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 February 26, 2024)

February 23, 2024

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TO THE SERVICE LIST:

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

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(as at February 15, 2024)

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

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**")

INDEX

TAB	**DOCUMENT**
1.	Notice of Motion, returnable February 26, 2024
2.	Affidavit of Leanne Brigitte Simons, sworn February 23, 2024
Exhibits to the Affidavit of Leanne Brigitte Simons, sworn February 23, 2024	
Exhibit A	Amended DIP Term Sheet dated February 23, 2024
Exhibit B	KERP Agreement dated February 22, 2024
Exhibit C	Accommodation Agreement
Exhibit D	Consultant Agreement dated February 22, 2024
3.	Draft Order

TAB 1

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**")

NOTICE OF MOTION
(Returnable February 26, 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 the "**Applicants**") will make a motion before the Honourable Mr. Justice Osborne on Monday, February 26, 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 Order (the "**Order**"), substantially in the form attached as **Tab "3"** to the Applicants' Motion Record, *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 period (the "**Stay Period**") in favour of the Applicants from February 29, 2024 to and including March 29, 2024 (the "**Extended Stay Period**");

(c) increasing the authorized borrowings under the Amended DIP Term Sheet between the Applicants and NE SPC II LP (the "**DIP Lender**") dated February 23, 2024 (the "**Amended DIP Term Sheet**") to a maximum amount of $1,300,000;

(d) approving the key employee retention plan (the "**KERP**"), for certain senior management personnel ("**Management**"), and granting a priority charge in favour of Management entitled to the KERP, ranking behind the Directors' Charge in the maximum amount of $200,000 ("**KERP Charge**");

(e) approving the settlement agreement (the "**Consultant Agreement**") dated February 22, 2024, among the Applicants, the Lenders (as defined below), and Hyde Advisory & Investments Inc. ("**HAI**") and the payments contemplated therein, and granting a priority charge in favour of HAI, ranking behind the DIP

Lender's Charge and ahead of the Directors' Charge in the maximum amount of $180,000 plus applicable taxes (the "**Consultant Charge**"); and

(f) approving the Monitor's Reports of Ernst & Young Inc., in its capacity as the Monitor of the Applicants (the "**Monitor**") as set out in its First Report dated January 19, 2024 (the "**First Report**") and its Second Report, to be filed (the "**Second Report**"); 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 Amended and Restated Initial Order dated January 22, 2024 (the "**ARIO**"), the Affidavits of Leanne Brigitte Simons sworn January 11, 2024 (the "**First Simons Affidavit**"), January 22, 2024 (the "**Second Simons Affidavit**"), February 22, 2024 (the "**Third Simons Affidavit**").

I. Background of CCAA Proceedings

4. On January 12, 2024, the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted the Initial Order in favour of the Applicants under the CCAA, which was thereafter amended and restated (the "**ARIO**") in favour of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**").

5. Pursuant to the ARIO, among other things:

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

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

(c) A stay of proceedings was granted in favour of the Applicants for an initial stay period up to and including February 29, 2024;

(d) The Applicants were authorized to obtain and borrow under the DIP Term Sheet from the DIP Lender, provided that borrowings under such credit facility did not exceed the principal amount of $1,000,000 (plus interest, fees, and expenses);

(e) 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 $350,000);

(ii) Second – DIP Lender's Charge; and

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

II. Pre-Filing Sale Process

6. HAI, an experienced cannabis business broker and trusted advisor to the global cannabis sector, facilitated a robust Sale Process (as defined below) in order to maximize value for the Safari Flower Group and its stakeholders.

7. In or around March 2023, Safari Flower and HAI commenced discussions regarding a pre-filing sale and investment solicitation process (the "**Sale Process**") to be facilitated by HAI outside of the CCAA in order to maximize value. These discussions continued through June, whereby Safari Flower and HAI entered into an agreement (the "**Success Fee Agreement**"). The

Success Fee Agreement provided that HAI would implement the Sale Process in exchange for a success fee, pursuant to the payment structure set out therein.

8. The Safari Flower Group's secured lenders, NE SPC II LP ("**Blacksail**" or the "**DIP Lender**") and Gray Jay Estates Inc. ("**Gray Jay**" and together with Blacksail, the "**Lenders**") also supported the Applicants' engagement of HAI to implement the Sale Process as it was expressly contemplated in the Accommodation Agreement between the Lenders and the Applicants dated June 30, 2023 (the "**Accommodation Agreement**").

9. The Lenders and the Applicants agreed that HAI would market the Safari Flower Group's business, including the Stevensville Facility to a targeted list of prospects and, following the Sale Process, the Applicants would enter CCAA proceedings to approve the sale through a reverse vesting order. The Lenders reserved the right to submit a credit bid in the Sale Process.

10. HAI's team in the Sale Process was comprised of 8 professionals with a wide-range of experience.

11. In June 2023, HAI reached out to a targeted list of 52 potential purchasers ("**Organic Reach-Outs**") housed in HAI's Customer Relationship Management database.

12. 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**"). The Teaser was broadly advertised on social media, including LinkedIn and X, as well as featured in HAI's monthly newsletter and on HAI's website.

13. 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.

14. 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 the Safari Flower Group, in consultation with HAI. Interested purchasers were also able to visit the Stevensville Facility for a tour facilitated by the Safari Flower Group and representatives from HAI. HAI was present at each site visit of the Stevensville Facility.

15. While 48 potential purchasers signed NDAs, only 22 accessed the Data Room, and 31 attended site visits to the Stevensville Facility.

16. On or around October 13, 2023, seven (7) interested purchasers signed non-binding letters of intent ("**LOIs**") to purchase Safari Flower's business.

17. HAI discussed the LOIs with management and with the Lenders. All 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**").

18. On November 6, 2023, HAI sent a letter and draft share purchase agreement to the four potential purchasers that had 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 deposit must accompany the bid.

19. At all times during the discussions with the Finalists, HAI and the Safari Flower Group 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 provided copies of the Lenders' loan and security documents and were aware of the total amount of secured debt.

20. 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.

21. The Bid from the Finalist was lower than the amount of total secured debt owed to the Lenders, and the Lenders declined to accept the Bid.

22. The Lenders have negotiated assignment agreements which contemplate Gray Jay purchasing the secured debt and security of Blacksail and credit bid for the Safari Flower Group's business by a certain date, failing which Blacksail would have the opportunity to purchase Gray Jay's secured debt. These negotiations are ongoing.

23. HAI, the Lenders and the Safari Flower Group, in consultation with the Monitor, have negotiated the Consultant Agreement to compensate HAI for its efforts during the Sale Process.

III. Relief Sought in the Order

A. Extension of the Stay Period

24. The Stay Period currently expires on February 29, 2024 and the Applicants seek to extend the Stay Period to March 29, 2024. It is expected that this will provide the Lenders sufficient time to conclude their negotiations in respect to the assignment of debt and security,

with the result that the Applicants will be able to finalize a Share Purchase Agreement with the successful Lender and seek Court approval.

25. The cash flow forecast ending March 31, 2024, prepared by the Applicants, with the assistance of the Monitor, (the "**Cash Flow Forecast**"), demonstrates that the Applicants have sufficient cash during the Extended Stay Period to the Period to the sale approval motion of the Transaction.

26. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Applicants with time to complete the Transaction.

