrowers shall not assign this Term Sheet or any of the provisions set out herein without the prior written consent of the DIP Lender, which consent may be unreasonably withheld. The DIP Lender may assign or sell

		its rights or obligations with respect to this Term Sheet to any person without the prior written consent of the Borrowers.
23.	**GOVERNING LAW:**	The DIP Facility and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
24.	**COUNTERPARTS:**	This Term Sheet may be executed in any number of counterparts and by facsimile or other electronic transmission, each of which when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument.
25.	**ACCEPTANCE:**	The Borrowers agree that the DIP Lender's services are rendered at the time this Term Sheet are both accepted by the Borrowers and approved by the Court. If the terms and conditions set out herein are satisfactory and the Borrowers are prepared to seek Court approval of same, kindly acknowledge acceptance by initialing each page and signing below.

This Term Sheet will be open for acceptance by the Borrowers until 5:00 p.m. (Eastern Time) on ●.

●

Per: ____c/s
Name:
Title:

I have the authority to bind the Corporation.

BORROWERS' ACKNOWLEDGMENT AND ACCEPTANCE:

The undersigned hereby accept and agree to be bound by the terms and conditions of this Term Sheet, expressly subject to Court approval of same.

Dated this ●th day of January, 2024.

BORROWERS:

9869247 CANADA LIMITED

Per: ______________________________
Name: Brigitte Simons
Title: CEO

I have the authority to bind the Corporation.

GN VENTURES LTD.

Per: ______________________________
Name: Brigitte Simons
Title: CEO

I have the authority to bind the Corporation.

SCHEDULE "A"
CASH FLOW PROJECTIONS

9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD.
Consolidated Cash Flow Forecast
$CDN

		1	2	3	4	5	6	7	9	10	
Week Beginning	Notes	**15-Jan-24**	**22-Jan-24**	**29-Jan-24**	**5-Feb-24**	**12-Feb-24**	**19-Feb-24**	**26-Feb-24**	**4-Mar-24**	**11-Mar-24**	**Total**
Receipts											
Collections of Sales	1	$ -	$ 100,241	$ 44,859	$ 137,633	$ 16,403	$ 78,960	$ 51,996	$ 96,047	$ 177,148	$ 703,287
Other Collections	2	-	-	3,200	-	-	-	-	74,000	-	$ 77,200
Total Receipts		**-**	**100,241**	**48,059**	**137,633**	**16,403**	**78,960**	**51,996**	**170,047**	**177,148**	**780,487**
Disbursements											
Operating Costs	3	15,000	80,000	105,000	70,000	80,000	55,000	55,000	55,000	65,000	580,000
Payroll Costs	4	-	-	107,750	-	85,000	-	92,750	-	85,000	370,500
Utilities	5	-	101,490	-	-	7,000	162,000	-	-	7,000	277,490
Operational G&A and Taxes	6	-	13,558	26,717	23,896	-	13,558	57,717	23,896	-	159,344
Restructuring Costs	7	194,500	194,500	149,000	144,000	124,000	106,000	106,000	69,000	69,000	1,156,000
Total Disbursements		209,500	389,549	388,467	237,896	296,000	336,558	311,467	147,896	226,000	2,543,334
Net cash receipts/(disbursements)		**$ (209,500)**	**$ (289,308)**	**$ (340,408)**	**$ (100,263)**	**$ (279,597)**	**$ (257,598)**	**$ (259,471)**	**$ 22,151**	**$ (48,852)**	**$ (1,762,847)**
Cash on hand											
Opening Balance	8	$ 804,871	$ 595,371	$ 776,063	$ 435,655	$ 335,392	$ 55,795	$ 298,197	$ 38,725	$ 60,876	$ 804,871
DIP Facility Draw/Repayment			470,000	-	-	-	500,000	-	-	-	970,000
Net Cash Receipts/(disbursements)		(209,500)	(289,308)	(340,408)	(100,263)	(279,597)	(257,598)	(259,471)	22,151	(48,852)	(1,762,847)
Ending cash balance		**$ 595,371**	**$ 776,063**	**$ 435,655**	**$ 335,392**	**$ 55,795**	**$ 298,197**	**$ 38,725**	**$ 60,876**	**$ 12,024**	**$ 12,024**
Proposed Debt-in-Procession Financing											
Opening balance		$ -	$ -	$ 501,356	$ 502,802	$ 504,252	$ 505,707	$ 1,008,608	$ 1,011,517	$ 1,014,435	$ -
Draw/(Repayment)	9	-	470,000	-	-	-	500,000	-	-	-	970,000
Commitment fee		-	30,000	-	-	-	-	-	-	-	30,000
Accrued Interest		-	1,356	1,446	1,450	1,455	2,901	2,909	2,918	2,926	17,362
Ending balance		**$ -**	**$ 501,356**	**$ 502,802**	**$ 504,252**	**$ 505,707**	**$ 1,008,608**	**$ 1,011,517**	**$ 1,014,435**	**$ 1,017,362**	**$ 1,017,362**

