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 May 7, 2024)

April 30, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

TO THE SERVICE LIST:

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SERVICE LIST
(as at April 30, 2024)

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

AND TO:	**ERNST & YOUNG INC.** 100 Adelaide Street West Toronto, ON M5H 0B3 **Alex Morrison** Tel: 416.941.7743 Email: Alex.F.Morrison@parthenon.ey.com **Karen Fung** Tel: 416.943.2501 Email: Karen.K.Fung@parthenon.ey.com **Greg Adams** Tel: 613.232.1511 Email: Greg.J.Adams@parthenon.ey.com Proposed Monitor
AND TO:	**GOWLING WLG** 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, OntarioM5X 1G5 **Virginie Gauthier** Tel: 416.369.7256 Email: virginie.gauthier@gowlingwlg.com **Haddon Murray** Tel: 416.862.3604 Email: haddon.murray@gowlingwlg.com Counsel for the Proposed Monitor
	CHAITONS LLP 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9 **Harvey Chaiton** Tel: 416.218.1129 Email: harvey@chaitons.com **Maya Poliak** Tel: 416.218.1161 Email: maya@chaitons.com Lawyers NE SPC II LP

AND TO:	**Harrison Pensa LLP** 130 Dufferin Avenue, Suite 1101, London, ON N6A 5R2 Melinda Vine B.A., LL.B., LL.M. Tel 519.661.6705 Email:mvine@harrisonpensa.com Lawyers for Gray Jay Estates Inc.
AND TO:	**MINISTRY OF FINANCE (ONTARIO)** Legal Services Branch 777 Bay Street, 11th Floor Toronto, ON M5G 2C8 Email: insolvency.unit@ontario.ca
AND TO:	**ATTORNEY GENERAL OF CANADA** Department of Justice Canada Ontario Regional Office, Tax Law Section 120 Adelaide Street West, Suite 400 Toronto, ON M5H 1T1 **Kelly Smith Wayland LSUC # 40290A** Tel: 647.533.7183 Email: Kelly.SmithWayland@justice.gc.ca Email: AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca Lawyers for the Minister of National Revenue
AND TO:	**OFFICE OF THE SUPERINTENDENT OF BANKRUPTCY CANADA** 151 Yonge Street, 4th Floor Toronto, ON M5C 2W7 Email: osbservice-bsfservice@ised-isde.gc.ca
AND TO:	**CANADA REVENUE AGENCY** **Kelly Smith Wayland** Tel: 647.533.7183 Email: Kelly.SmithWayland@justice.gc.ca Email:AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca

AND TO:	**GEORGE B. CALLAHAN** Barrister & Solicitor Callahan Law Office Idomo Business Centre 20 De Boers Drive, Suite 202 Toronto, ON M3J 0H1 Tel: (416) 366-1601 Fax: (416) 366-6837 Email: george@callahanlawoffice.ca Counsel for Thunderbird Spirit Ventures Inc.
AND TO:	**RECONSTRUCT LLP** Royal Bank Plaza, South Tower 200 Bay Street Suite 2305, P.O. Box 120 Toronto, ON M5J 2J3 **Sharon Kour** (LSO#58328D) skour@reconllp.com Tel: 416.613.8283 **Jared S. Rosenbaum** (LSO#74769U) jrosenbaum@reconllp.com Tel: 416.613.8284 Counsel for e2 Companies LLC, e2 Comply, LLC, and E2C ESA Bond 1, LLC
AND TO:	**HYDE ADVISORY INC.** Toronto, ON Attention: David Hyde Tel: 289.270.4933 Email: david@hydeadvisory.com

Email Service List:

lellis@millerthomson.com; cmills@millerthomson.com; grhodes@millerthomson.com; insolvency.unit@ontario.ca; osbservice-bsfservice@ised-isde.gc.ca; Alex.F.Morrison@parthenon.ey.com; Karen.K.Fung@parthenon.ey.com; Greg.J.Adams@parthenon.ey.com; virginie.gauthier@gowlingwlg.com;

haddon.murray@gowlingwlg.com; harvey@chaitons.com; maya@chaitons.com; Kelly.SmithWayland@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; mvine@harrisonpensa.com; george@callahanlawoffice.ca; skour@reconllp.com; jrosenbaum@reconllp.com; david@hydeadvisory.com

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

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Exhibit J	Share Purchase Agreement
3.	Affidavit of David Hyde, sworn April 29, 2024
Exhibits to the Affidavit of David Hyde, sworn April 29, 2024	
Exhibit A	Teaser
Exhibit B	Website Posting
Exhibit C	Letter circulated to the Finalists with the Finalists' information redacted enclosing draft share purchase agreement
4.	Draft Approval and Reverse Vesting Order
5.	Draft Ancillary Order

TAB 1

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

ONTARIO
SUPERIOR COURT OF JUSTICE
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

NOTICE OF MOTION
(Returnable May 7, 2024)

The Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**" or the "**Company**") and GN Ventures Ltd. ("**GN Ventures**" or the "**Vendor**") (collectively the "**Safari Flower Group**" or "**Applicants**") will make a motion before the Honourable Mr. Justice Osborne on Tuesday, May 7, 2024 at 9:00 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 "**Approval and Reverse Vesting Order**") substantially in the form attached as **Tab "4"** 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) approving the Share Purchase Agreement ("**Share Purchase Agreement**") among GN Ventures, Safari Flower and NE SPC II LP (the "**DIP Lender**" or "**Purchaser**") dated April 29, 2024, for the purchase and sale of all of the issued and outstanding shares of the Company (the "**Purchased Shares**");