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

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

29. The Monitor and the DIP Lender are supportive of the Extended Stay Period.

B. Increase in the DIP Financing

30. Pursuant to the ARIO, the Court approved the DIP Term Sheet, which authorizes the Applicants to borrow the maximum principal amount of $1,000,000 under the DIP Term Sheet;

31. The Applicants seek to increase the quantum of the authorized borrowings under the Amended DIP Term Sheet to $1,300,000 to reflect the financing requirements of the Applicants during the Extended Stay Period. Based on the Cash Flow Forecast, the Applicants anticipate they will require access to an additional $300,000 in interim financing to continue the business

through the Extended Stay Period, which will provide the necessary time to negotiate the Share Purchase Agreement and seek Court approval of the Transaction.

32. An increase in the maximum borrowings under the Amended DIP Term Sheet is necessary and reasonable in order to permit the Applicants to continue operating the business and negotiating with the Lenders.

33. The Monitor supports the Applicants' request to increase the maximum borrowings under the Amended DIP Term Sheet and will report of this in its Second Report.

C. Approval of the KERP and Granting of the KERP Charge

34. The Applicants, with the assistance of the Lenders and with the approval of the Monitor, have developed a KERP, to facilitate and encourage the continued participation of two key management employees in the business, with a view towards maximizing value throughout the CCAA Proceedings.

35. The proposed KERP contemplates a modest retention bonus for the following Management of Safari Flower:

(a) Dr. Brigitte Simons, the Chief Executive Officer and director of the Applicants ("**CEO**"): The CEO is responsible for the operations of the Safari Flower Group and is the key individual needed to ensure that the cannabis products are properly grown, harvested, processed, tested and sold. The CEO will assist with the sale of the Safari Flower Group's business; and

(b) Patrick Grobe, the Chief Financial Officer (the "**CFO**"): The CFO provides essential financial functions to the Applicants, including preparing the cash flow forecast, ensuring payroll is met, and has valuable institutional knowledge of the Safari Flower Group. Like the CEO, the CFO plays a key role in the business operations and in the CCAA Proceedings.

36. The KERP will provide Management with three payments:

(a) $30,000 as of the date of the Order;

(b) $50,000 each as of the date of the closing of a transaction in respect of all or substantially all of the assets or shares of the Safari Flower Group (the "**Closing**"); and

(c) $50,000 to either or each of Management in the event that the Purchaser does not continue the employment of the applicable member of Management post-closing of the Transaction, payable on Closing of the Transaction.

37. After the initial payment is made, the maximum amount that would be paid under the KERP is in the aggregate sum of $200,000. The KERP Charge in the maximum amount of $200,000 is intended to secure the KERP entitlements and is reasonable in the circumstances.

D. Approval of the HAI Consultant Agreement

38. HAI facilitated a robust Sale Process in accordance with the terms of the Success Fee Agreement and the Accommodation Agreement. As the Lenders chose to move forward with a

credit bid, the Lenders and the Safari Flower Group, in consultation with the Monitor, determined that HAI was entitled to compensation for its involvement in the Sale Process.

39. Such compensation was already included in the Applicants' Cash Flow Forecast filed with the Court during these CCAA proceedings.

40. HAI, the Lenders, and the Safari Flower Group entered into a Consultant Agreement on February 22, 2024.

41. The pertinent terms of the Consultant Agreement are as follows:

(a) The Lenders or the Safari Flower Group shall pay HAI the sum of $380,000 (plus HST) (the "**Settlement Amount**") in exchange for a full and final release of any claims HAI may have against the Safari Flower Group, the Lenders, and the Monitor in accordance with the terms of the Consultant Agreement;

(b) The Settlement Amount shall be paid in the following installments:

(i) $200,000 to be paid within five (5) days of Court approval of the Consultant Agreement; and

(ii) $180,000 to be paid upon the earlier of: (i) Court approval of the Share Purchase Agreement and Transaction contemplated therein; or (ii) an outside date of April 15, 2024 (the "**Outside Date**").

42. The Consultant Charge, if approved, is intended to secure the $180,000 payment, plus applicable taxes.

43. The Settlement Amount has already been included in the Cash Flow Forecast, and will cause no material prejudice to the Lenders or other creditors of the Applicants.

44. The Monitor and the Lenders are supportive of the terms of the Consultant Agreement, including the payment terms.

E. Approval of the Monitor's Reports, Activities, and Conduct

45. The Monitor's activities, conduct and decisions are set out in its First Report and Second Report, to be filed.

GENERAL

46. The provisions of the CCAA and the statutory, inherent and equitable jurisdiction of this Court;

47. 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

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

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

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

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

51. The Third Simons Affidavit, and the exhibits annexed thereto;

52. The First Report;

53. The Second Report, to be filed; and

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

February 23, 2024

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

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

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

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

NOTICE OF MOTION
(RETURNABLE FEBRUARY 26, 2024)

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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 February 23, 2024)

February 23, 2024

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AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn February 23, 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 Order (the "**Order**"), 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:

      (i) extending the stay period (the "**Stay Period**") in favour of the Applicants from February 29, 2024 to and including March 29, 2024 (the "**Extended Stay Period**");

(ii) increasing the authorized borrowings under the Amended DIP Term Sheet between the Applicants and NE SPEC II LP (the "**DIP Lender**") dated February 22, 2024 (the "**Amended DIP Term Sheet**") from $1,000,000 to a maximum principal amount of $1,300,000;

(iii) approving a key employee retention plan (the "**KERP**") for Patrick Grobe as Chief Financial Officer ("**CFO**") and myself as Chief Executive Officer ("**CEO**", and together, "**Management**"), and granting a priority charge in favour of the employees entitled to the KERP ranking behind the Directors' Charge in the maximum amount of $200,000 ("**KERP Charge**");

(iv) approving the settlement agreement (the "**Consultant Agreement**") dated February 22, 2024, among the Applicants, the Lenders (as defined below), and Hyde Advisory & Investments Inc. ("**HAI**") and the payments contemplated therein, and granting a priority charge in favour of HAI, ranking behind the DIP Lender's Charge and ahead of the Director's Charge in the maximum amount of $180,000 plus applicable taxes (the "**Consultant Charge**"); and

(v) approving the Monitor's Reports of Ernst & Young Inc., in its capacity as the Monitor of the Applicants (the "**Monitor**") as set out in its First Report dated January 19, 2024 (the "**First Report**") and its Second Report, to be filed (the "**Second Report**").

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 not otherwise defined herein have the meanings prescribed to them in the Amended and Restated Initial Order dated January 22, 2024 (the "**ARIO**"), or in my first and second affidavits sworn January 11, 2024 (the "**First Simons Affidavit**"), and January 22, 2024 (the "**Second Simons Affidavit**").

I. Background of the CCAA Proceedings

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

5. On January 12, 2024, the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granted the Initial Order in favour of the Applicants under the CCAA, which was thereafter amended and restated.

6. Pursuant to the ARIO, among other things:

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

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

(c) a stay of proceedings was granted in favour of the Applicants for an initial stay period up to and including February 29, 2024;

(d) the Applicants were authorized to obtain and borrow under the DIP Term Sheet from the DIP Lender, provided that borrowings under such credit facility did not exceed the principal amount of $1,000,000 (plus interest, fees, and expenses);

(e) 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 $350,000);

(ii) Second – DIP Lender's Charge; and

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

II. Pre-Filing Sale Process

7. HAI, an experienced cannabis business broker and trusted advisor to the global cannabis sector, facilitated a robust Sale Process (as defined below) in order to maximize value for the Safari Flower Group and its stakeholders.