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 15, 2024 to March 17, 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 "**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 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 Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the Applicants' ongoing operations during the anticipated stay extension period.

Receipts and disbursements are denominated in 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. It also includes estimates for a key employee retention payments and other financial advisor fees but such amounts will not be paid until further lender and court approval.

8. **Beginning Balance**
   Represents the opening cash balance as of January 15, 2024.

9. **DIP Draws**
   Represent DIP draws pursuant the DIP terms sheet dated January 19, 2024

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 19, 2024)

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Lawyers for the Applicants

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 22ND
	)	
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**")

AMENDED AND RESTATED 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 video conference.

ON READING the affidavit of Leanne Brigitte Simons sworn on January 19, 2024 and the Exhibits thereto (the "**Second Simons Affidavit**"), the first report of Ernst & Young Inc., dated January 19, 2024 (the "**First Report**"), 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 Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP and the DIP Lender (as hereinafter defined), no one appearing for any other party although duly served as appears from the affidavit of service of Maureen McLaren sworn on January 19, 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.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants 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**")

POSSESSION OF PROPERTY AND OPERATIONS

5. **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.

6. **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 with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **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).

8. **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.

9. **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.

10. **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

11. **THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) with the consent of the Monitor, 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 $200,000 in any one transaction or $1,000,000 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

12. **THIS COURT ORDERS** that until and including February 29, 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

13. **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

14. **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

15. **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

16. **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

17. **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

18. **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.

19. **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 $243,000, as security for the indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

20. **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 18 of this Order.

APPOINTMENT OF MONITOR

21. **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.

22. **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, including the management and use of any funds advanced by the DIP Lender (as defined below) to the Applicants under the DIP Term Sheet (as defined below);

(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, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on the basis set out in the Definitive Documents (as defined below);

(d) advise the Applicants in their preparation of the Applicants' 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 as agreed to by the DIP Lender;

(e) if required in the circumstances, advise the Applicants in its development of a Plan and any amendments to a Plan;

(f) assist the Applicants in communications with their stakeholders, including creditors or governmental authorities;

(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 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;

(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

(i) perform such other duties as are required by this Order or by this Court from time to time.

23. **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.

24. **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.

25. **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.

26. **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.

27. **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 and, in addition, pay the Monitor and counsel to the Monitor retainers in the amounts of $25,000 and $25,000, respectively, to be held by them as additional security for payment of their respective fees and disbursements outstanding from time to time.

28. **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.

29. **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 $350,000, 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 and 40 hereof.

DIP FINANCING

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from NE SPEC II LP on behalf of a company to be incorporated (the "**DIP Lender**"), in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of $1,000,000 (plus interest, fees and expenses in accordance with the DIP Term Sheet) unless permitted by further Order of this Court.

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender dated as of January 18, 2024 (the "**DIP Term Sheet**"), filed.

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Term Sheet, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. **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 to secure the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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.

34. **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 four (4) business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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 Applicants and for the appointment of a trustee in bankruptcy of the Applicants; 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 Applicants or the Property.

35. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Definitive Documents or the DIP Term Sheet.

36. **THIS COURT ORDERS** that nothing herein contained shall require or deem the DIP Lender to take Possession of, or exercise any rights of control over any activities in respect of, any of the Property or the property of any direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, that is or may be: (i) subject to any Cannabis Legislation; or (ii) 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 Environmental Legislation.

37. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **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 $350,000);
>
> Second – DIP Lender's Charge (to the maximum principal amount of $1,000,000 plus interest, fees, legal costs and any other amounts payable under the DIP Term Sheet);
>
> Third – Directors' Charge (to the maximum amount of $243,000).

39. **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.

40. **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.

41. **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, the DIP Lender, and the beneficiaries of the Charges, or further Order of this Court.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Term Sheet, 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 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 DIP Term Sheet or the Definitive Documents shall 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 entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet 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.

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 Applicants' interest in such real property leases.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in 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.

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 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

46. **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

47. **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.

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 Applicants, the Business or the Property.

49. **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.

50. **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.

51. **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.

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.

53. **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

AMENDED AND RESTATED INITIAL ORDER
(Dated January 22, 2024)

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TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE OSBORNE

) ~~FRIDAY~~

)

) MONDAY, THE ~~12TH~~22ND

~~)~~

~~)~~

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**")

AMENDED AND RESTATED 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~~video conference.

ON READING the affidavit of Leanne Brigitte Simons sworn on January ~~11~~19, 2024 and the Exhibits thereto (the "**Second Simons Affidavit**"), the first report of Ernst & Young Inc., dated January 19, 2024 (the "**First Report**"), 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~~Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP and the DIP Lender (as hereinafter defined), no one appearing for any other party although duly served as appears from the affidavit of service of Maureen McLaren sworn on January ~~11~~19, 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.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants 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**")

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~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.

6. ~~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.

7. ~~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).

8. ~~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.

9. ~~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.

10. ~~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

11. ~~10.~~**THIS COURT ORDERS** that the Applicants shall, subject to such requirements as are imposed by the CCAA, have the right to:

(a) with the consent of the Monitor, 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~~200,000 in any one transaction or $~~200,000~~1,000,000 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

12. ~~11.~~**THIS COURT ORDERS** that until and including ~~January 22~~February 29, 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

13. ~~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

14. ~~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

15. ~~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

16. ~~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

17. ~~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

18. ~~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.

19. ~~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~~243,000, as security for the indemnity provided in paragraph ~~17~~18 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~29~~38 and ~~31~~40 herein.

20. ~~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~~18 of this Order.

APPOINTMENT OF MONITOR

21. ~~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.

22. ~~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, including the management and use of any funds advanced by the DIP Lender (as defined below) to the Applicants under the DIP Term Sheet (as defined below);

(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~~assist the Applicants, to the extent required by the Applicants, in their dissemination, to the DIP Lender and its counsel of financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on the basis set out in the Definitive Documents (as defined below);

(d) advise the Applicants in their preparation of ~~their~~the Applicants' 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 as agreed to by the DIP Lender;

(e) if required in the circumstances, advise the Applicants in its development of a Plan and any amendments to a Plan;

(f) ~~(d)~~assist the Applicants in communications with their stakeholders, including creditors or governmental authorities;

(g) ~~(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;

(h) ~~(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

(i) ~~(g)~~perform such other duties as are required by this Order or by this Court from time to time.

23. ~~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.

24. ~~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.

25. ~~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.

26. ~~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.

27. ~~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 and, in addition, pay the Monitor and counsel to the Monitor retainers in the amounts of $25,000 and $25,000, respectively, to be held by them as additional security for payment of their respective fees and disbursements outstanding from time to time.

28. ~~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.

29. ~~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~~350,000, 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~~38 and ~~31~~40 hereof.

DIP FINANCING

30. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from NE SPEC II LP on behalf of a company to be incorporated (the "**DIP Lender**"), in order to finance the Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of $1,000,000 (plus interest, fees and expenses in accordance with the DIP Term Sheet) unless permitted by further Order of this Court.

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender dated as of January 18, 2024 (the "**DIP Term Sheet**"), filed.

32. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the DIP Term Sheet, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicants are hereby authorized and directed to pay and perform all of their indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. **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 to secure the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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.

34. **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 four (4) business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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 Applicants and for the appointment of a trustee in bankruptcy of the Applicants; 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 Applicants or the Property.

35. **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any Plan under the CCAA, or any proposal filed by the Applicants under the BIA, with respect to any advances made under the Definitive Documents or the DIP Term Sheet.

