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**")

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

January 22, 2024

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Lawyers for the Applicants

TO THE SERVICE LIST:

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

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SERVICE LIST
(as at January 22, 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:	**Harrison Pensa LLP** 130 Dufferin Avenue, Suite 1101, London, ON N6A 5R2 Melinda Vine B.A., LL.B., LL.M. Tel 519.661.6705 Email:mvine@harrisonpensa.com Lawyers for Gray Jay Estates Inc.
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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TAB 1

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SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn January 22, 2024)

January 22, 2024

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

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SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn January 22, 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**") (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. On January 19, 2024, I swore an affidavit in support of this Motion (the "**Second Simons Affidavit**").

3. In paragraph 9 of the Second Simons Affidavit, I indicated that the DIP Term Sheet attached as Exhibit B was not yet executed. As such, I attached an unsigned version of same.

4. On January 21, 2024, the DIP Lender executed the DIP Term Sheet, in the form attached hereto as **Exhibit "A"**. I also executed the DIP Term Sheet on behalf of the Applicants. The form and terms of the DIP Term Sheet have remained unchanged between the Second Simons Affidavit and this Supplementary Affidavit.

5. I swear this Supplementary Affidavit in support of a Motion under the CCAA for the ARIO in the form contained at Tab 3 of the Motion Record served on January 19, 2024, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 22nd day of January, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely Commissioner for Taking Affidavits	**LEANNE BRIGITTE SIMONS**

This is Exhibit “A” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on January 22, 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 Jan 22, 2024.

NE SPC II

Per: ______________________________ c/s
Name: Cheng Dang
Title:

I have the authority to bind the Corporation.

<u>BORROWERS' ACKNOWLEDGMENT AND ACCEPTANCE:</u>

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: Brigitte Simons ____________________
Name: Brigitte Simons
Title: CEO

I have the authority to bind the Corporation.

GN VENTURES LTD.

Per: Brigitte Simons ____________________
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		**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**
	Notes										
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

SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn January 22, 2024)

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Lawyers for the Applicants

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED 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
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SUPPLEMENTARY MOTION RECORD OF THE APPLICANTS
(Returnable January 22, 2024)

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