8. In or around March 2023, Safari Flower and HAI commenced discussions regarding a pre-filing sale and investment solicitation process (the "**Sale Process**") to be facilitated by HAI outside of the CCAA in order to maximize value. These discussions continued through June, whereby Safari Flower and HAI entered into an agreement (the "**Success Fee Agreement**"). The Success Fee Agreement provided that HAI would implement the Sale Process in exchange for a success fee, pursuant to the payment structure set out therein.

9. The Safari Flower Group's secured lenders, NE SPC II LP ("**Blacksail**" or the "**DIP Lender**") and Gray Jay Estates Inc. ("**Gray Jay**" and together with Blacksail, the "**Lenders**") also supported the Applicants' engagement of HAI to implement the Sale Process as it was expressly contemplated in the Accommodation Agreement between the Lenders and the Applicants dated June 30, 2023 (the "**Accommodation Agreement**").

10. The Lenders and the Applicants agreed that HAI would market the Safari Flower Group's business, including the Stevensville Facility to a targeted list of prospects and, following the Sale Process, the Applicants would enter CCAA proceedings to approve the sale through a reverse vesting order. The Lenders reserved the right to submit a credit bid in the Sale Process.

11. HAI's team in the Sale Process was comprised of 8 professionals with a wide-range of experience.

12. I am aware that in June 2023, HAI reached out to a targeted list of 52 potential purchasers ("**Organic Reach-Outs**") housed in HAI's Customer Relationship Management database.

13. 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**"). The Teaser was broadly advertised on social media, including LinkedIn and X, as well as featured in HAI's monthly newsletter and on HAI's website.

14. I understand that 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 and I have discussed interested purchasers with HAI.

15. 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 myself, in consultation with HAI. Interested purchasers were also able to visit the Stevensville Facility for a tour facilitated by myself and other employees, as well as representatives from HAI. HAI was present at each site visit of the Stevensville Facility.

16. While 48 potential purchasers signed NDAs, I understand from David Hyde, the principal of HAI, and believe only approximately 22 accessed the Data Room, and approximately 31 attended site visits to the Stevensville Facility.

17. On or around October 13, 2023, Mr. Hyde advised me that seven (7) interested purchasers signed non-binding letters of intent ("**LOIs**") to purchase Safari Flower's business.

18. HAI discussed the LOIs with management and with the Lenders. All 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**").

19. On November 6, 2023, HAI sent a letter and draft share purchase agreement to the four potential purchasers which had 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 deposit must accompany the bid.

20. At all times during the discussions with the Finalists, HAI and the Safari Flower Group 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 provided copies of the Lenders' loan and security documents and were aware of the total amount of secured debt.

21. 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.

22. The Bid from the Finalist was lower than the amount of total secured debt owed to the Lenders, and the Lenders declined to accept the Bid.

23. The Lenders have negotiated assignment agreements, which contemplate Gray Jay purchasing the secured debt and security of Blacksail and credit bid for the Safari Flower Group's business by a certain date, failing which Blacksail would have the opportunity to purchase Gray Jay's secured debt. These negotiations are ongoing.

24. HAI, the Lenders and the Safari Flower Group, in consultation with the Monitor, have negotiated the Consultant Agreement to compensate HAI for its efforts during the Sale Process.

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

25. Following the granting of the ARIO, I, along with the Monitor and management of the Applicants, have been communicating with employees and stakeholders and continuing to operate the Safari Flower Group's business.

26. The Applicants, with the assistance of the Monitor, have also communicated with the Lenders, and have negotiated an amendment to the DIP Term Sheet to further fund operations throughout these CCAA proceedings. Attached hereto as **Exhibit "A"** is a copy of the Amended DIP Term Sheet.

27. The Applicants, with the assistance of the Monitor, have also been involved in discussions between the Monitor, the Lenders, and HAI regarding the Consultant Agreement, as discussed further in the Monitor's Second Report.

IV. Relief Sought in the Order

A. *Extension of Stay Proceedings*

28. The Stay Period currently expires on February 29, 2024 and the Applicants seek to extend the Stay Period to March 29, 2024. It is expected that this will provide the Lenders sufficient time to conclude their negotiations in respect to the assignment of debt and security, with the result that the Applicants will be able to finalize a Share Purchase Agreement with the successful Lender and seek Court approval.

29. The cash flow forecast ending March 31, 2024, prepared by the Applicants, with the assistance of the Monitor, (the "**Cash Flow Forecast**"), demonstrates that the Applicants have sufficient cash during the Extended Stay Period to the sale approval motion of the

Transaction. A copy of the Cash Flow Forecast is attached to the Monitor's Second Report.

30. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Applicants with time to negotiate and finalize a Share Purchase Agreement.

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

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

33. The Monitor and the Lenders are supportive of the Extended Stay Period.

B. *Increase in the DIP Financing*

34. Pursuant to the ARIO, the Court approved the DIP Term Sheet, which authorizes the Applicants to borrow the maximum principal amount of $1,000,000 under the DIP Term Sheet.

35. 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.

36. 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.

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

38. The Applicants seek to increase the quantum of the authorized borrowings under the DIP Term Sheet to $1,300,000 to reflect the financing requirements of the Applicants during the Extended Stay Period. Based on the Cash Flow Forecast, the Applicants anticipate they will require access to an additional $300,000 in interim financing to continue the business through the Extended Stay Period, which will provide the necessary time to negotiate the Share Purchase Agreement and seek Court approval of the Transaction.

39. An increase in the maximum borrowings under the DIP Term Sheet is necessary and reasonable in order to permit the Applicants to continue operating the business and negotiating with the Lenders during the Extended Stay Period. The Safari Flower Company is also in conversations to ensure that the next round of financing is substantial, as the current proposed DIP Financing increase set out in the Cash Flow Forecast will leave the Safari Flower Group in a restricted cash position such that it must be back before the Court towards the end of March.

40. The Monitor supports the Applicants' request to increase the maximum borrowings under the DIP Term Sheet, as discussed further in its Second Report. I understand that Gray Jay has no objection to the proposed increase to the DIP Financing.

41. I am of the view that the increase in the DIP Financing is reasonable and appropriate in the circumstances.

C. Approval of the KERP and Granting of the KERP Charge

42. The Applicants, with the assistance of the Lenders and with the approval of the Monitor, have developed a KERP, to facilitate and encourage the continued participation of two key management employees in the business, with a view towards maximizing value throughout the CCAA Proceedings. Attached hereto as **Exhibit "B"** is a copy of the KERP Agreement. The Lenders are in the process of executing the KERP, and I understand they do not object to the terms therein.

43. The proposed KERP contemplates a modest retention bonus for the following two key management employees ("**Management**") of Safari Flower:

(a) As CEO of the Safari Flower Group, I am responsible for the operations of the Safari Flower Group and is the key individual needed to ensure that the cannabis products are properly grown, harvested, processed, tested and sold. I will assist with the sale of the Safari Flower Group's business; and

(b) Patrick Grobe, the CFO, provides essential financial functions to the Applicants, including preparing the cash flow forecast, ensuring payroll is met, and has valuable institutional knowledge of the Safari Flower Group. Like the CEO, the CFO plays a key role in the business operations and in the CCAA Proceedings.