36. **THIS COURT ORDERS** that nothing herein contained shall require or deem the DIP Lender to take Possession of, or exercise any rights of control over any activities in respect of, any of the Property or the property of any direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, that is or may be: (i) subject to any Cannabis Legislation; or (ii) 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 Environmental Legislation.

37. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. ~~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~~350,000); ~~and~~
>
> Second – DIP Lender's Charge (to the maximum principal amount of $1,000,000 plus interest, fees, legal costs and any other amounts payable under the DIP Term Sheet);
>
> Third – Directors' Charge (to the maximum amount of $~~61,000~~243,000).

39. ~~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.

40. ~~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.

41. ~~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, the DIP Lender, and the beneficiaries of the Charges, or further Order of this Court.

42. ~~33.~~ **THIS COURT ORDERS** that the Directors' Charge ~~and~~, the Administration Charge, the DIP Term Sheet, 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 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 DIP Term Sheet or the Definitive Documents 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~~'~~ entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet 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.

43. ~~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

44. ~~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.

45. ~~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

46. ~~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

47. ~~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.

48. ~~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.

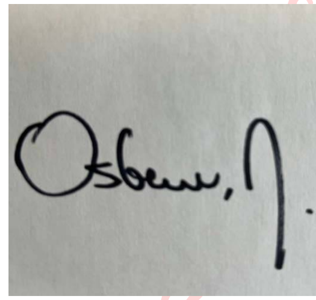
49. ~~40.~~**THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out 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.

50. ~~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.

51. ~~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.

52. ~~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.

53. ~~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.



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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

AMENDED AND RESTATED INITIAL ORDER
(Dated January ~~12~~22, 2024)

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Document comparison by Workshare Compare on Friday, January 19, 2024 10:55:04 AM

Input:	
Document 1 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/74458529/1
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Rendering set	Standard

Legend:	
Insertion	
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Format change	
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Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	138
Deletions	80
Moved from	1
Moved to	1
Style changes	0
Format changes	0
Total changes	220

TAB 5

~~Revised: January 21, 2014~~

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	~~WEEKDAY~~MONDAY, THE ~~#~~22ND
	)	
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**")

AMENDED AND RESTATED 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 video conference.

ON READING the affidavit of ~~[NAME]~~Leanne Brigitte Simons sworn ~~[DATE]~~on January 19, 2024 and the Exhibits thereto (the "**Second Simons Affidavit**"), the first report of Ernst & Young Inc., dated January 19, 2024 (the "**First Report**"), 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 Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP and the DIP Lender (as hereinafter defined), no one appearing for

~~[NAME]~~[1]any other party although duly served as appears from the affidavit of service of ~~[NAME]~~Maureen McLaren sworn ~~[DATE]~~on January 19, 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

~~[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).~~

~~[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.~~

4. ~~3.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants 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**~~"~~”)~~.~~

POSSESSION OF PROPERTY AND OPERATIONS

5. ~~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.

6. ~~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

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[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.~~

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 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 with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.~~]~~

7. ~~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).

8. ~~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.

9. ~~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.

[4] ~~The term "resiliate" should remain if there are leased premises in the Province of Quebec, but can otherwise be removed.~~

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 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

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) with the consent of the Monitor, 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 $~~•~~200,000 in any one transaction or $~~•~~1,000,000 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,

[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.~~

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 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

12. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE — MAX. 30 DAYS]~~February 29, 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

13. ~~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

14. ~~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

15. ~~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

16. ~~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

17. ~~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

[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).~~

18. ~~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 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.

19. ~~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 $●243,000, as security for the indemnity provided in paragraph ~~[20]~~18 of this Order. The Directors' Charge shall have the priority set out in paragraphs ~~[~~38~~]~~ and ~~[~~40~~]~~ herein.

20. ~~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]~~18 of this Order.

~~[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.~~

~~[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.~~

APPOINTMENT OF MONITOR

21. ~~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 ~~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.

22. ~~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, including the management and use of any funds advanced by the DIP Lender (as defined below) to the Applicants under the DIP Term Sheet (as defined below);

(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~~Applicants, to the extent required by the ~~Applicant~~Applicants, in ~~its~~their dissemination, to the DIP Lender and its counsel ~~on a [TIME INTERVAL] basis~~ of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender which may be used in these proceedings including reporting on ~~a~~the basis ~~to be agreed with the DIP Lender~~set out in the Definitive Documents (as defined below);

(d) advise the ~~Applicant~~Applicants in ~~its~~their preparation of the ~~Applicant~~Applicants'~~s~~ 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) if required in the circumstances, advise the ~~Applicant~~Applicants in its development of ~~the~~a Plan and any amendments to ~~the~~a Plan;

(f) 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;

(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;

(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

(i) perform such other duties as are required by this Order or by this Court from time to time.

23. ~~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.

24. ~~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.

25. ~~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.

26. ~~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.

27. ~~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,~~Monitor retainers in the ~~amount[s]~~amounts of $● ~~[~~25,000 and $25,000, respectively,~~]~~ to be held by them as additional security for payment of their respective fees and disbursements outstanding from time to time.

28. ~~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.

29. ~~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 $●350,000, 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~~]~~ and ~~[~~40~~]~~ hereof.

DIP FINANCING

30. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME]~~NE SPEC II LP on behalf of a company to be incorporated (the ~~"~~“**DIP Lender**~~"~~”), in order to finance the ~~Applicant's~~Applicants’ working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed ~~$●~~the principal amount of $1,000,000 (plus interest, fees and expenses in accordance with the DIP Term Sheet) unless permitted by further Order of this Court.

31. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~that such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~term sheet between the ~~Applicant~~Applicants and the DIP Lender dated as of ~~[DATE]~~January 18, 2024 (the ~~"Commitment Letter"~~“**DIP Term Sheet**”), filed.

32. ~~34.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, with the ~~"~~DIP Term Sheet, the “**Definitive Documents**~~"~~”), as are contemplated by the ~~Commitment Letter~~DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the ~~Applicant is~~Applicants are hereby authorized and directed to pay and perform all of ~~its~~their

indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the ~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

33. ~~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 to secure the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, 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.

34. ~~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 ~~●~~four (4) business days’ written notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter~~DIP Term Sheet, Definitive Documents and the DIP Lender’s Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, 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~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Applicants; 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~~Applicants or the Property.

35. ~~37.~~ **THIS COURT ORDERS AND DECLARES** that, unless agreed to by the DIP Lender, the DIP Lender shall be treated as unaffected in any ~~plan of arrangement or compromise filed by the Applicant~~Plan under the CCAA, or any proposal filed by the ~~Applicant~~Applicants under the ~~*Bankruptcy and Insolvency Act* of Canada (the "~~BIA~~"~~), with respect to any advances made under the Definitive Documents or the DIP Term Sheet.

36. **THIS COURT ORDERS** that nothing herein contained shall require or deem the DIP Lender to take Possession of, or exercise any rights of control over any activities in respect of, any of the Property or the property of any direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, that is or may be: (i) subject to any Cannabis Legislation; or (ii) 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 Environmental Legislation.

37. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the DIP Lender under this Order, any other Order of the Court (whether made pursuant to these proceedings or otherwise), or at law, the DIP Lender shall incur no liability or obligation as a result of carrying out the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence or willful misconduct on its part.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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 $~~●~~350,000);

Second – DIP Lender's Charge~~; and~~ (to the maximum principal amount of $1,000,000 plus interest, fees, legal costs and any other amounts payable under the DIP Term Sheet);

Third – Directors' Charge (to the maximum amount of $~~●~~243,000).

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~~")~~

[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.~~

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.

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.

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.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the ~~Commitment Letter~~DIP Term Sheet, 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~~DIP Term Sheet or the Definitive Documents shall 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~~Applicants entering into the ~~Commitment Letter~~DIP Term Sheet, the 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~~DIP Term Sheet 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.

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

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~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.

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

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

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.

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.

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.

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.

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.

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.

53. **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

AMENDED AND RESTATED INITIAL ORDER
(Dated January 22, 2024)

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Document 2 ID	iManage://MTDMSWSSC.MILLERTHOMSON.CORP/Legal/74613311/1
Description	#74613311v1<Legal> - Amended and Restated Initial Order (final)
Rendering set	Standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
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Padding cell	

Statistics:	
	Count
Insertions	332
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Moved to	2
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Format changes	0
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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

MOTION RECORD OF THE APPLICANTS
(Returnable January 22, 2024)

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