44. The KERP will provide Management with three payments, two of which are contingent:

(a) $30,000 each as of the date of the Order;

(b) $50,000 each as of the date of the closing of a transaction in respect of all or substantially all of the assets or shares of the Safari Flower Group (the "**Closing**"); and

(c) $50,000 to either or each of Management in the event that the Purchaser does not continue the employment of the applicable member of Management post-closing of the Transaction, payable on Closing of the Transaction.

45. With the exception of one payment, the proposed KERP was contemplated and agreed-upon between the Safari Flower Group and the Lenders as part of the Accommodation Agreement executed prior to the commencement of these proceedings. Attached hereto as **Exhibit "C"** is a copy of the Accommodation Agreement.[1]

46. The one difference in the KERP set out in the Accommodation Agreement versus the proposed KERP above is the addition of the $30,000 payment to each of Management on the date of the Order. This payment is the result of negotiations with the Lenders, with the consultation of the Monitor, and is based on Management's continued efforts to operate and manage the Safari Flower Group from the period of November 2023 (the anticipated closing of the Sale Process) through the Extended Stay Period (the intended date upon which the Safari Flower Group will seek sale approval of the Transaction and move towards closing), subject to prior Court approval.

47. After the initial payment is made, the maximum amount that would be paid under the KERP is in the aggregate sum of $200,000. The KERP Charge in the maximum amount

[1] A copy of the Accommodation Agreement is also attached to my First Affidavit at Schedule D to Exhibit A.

of $200,000 is intended to secure the KERP entitlements. It is the Applicants' position that it is reasonable in the circumstances.

D. Approval of the HAI Consultant Agreement

48. HAI facilitated a robust Sale Process in accordance with the terms of the Success Fee Agreement and the Accommodation Agreement. As the Lenders chose to move forward with a credit bid, the Lenders and the Safari Flower Group, in consultation with the Monitor, determined that HAI was entitled to compensation for its involvement in the Sale Process.

49. Such compensation was already included in the Applicants' Cash Flow Forecast filed with the Court in connection with the ARIO.

50. HAI, the Lenders, and the Safari Flower Group entered into the Consultant Agreement as a resolution of a dispute that had arisen concerning HAI's entitlement to a fee under the Success Fee Arrangement. Attached hereto as **Exhibit "D"** is a copy of the Consultant Agreement.

51. As discussed further by the Monitor, the pertinent terms of the Consultant Agreement are as follows:

    (a) The Lenders or the Safari Flower Group shall pay HAI the sum of $380,000 (plus HST) (the "**Settlement Amount**");

    (b) The Settlement Amount shall be paid in the following installments:

(iv) $200,000 to be paid within five (5) days of Court approval of the Consultant Agreement; and

(v) $180,000 to be paid upon the earlier of: (i) Court approval of the Share Purchase Agreement and Transaction contemplated therein; or (ii) an outside date of April 15, 2024 (the "**Outside Date**").

(c) In the event that there is no Court approval of the Share Purchase Agreement and Transaction before the Outside Date, Blacksail shall pay the $180,000 and take an assignment of the Consultant Charge;

(d) HAI will continue to provide information and support to the Applicants and the Monitor in connection with the Sale Process and the approval of a Transaction; and

(e) The parties will execute a mutual full and final release which will become effective upon the payment of the Settlement Amount in full.

52. The first payment of the Settlement Amount has already been included in the Cash Flow Forecast, and will cause no material prejudice to the Lenders or other creditors of the Applicants.

53. The Monitor is supportive of the terms of the Consultant Agreement, including the payment terms and Consultant Charge.

E. Approval of the Monitor's Reports, Activities, and Conduct

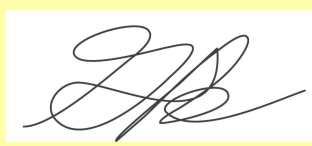
54. The Monitor's activities, conduct and decisions are set out in its First Report and Second Report, to be filed.

F. CONCLUSION

55. I swear this affidavit in support of the Applicants' motion under the CCAA for the Order in the form attached 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 23rd day of February, 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, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on February 23, 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")
AMENDED DEBTOR IN POSSESSION FINANCING TERM SHEET
(the "**Amended Term Sheet**")

February 23, 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 and the DIP Lender are parties to a debtor in possession financing term sheet dated January 19, 2024 (the "**Original Term Sheet**") wherein the DIP Lender agreed to make a debtor-in-possession loan available to the Borrowers in the aggregate principal amount of CDN$1,000,000.00; and

C. The Borrowers and the Lender wish to make amendments and restate the terms of the Original Term Sheet in their entirety in accordance with the terms and conditions set forth herein, including, but not limited to, increasing the principal amount to CAD $1,300,000.00.

1.	**BORROWERS:**	9869247 Canada Limited d.b.a. Safari Flower Company and GN Ventures Ltd.
2.	**LOAN AMOUNT:**	CAD $1,300,000
3.	**DIP FACILITY:**	Non-revolving facility in the maximum aggregate amount of CAD $1,300,000 (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 Amended Term Sheet, and the Borrowers being in compliance with the provisions of this Amended 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**"); 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 Amended Term Sheet (the "**Second Advance**"); and c) $300,000 after the issuance of an order (the "**Stay Extension Order**") and not before March 15, 2024, among other things, approving an increase to the DIP financing ("**DIP Financing Increase**") and amending the DIP Charge (as defined below) to $1,300,000 (the "**Third Advance**", and with the First Advance and Second Advance each, an "**Advance**") and in accordance with the cash flow projections at Schedule A. Each Advance shall be requested by the Borrowers in writing (each, an "**Advance Request**").

		Nothing in this Amended 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 Amended 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 Amended 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 Amended 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 $39,000 (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 Amended 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 Stay Extension Order will provide for a charge ("**KERP Charge**") in respect to a key employee retention plan ("**KERP**") to the maximum amount of $200,000 and a charge in favour of the Hyde Advisory & Investments Inc. in the amount of $180,000 ("**Consultant's Charge**"). The Directors' Charge, KERP Charge and the Consultant's Charge shall not stand in priority to the DIP 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 Amended Term Sheet on the earliest of (the "**Maturity Date**"): a) April 1, 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 Advances 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 Amended Term Sheet by the Borrowers; b) the ARIO shall continue in full force and effect; c) the Court shall have issued the Stay Extension Order, in a form satisfactory to the DIP Lender, acting reasonably, including: (i) approving this Amended Term Sheet and the DIP Financing Increase up to an authorized limit of CAD $1,300,000; (ii) and amending the DIP Charge in favour of the DIP Lender to correspond with the DIP Financing Increase;

		d) 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; e) the DIP Lender shall have received an Advance Request that confirms that the Borrowers are in compliance with this Amended Term Sheet and the ARIO; and f) 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 Amended Term Sheet and when making each Advance, as follows (the "**Representations and Warranties**"): a) the transactions contemplated by this Amended 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 Amended 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 Amended 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 Amended 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 Amended Term Sheet, or of any document executed in connection with this Amended 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 and in respect to the KERP) 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, a charge in favour of the directors and officers of the Borrowers, the KERP Charge and the Consultant's Charge) 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended Term Sheet and any of the other documentation that the DIP Lender requires the Borrowers to execute, this Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended 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 Amended Term Sheet will be open for acceptance by the Borrowers until 5:00 p.m. (Eastern Time) on February 22, 2024.

NE SPC II, by is general partner,
NEXT EDGE GENERAL PARTNER (ONTARIO) INC.

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

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 Amended Term Sheet, expressly subject to Court approval of same.

Dated this 22nd day of February, 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	
Week Beginning	Notes	**19-Feb-24**	**26-Feb-24**	**4-Mar-24**	**11-Mar-24**	**18-Mar-24**	**25-Mar-24**	**Total**
Receipts								
Collections of Sales	1	$ 38,497	$ 21,000	$ 44,778	$ 101,995	$ 44,651	$ 45,391	$ 296,312
Other Collections	2	-	-	-	-	-	-	$ -
Total Receipts		**38,497**	**21,000**	**44,778**	**101,995**	**44,651**	**45,391**	**296,312**
Disbursements								
Operating Costs	3	60,000	60,000	60,000	65,000	60,000	60,000	$ 365,000
Payroll Costs	4	-	106,200	-	85,000	-	93,500	$ 284,700
Utilities	5	133,000	7,000	-	7,000	162,500	-	$ 309,500
Operational G&A and Taxes	6	13,558	31,650	23,896	-	13,558	56,650	$ 139,313
Restructuring Costs	7	-	576,000	65,000	65,000	65,000	65,000	$ 836,000
Total Disbursements		206,558	780,850	148,896	222,000	301,058	275,150	1,934,513
Net cash receipts/(disbursements)		**$ (168,061)**	**$ (759,850)**	**$ (104,118)**	**$ (120,005)**	**$ (256,408)**	**$ (229,759)**	**$ (1,638,201)**
Cash on hand								
Opening Balance	8	$ 1,005,385	$ 1,292,823	$ 532,973	$ 428,855	$ 308,850	$ 352,442	$ 1,005,385
DIP Facility Draw/Repayment		455,500	-	-	-	300,000	(7,500)	748,000
Net Cash Receipts/(disbursements)		(168,061)	(759,850)	(104,118)	(120,005)	(256,408)	(229,759)	(1,638,201)
Ending cash balance		**$ 1,292,823**	**$ 532,973**	**$ 428,855**	**$ 308,850**	**$ 352,442**	**$ 115,183**	**$ 115,183**
Proposed Debt-in-Procession Financing								
Opening balance		$ 532,939	$ 989,874	$ 992,539	$ 995,211	$ 997,890	$1,300,577	$ 532,939
Draw/(Repayment)	9	455,500	-	-	-	300,000	(7,500)	748,000
Commitment fee		-	-	-	-			-
Accrued Interest		1,435	2,665	2,672	2,679	2,687	3,502	15,640
Ending balance		**$ 989,874**	**$ 992,539**	**$ 995,211**	**$ 997,890**	**$ 1,300,577**	**$1,296,579**	**$ 1,296,579**

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

February 19, 2024 to March 31, 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.

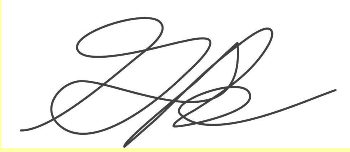
6. **Operational G&A and Taxes**
   Operational expenses such as health Canada licences, insurance, sales taxes, property taxes and excise duty taxes.

7. **Restructuring Costs**
   Restructuring costs include professional fee payments and expenses of the Applicants' legal counsel, the Monitor and its counsel in connection with the Applicants' restructuring proceedings. It also includes the initial payment of the proposed KERP and the first payment under the Consultant Agreement as more fully described in the Monitor's Second Report.

8. **Beginning Balance**
   Represents the opening cash balance as of February 19, 2024.

9. **DIP Draws/(Repayments)**
   Represent DIP draws pursuant the DIP term sheet dated January 19, 2024, as amended. Interest payments are also included in these amounts.

This is Exhibit "B" referred to in the Affidavit of Leanne Brigitte Simons sworn by Leanne Brigitte Simons of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on February 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

GINA RHODES

KERP AGREEMENT

This Agreement summarizes the key employment retention plan (the "**KERP**") agreed upon by the Applicants, 9869247 Canada Limited d.b.a Safari Flower Company and GN Ventures Ltd. (together, the "**Safari Flower Group**"), and Dr. Leanne Brigitte Simons as Chief Executive Officer and Patrick Grobe as Chief Financial Officer (together, "**Management**").

In exchange for Management's continued commitment to the Safari Flower Group through the proceedings under the *Companies' Creditors Arrangement Act* in Ontario, Canada (the "**CCAA Proceedings**"), the Applicants have agreed that, in addition to the ordinary course salary of each member of Management, Management is entitled to the following, subject to the terms provided herein:

1. $30,000 payment to each member of Management on the date of the Order approving the KERP;

2. $50,000 to each member of Management on the date of the closing of a transaction in respect of all or substantially all of the assets or shares of the Safari Flower Group (the "**Closing**"); and

3. $50,000 to either or each member of Management in the event that the Purchaser does not continue the employment of the applicable member of Management post-closing of the Transaction, payable on Closing of the Transaction.

The KERP is secured by a court-ordered charge (the "**KERP Charge**") against all of the property of the Applicants, which charge shall rank behind the other court-ordered charges but in priority to all other creditors. The aggregate amount of the KERP Charge in favour of Management is $200,000. The payments in (2) and (3) above are only earned if the member of Management remains in employment of the Safari Flower Group until the Closing.

As recognition of Management's continued service with the Safari Flower Group, the Safari Flower Group will seek the inclusion of a broad, irrevocable release and discharge in favour of Management, as well as the directors and officers of the Safari Flower Group from any and all present and future claims, liabilities, etc. in the Court's order for an approval of the sale of all or substantially all of the Safari Flower Group's assets or shares.

[signature page follows]

DATED THIS 22nd day of February, 2024

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Brigitte Simons

Name: Brigitte Simons
Title: CEO

GN Ventures Ltd.

Brigitte Simons

Name: Brigitte Simons
Title: CEO

Leanne Brigitte Simons

Brigitte Simons

Name: Brigitte Simons
Title: CEO

Patrick Grobe

Pat Grobe

Name: Patric J Grobe
Title: Chief Financial Officer

Acknowledged by:

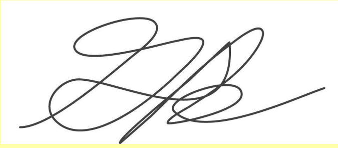
NE SPC II LP

Name:
Title:

Gray Jay Estates Inc.

Name:
Title:

This is Exhibit "C" referred to in the Affidavit of Leanne Brigitte Simons sworn by Leanne Brigitte Simons of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on February 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



Commissioner for Taking Affidavits (or as may be)

GINA RHODES

ACCOMMODATION AGREEMENT

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

BETWEEN:

NE SPC II LP (“**Blacksail”)**

-and-

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

– and –

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

– and –

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

RECITALS:

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

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

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

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

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

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

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

ARTICLE 1 - INTERPRETATION

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

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

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

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

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

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

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

ARTICLE 2 - ACKNOWLEDGEMENTS

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

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

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

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

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

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

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

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

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

ARTICLE 3 - ACCOMMODATION TERMS

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

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

(a) October 31, 2023;

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

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

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

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

ARTICLE 4 - COVENANTS AND AGREEMENTS

During the Forbearance Period:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 5 - DIP LOAN

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE 6 - SALE PROCESS

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

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

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

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

ARTICLE 7 - KERP

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

ARTICLE 8 - DEFAULT

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

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

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

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

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

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

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

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

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

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

ARTICLE 9 - GENERAL PROVISIONS

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

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

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

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

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

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

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

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

(a) in the case of a Notice to Blacksail

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

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

and with a copy to:

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

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

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

969 Juliana Drive
Woodstock, Ontario
N4V 1C1

Attention: Cindy Fisher
Email: cindy@vhgroup.ca

With a copy to:

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

Attention: Melinda Vine
Email: mvine@harrisonpensa.com

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

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

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

And with a copy to

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

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

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

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

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

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

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

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

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

[THE REMAINDER OF THIS PAGE WAS INTENTIONALLY LEFT BLANK]

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

NE SPC II LP

Per: ____________________________
Name:
Title:

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per: ____________________________
Name:
Title:

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per:
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per:
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

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

NE SPC II LP

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

DocuSigned by:
Wilhelmus Van Haeren
6C3216808E384BA...

Per: ______________________________
Name: Wilhelmus Van Haeren
Title: President

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per: Brigitte Simons ______________________________
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

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

NE SPC II LP

Per: ______________________________
Name: Cheng Dang
Title: Director

I have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

9869247 CANADA LIMITED

Per: ______________________________
Name: Brigitte Simons
Title: CEO

I have authority to bind the corporation.

GN VENTURES LTD.

Per: ______________________________
Name:
Title:

I have authority to bind the corporation.

SCHEDULE "A"

SECURITY

SECURITY of GRAY JAY ESTATES INC.

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

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

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

SECURITY of NE SPC II LP

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHEDULE "B"

SALE PROCESS

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

Timeline

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

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

SCHEDULE "C"

INITIAL CASHFLOW

Safari Flower
DIPP Cashflow to October 27, 2023

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

SCHEDULE "D"

KERP AGREEMENT

KERP Payment to the Executives in the following amounts:

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

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

This is Exhibit "D" referred to in the Affidavit of Leanne Brigitte Simons sworn by Leanne Brigitte Simons of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on February 23, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

SETTLEMENT AND RELEASE AGREEMENT

Made and entered into and effective as of the __ day of February, 2024 (the "Settlement Agreement")

BETWEEN:

HYDE ADVISORY & INVESTMENTS INC.
(jointly referred to as **"Hyde")**

- and -

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY
("**Safari**")

- and -

GN VENTURES INC.
("**GN Ventures**")

- and -

NE SPC II LP
("**NE SPC**")

- and -

GRAY JAY ESTATES INC.
("**GJ**" and together with NE SPC, the "**Creditor Parties**" and each a "**Creditor Party**")

(together, the "**Parties**", and individually, the "**Party**")

WHEREAS Hyde executed an Advisory and Success Fee Agreement with Safari dated June 7, 2023 (the "**Advisory Agreement**") to provide services in connection with a potential transaction involving Safari and the sale, transfer, lease, rental or other commercialization of the Premises to a targeted list of potential interested parties that were not within a Protected List identified by Safari (the "**Candidates**");

AND WHEREAS pursuant to the Advisory Agreement, Hyde was to be paid a Success Fee, if during the period of twelve (12) months of executing the Advisory Agreement (the "**Term**"), Safari entered into or completed an agreement in respect of any transaction or series of transactions with one or more Candidates introduced to Safari by Hyde during the Term;

AND WHEREAS on January 22, 2024, Safari and its shareholder, GN Ventures, obtained an Amended and Restated Initial Order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, appointing Ernst & Young Inc. (the "**Monitor**") to monitor the business and financial affairs of Safari and GN Ventures (as amended, the "**ARIO**");

AND WHEREAS the Creditor Parties have agreed that one of the Creditor Parties (the "**Purchaser**") will purchase the debt and security of the other Creditor Party pursuant to an assignment of debt and security (the "**Assignment of Debt**");

AND WHEREAS the Purchaser will purchase the shares of Safari pursuant to a share purchase agreement to be entered into by the Purchaser and Safari (the "**Share Purchase Agreement**");

AND WHEREAS as part of the transaction contemplated under the Share Purchase Agreement (the "**Share Purchase**"), the Purchaser and Safari intend to obtain a reverse vesting order (the "**RVO**") issued by the Court;

AND WHEREAS pursuant to the ARIO and a Debtor In Possession Financing Term Sheet dated January 19, 2024 (the "**Term Sheet**"), NE SPC has agreed to advance a debtor-in-possession loan to Safari and GN Ventures in the aggregate principal amount of CAD $1,000,000 (the "**DIP Loan**");

AND WHEREAS the Purchaser agrees to pay or cause Safari to pay Hyde the sum of $380,000, plus HST (the "**Settlement Amount**") in exchange for a full and final release of any claims Hyde may have against Safari, GN Ventures, NE SPC, GJ and the Monitor, in accordance with the terms of this Settlement Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual agreements and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Capitalized Terms:** All capitalized terms used herein but not defined in this Settlement Agreement have the respective meanings attributed to such terms in the Advisory Agreement and in the Term Sheet.

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

3. **Initial Payment:** Safari shall pay to Hyde the amount of $200,000.00, plus HST, within five (5) business days after the date of issuance of an order by the Court (the "**Settlement Order**") (i) approving of this Settlement Agreement and (ii) granting to Hyde a charge on all of the assets of Safari as security for Safari's obligations to pay the Balance Amount ranking immediately subordinate to the court ordered charge in favour of NE SPC securing the DIP Loan.

4. **Payment of Balance:** Subject to Section 5 hereof**,** Safari shall pay the balance of the Settlement Amount, being $180,000.00, plus HST (the "**Balance Amount**"), on the earlier of (i) the date which is (5) business days after the date of issuance of an order by the Court approving the Share Purchase Agreement and granting the RVO and (ii) April 15, 2024.

5. **Payment by NE SPC**: In the event that the Assignment of Debt is not completed by April 15, 2024, (i) NE SPC shall pay the Balance Amount forthwith to Hyde in which event Safari agrees that the Balance Amount paid by NE SPC shall be added to the indebtedness owing by Safari to NE SPC; and (ii) Hyde shall assign to NE SPC all of Hyde's rights and interest in the Balance Amount Charge.

6. **Purchaser Liable:** The Purchaser and, in the event the Purchaser is a nominee of a Creditor Party, such Creditor Party shall be jointly and severally liable for the payment of the Settlement Amount. For greater certainty, a Creditor Party shall not be liable under this Section 5 unless such Creditor Party or its nominee is a party to the Share Purchase Agreement.

7. **Full Co-Operation:** In consideration of the payment of the initial amount of $200,000, plus HST, and the promise of payment of the balance of the Settlement Amount, Hyde agrees to provide its full cooperation as may be reasonably required to provide evidence of the sale process carried out by Hyde and the results thereof, including, but not limited to, providing an affidavit or report in support of a motion by Safari or the Monitor for the approval of a sale of the business, assets, or shares of Safari to the Purchaser.

8. **Mutual Release:** Concurrently with the execution of this Settlement Agreement, each Party shall execute and deliver to the other Parties a full and final mutual release in the form attached as Schedule "A" hereto.

9. **No Liability:** The Parties acknowledge that there has been no admission of liability whatsoever by any Party to another Party and any such liability is specifically and expressly denied.

10. **Entire Agreement:** This Settlement Agreement constitutes the entire agreement between the Parties. The Parties undertake and agree to execute and deliver any other documents and to provide their co-operation, as may be reasonably required to give effect to this Agreement.

11. **Further Actions**: Each Party agrees to execute, acknowledge and deliver such further instruments, and to do all such other acts, as may be necessary or appropriate in order to carry out the purposes and intent of this Settlement Agreement.

12. **Power, Capacity and Binding Effect:** Each Party signing this Settlement Agreement represents, warrants, and confirms to the other Parties that it has full power and capacity to do so, and has obtained all such consents and authorizations as necessary for it to enter into this Agreement and to bind itself to it.

13. **No Assignment:** No Party may assign or transfer any of its rights or obligations under this Settlement Agreement without the consent of the other Parties.

14. **Counterparts:** This Settlement Agreement may be signed in any number of counterparts, which shall have the same effect as if each party had signed one and the same instrument.

15. **Governing Law and Jurisdiction:** This Settlement Agreement shall be governed by the laws of the Province of Ontario and Canada. The Parties attorn to the jurisdiction of the Ontario Superior Court of Justice (Commercial List). The Parties shall be at liberty to seek advice and direction from the Court with respect to any dispute arising from this Settlement Agreement, on not less than seven days' notice to the other Parties.

[*signature page follows*]

IN WITNESS WHEREOF the parties have executed this Settlement Agreement.

HYDE ADVISORY & INVESTMENTS INC.

Per: DocuSigned by: David Hyde
D80A18AD93A7438...

Name: David Hyde

Title: Chief Executive Officer

I/We have authority to bind the corporation.

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per:

Name:

Title:

I/We have authority to bind the corporation.

NE SPC II LP

Per:

Name:

Title:

I/We have authority to bind the corporation.

GN VENTURES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the parties have executed this Settlement Agreement.

HYDE ADVISORY & INVESTMENTS INC.

Per:

Name: David Hyde

Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per:

Name:

Title:

I/We have authority to bind the corporation.

NE SPC II LP

Per:

Name: Cheng Dang

Title: Director

I/We have authority to bind the corporation.

GN VENTURES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the parties have executed this Settlement Agreement.

HYDE ADVISORY & INVESTMENTS INC.

Per:

Name: David Hyde

Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per: Brigitte Simons

Name: Brigitte Simons

Title: CEO

I/We have authority to bind the corporation.

NE SPC II LP

Per:

Name:

Title:

I/We have authority to bind the corporation.

GN VENTURES INC.

Per: Brigitte Simons

Name: Brigitte Simons

Title: CEO

I/We have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

IN WITNESS WHEREOF the parties have executed this Settlement Agreement.

HYDE ADVISORY & INVESTMENTS INC.

Per:

Name: David Hyde

Title:

I/We have authority to bind the corporation.

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per:

Name:

Title:

I/We have authority to bind the corporation.

NE SPC II LP

Per:

Name:

Title:

I/We have authority to bind the corporation.

GN VENTURES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

GRAY JAY ESTATES INC.

Per:

Name:

Title:

I/We have authority to bind the corporation.

Schedule "A"
Full and Final Mutual Release

See attached.

FULL AND FINAL MUTUAL RELEASE

WHEREAS Hyde Advisory & Investments Inc. ("**Hyde**") entered into an Advisory and Success Fee Agreement with 9869247 Canada Limited, d.b.a. Safari Flower Company ("**Safari**") dated June 7, 2023 (the "**Advisory Agreement**") to provide services in connection with a potential transaction involving Safari and a targeted list of interested parties that were not within a Protected List (as defined in the Advisory Agreement) identified by Safari;

AND WHEREAS Hyde, Safari, GN Ventures Inc. ("**GN Ventures**"), NE SPC II LP ("**NE SPC**") and Gray Jay Estates Inc. ("**GJ**") entered into a Settlement and Release Agreement on February ___, 2024 (the "**Settlement Agreement**") wherein, among other things, Hyde agreed to provide a full and final mutual release of all matters relating to the Advisory Agreement in exchange for payment of the Settlement Amount (as defined in the Settlement Agreement);

FOR AND IN CONSIDERATION OF the covenants contained in the Settlement Agreement and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, each of Hyde, Safari, GN Ventures, NE SPC. and GJ (collectively, the "**Parties**" and each a "**Party**") hereby**:**

1. **RELEASES, REMISES AND FOREVER DISCHARGES EACHOTHER** and Ernst & Young Inc. (in its capacity as court-appointed monitor for Safari and GN Ventures) and their respective parents, subsidiaries, affiliates and related companies and each of their respective officers, directors, shareholders, employees, agents, lawyers, successors and assigns (collectively, the "**Releasees**") from any and all actions, causes of action, suits, debts, dues, accounts, bonds, covenants, contracts, complaints, claims and demands whatsoever which such Party ever had, now have or may hereinafter have against the Releasees arising out of, or in connection with, the Advisory Agreement.

2. **ACKNOWLEDGES AND AGREES** that notwithstanding anything else contained in this Full and Final Mutual Release, this Full and Final Mutual Release is conditional upon payment in full of the Settlement Amount as defined in the Settlement Agreement.

3. **ACKNOWLEDGES AND AGREES** that it will not commence or maintain any claim, demand or complaint, or take any action or proceeding as against any individual, corporation or any other entity arising out of, or in connection with, the Advisory Agreement.

4. **AGREES AND UNDERSTANDS** that if it commences or continues a claim, demand or complaint, or takes any action or proceeding arising out of, or in connection with, the Advisory Agreement, and any of the Releasees is added to such proceedings in any manner whatsoever, whether justified in law or not, such Party will immediately discontinue those proceedings and shall be liable to the Releasee against whom the proceedings are brought or threatened for their legal costs incurred in any such proceeding on a substantial indemnity scale. This Full and Final Mutual Release shall operate conclusively as an estoppel in the event of any claim, demand, complaint, action or proceeding which might be brought in the future by the Parties with respect to the Advisory Agreement. This Full and Final Mutual Release may be pleaded in the event any such claim, demand, complaint, action or proceeding is brought, as a complete defence and reply, and may be relied upon in any proceeding to dismiss the claim, demand, complaint, action or proceeding, on a summary basis and no objection will be raised by the Parties in any subsequent action that the other

parties in the subsequent action were not privy to the formation of this Full and Final Mutual Release.

5. **AGREES AND ACKNOWLEDGES** that this Full and Final Mutual Release and the Settlement Agreement are not and do not contain any admission of liability by the Parties in any way whatsoever and that liability is in fact denied.

6. **ACKNOWLEDGES** that it received independent legal advice and representation prior to executing this Full and Final Mutual Release or waived its right to same prior to executing this Full and Final Mutual Release, and that it had the opportunity to obtain such other advice in regard to this matter as they may have considered advisable.

7. **ACKNOWLEDGES AND AGREES THAT** this Full and Final Mutual Release shall enure to the benefit of the Releasees and their respective officers, directors, shareholders, employees, agents, lawyers, successors and assigns and shall be binding upon the Parties and their respective officers, directors, shareholders, employees, agents, successors and assigns.

8. **FURTHER ACKNOWLEDGES AND AGREES THAT** this Full and Final Mutual Release shall be construed in accordance with the laws of Ontario, and that the Ontario Courts shall have exclusive jurisdiction to hear any dispute arising out of or in connection with this Release.

IN WITNESS WHEREOF the Parties have executed this Full and Final Mutual Release this day of February, 2024.

[signature page follows]

HYDE ADVISORY & INVESTMENTS INC.

Per: DocuSigned by: David Hyde D80A18AD93A7438...

Name: David Hyde

Title: Chief Executive Officer

I have the authority to bind the corporation

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

NE SPC II LP, by is general partner, NEXT EDGE GENERAL PARTNER (ONTARIO) INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

GN VENTURES INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

GRAY JAY ESTATES INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

HYDE ADVISORY & INVESTMENTS INC.

Per: ______________________________

Name:

Title:

I have the authority to bind the corporation

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per: ______________________________

Name:

Title:

I have the authority to bind the corporation

NE SPC II LP, by is general partner, NEXT EDGE GENERAL PARTNER (ONTARIO) INC.

Per: ______________________________

Name: Cheng Dang

Title: Director

I have the authority to bind the corporation

GN VENTURES INC.

Per: ______________________________

Name:

Title:

I have the authority to bind the corporation

GRAY JAY ESTATES INC.

Per: ______________________________

Name:

Title:

I have the authority to bind the corporation

HYDE ADVISORY & INVESTMENTS INC.

Per: ____________________________

Name:

Title:

I have the authority to bind the corporation

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per: Brigitte Simons

Name: Brigitte Simons

Title: CEO

I have the authority to bind the corporation

NE SPC II LP, by is general partner, NEXT EDGE GENERAL PARTNER (ONTARIO) INC.

Per: ____________________________

Name:

Title:

I have the authority to bind the corporation

GN VENTURES INC.

Per: Brigitte Simons

Name: Brigitte Simons

Title: CEO

I have the authority to bind the corporation

GRAY JAY ESTATES INC.

Per: ____________________________

Name:

Title:

I have the authority to bind the corporation

HYDE ADVISORY & INVESTMENTS INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

9869247 CANADA LIMITED d.b.a. SAFARI FLOWER COMPANY

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

NE SPC II LP, by is general partner, NEXT EDGE GENERAL PARTNER (ONTARIO) INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

GN VENTURES INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

GRAY JAY ESTATES INC.

Per: ______________________

Name:

Title:

I have the authority to bind the corporation

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (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 February 23, 2024)

MILLER THOMSON LLP
40 King Street West, Suite 5800
Toronto Ontario
M5H 3S1, Canada

Larry Ellis LSO#: 49313K
lellis@millerthomson.com
Tel: 416.595.8639

Craig A. Mills LSO#: 40947B
cmills@millerthomson.com
Tel: 416.595.8596

Gina P. Rhodes LSO#: 78849U
grhodes@millerthomson.com
Tel: 416.597.4321

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 26TH
JUSTICE OSBORNE	)	DAY OF FEBRUARY, 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. (collectively, the "**Applicants**")

ORDER
(Re: Stay Extension, DIP Increase, and Approval of KERP and Consultant Agreement)

THIS MOTION, made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (a) extending the stay of proceedings to and including March 29, 2024, (b) increasing the authorized borrowings under the Amended DIP Term Sheet between the Applicants and NE SPC II LP (the "**DIP Lender**") dated February 23, 2024 (the "**Amended DIP Term Sheet**") and the maximum amount of the DIP Lender's Charge (as defined in the Initial Order and ARIO); (c) approving the key employment retention plan (the "**KERP**") and granting a priority charge in favour of certain employees ("**Management**") entitled to the KERP ranking behind the Directors' Charge, (d) approving the settlement agreement between the Applicants, the Lenders (as defined below), and Hyde Advisory & Investments Inc. ("**HAI**") dated February 22, 2024 (the "**Consultant Agreement**") and granting a priority charge in favour of HAI ranking behind the DIP Lender's Charge (as defined in the ARIO), and (e) approving the activities, conduct and reports of Ernst & Young Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), was heard this day by Zoom videoconference,

ON READING the Motion Record of the Applicants and the Second Report of the Monitor dated February 23, 2024 (“**Second Report**”), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Gray Jay Estates Inc., counsel for Blacksail, in its capacity as general partner of NE SPC II LP and the DIP Lender, and counsel for HAI, and those other parties appearing as indicated by the counsel slip, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Shallon Garrafa sworn February 23, 2024,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

DEFINITIONS

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Affidavit of Dr. Brigitte Simons sworn February 22, 2024 (the “**Third Simons Affidavit**”), and the Amended and Restated Initial Order dated January 12, 2024 (the “**ARIO**”).

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended from February 29, 2024 to and including March 29, 2024.

DIP FINANCING INCREASE

4. **THIS COURT ORDERS** that the maximum authorized borrowings under the Amended DIP Term Sheet is hereby increased from the principal amount of $1,000,000 to $1,300,000 (plus interest, fees, and expenses).

5. **THIS COURT ORDERS** that the maximum amount secured by the DIP Lender's Charge shall be the principal amount of $1,300,000 plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet.

KEY EMPLOYEE RETENTION PLAN

6. **THIS COURT ORDERS** that the Applicants' key employee retention plan (the "**KERP**") described in the Third Simons Affidavit and the Second Report, be and is hereby approved and the Applicants are authorized and directed to make the payments contemplated thereunder, including but not limited to the payment of $30,000 each to Management as of the date of this Order, in accordance with the terms and conditions of the KERP.

7. **THIS COURT ORDERS** that the beneficiaries of the KERP shall be entitled to the benefit of and are hereby granted a charge (the "**KERP Charge**") on the Property in the amount of $200,000. The KERP Charge shall have the priority as among the Charges set out in paragraph 10 hereof and shall rank in priority to all other Encumbrances in favour of any Person.

APPROVAL OF CONSULTANT AGREEMENT

8. **THIS COURT ORDERS AND DECLARES** that the Consultant Agreement and payments contemplated thereunder to HAI are hereby approved, including but not limited to the payment of $200,000 to HAI as of the date of this Order, and the execution of the Consultant Agreement by the Applicants is hereby approved, authorized and ratified, with such minor

amendments as the Applicants, with the consent of the Monitor, may deem necessary. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable to implement the Consultant Agreement and actions contemplated therein.

9. **THIS COURT ORDERS** that HAI shall be entitled to the benefit of and is hereby granted a charge (the "**Consultant Charge**") on the Property in the amount of $180,000 plus applicable taxes. The Consultant Charge shall have the priority among the Charges set out in paragraph 10 hereof and shall rank in priority to all other Encumbrances in favour of any Person.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

10. **THIS COURT ORDERS** that the priorities of the Administration Charge, DIP Lender's Charge, Directors' Charge, KERP Charge and Consultant Charge as set out in paragraph 38 of the ARIO, shall be amended as follows:

First – Administration Charge (to the maximum amount of $350,000);

Second – DIP Lender's Charge (to the maximum amount of $1,300,000, plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet);

Third – Consultant Charge (to the maximum amount of $180,000, plus applicable taxes);

Fourth – Directors' Charge (to the maximum amount of $243,000); and

Fifth – KERP Charge (to the maximum amount of $200,000).

APPROVAL OF MONITOR'S REPORTS, CONDUCT, AND ACTIVITIES

11. **THIS COURT ORDERS** that the First Report of the Monitor dated January 19, 2024, the Second Report and the activities, conduct and decisions of the Monitor as set out therein are hereby ratified and approved, provided that only the Monitor, in its personal capacity and only with respect to its own personal liability shall be entitled to rely upon or utilize in any way such approval.

GENERAL

12. **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.

13. **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.

14. **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. (collectively, the "**Applicants**")

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Dated February 26, 2024)

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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

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