(c) adding 1000877547 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA Proceedings in order to carry out the transactions contemplated by the Share Purchase Agreement (collectively, the "**Transaction**");

(d) vesting in the Purchaser all of the Vendor's right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances;

(e) vesting absolutely and exclusively in ResidualCo all Excluded Liabilities, Excluded Assets and Excluded Contracts;

(f) discharging all Claims (as defined below) and Encumbrances against the Company and the Company's Property other than the Permitted Encumbrances;

(g) approving releases ("**Releases**") in favour of (1) Dr. Leanne Brigitte Simons and Mr. Patrick Grobe as directors of the Applicants in connection with the Sale

Process (as defined below) and as at the date of the commencement of the CCAA Proceedings; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of ResidualCo as at date of incorporation of ResidualCo; (4) Ernst & Young Inc. ("**EY**"), in its capacity as Monitor in these CCAA proceedings (the "**Monitor**") and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of Hyde Advisory & Investments Inc. ("**HAI**") in connection with the Sale Process (as defined below) and as at the date of the commencement of the CCAA Proceedings;

(h) sealing the Confidential Exhibits (the "**Confidential Exhibits**") attached to the affidavit of David Hyde sworn April 29, 2024 (the "**Hyde Affidavit**"); and

2. An Order (the "**Ancillary Order**") substantially in the form attached as **Tab "5"** to the Applicants' Motion Record, *inter alia*:

(a) increasing the authorized borrowings under the Second Amended DIP Term Sheet between the Applicants and NE SPC II LP ("**Blacksail**" or the "**DIP Lender**") dated April 29, 2024 (the "**Second Amended DIP Term Sheet**") and the maximum amount of the DIP Lender's Charge (as defined in the Initial Order and ARIO);

(b) extending the stay period (the "**Stay Period**") in favour of the Applicants from April 19, 2024 to and including June 30, 2024 (the "**Extended Stay Period**"); and

(c) approving the Monitor's Third Report dated March 21, 2024 (the "**Third Report**"), the Fourth Report dated April 15, 2024 (the "**Fourth Report**") and the Fifth Report, to be filed (the "**Fifth Report**" and together with the Third report and the Fourth Report, the "**Reports**") and the activities set out therein; and

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

THE GROUNDS FOR THE APPLICATION ARE:

4. 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 the affidavits of Dr. Leanne Brigitte Simons sworn January 11, 2024 (the "**First Affidavit**"), January 22, 2024 (the "**Second Affidavit**"), February 23, 2024 and supplementary affidavit sworn February 26, 2024 (together, the "**Third Affidavit**"), March 21, 2024 (the "**Fourth Affidavit**"), April 15, 2024 (the "**Fifth Affidavit**"), and April 30, 2024 (the "**Sixth Affidavit**"), or the Share Purchase Agreement;

CCAA PROCEEDINGS

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

6. Pursuant to the ARIO, among other things:

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

(b) A stay of proceedings was granted in favour of the Applicants for an initial stay period up to January 22, 2024, which was thereafter extended to February 29, 2024;

(c) EY was appointed as Monitor of the Applicants in these CCAA Proceedings; and

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

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

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

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

7. On February 27, 2024 this Court granted an Order (the "**February 27 Order**"), *inter alia*:

(a) extending the Stay Period from February 29, 2024 to including March 29, 2024;

(b) increasing the authorized borrowings under the Amended DIP Term Sheet and secured by the DIP Lender's Charge to a maximum principal amount of $1,300,000 plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet;

(c) approving the key employee retention plan ("**KERP**") 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;

(d) approving the settlement agreement dated February 22, 2024 among the Applicants, the Lenders and Hyde Advisory and Investments Inc. ("**HAI**") and the payments contemplated therein, and granting a priority charge in favour of HAI, ranking behind the DIP Lenders Charge and ahead of the Directors Charge, in the maximum amount of $180,000 plus applicable taxes; and

(e) approving the Monitor's First and Second Reports.

8. On March 25, 2024 and April 16, 2024 this Court granted Orders to extend the Stay Period from March 29, 2024 to April 19, 2024 to May 7, 2024 in order to facilitate negotiations of the Share Purchase Agreement.

PRE-FILING SALES PROCESS

9. Details of the pre-fillings sale and investment solicitation process (the "**Sale Process**") are set out in the First Affidavit and in the Hyde Affidavit filed in connection with this Motion;

THE LENDERS

10. The Safari Flower Group's secured lenders, Blacksail and Gray Jay Estates Inc. ("**Gray Jay**" and together with Blacksail, the "**Lenders**") entered into negotiations at the end of the Sale Process;

11. The Lenders have now executed an assignment agreement ("**Assignment Agreement**") that contemplates Gray Jay purchasing the Blacksail's debt and security by May 17, 2024, failing which Blacksail is required to make a payment to Gray Jay to acquire Gray Jay's debt and security. If Gray Jay purchases Blacksail's debt and security by May 17, 2024, the Share Purchase Agreement will be assigned to Gray Jay by way of a separate agreement assigning the Share Purchase Agreement to Gray Jay prior to closing;

THE SHARE PURCHASE AGREEMENT

12. On April 29, 2024, Blacksail and the Applicants, under the supervision of the Monitor, executed a Share Purchase Agreement pursuant to which GN Ventures agreed to sell to the Purchaser, and the Purchaser agreed to purchase from GN Ventures, all the issued and outstanding shares of Safari Flower;

13. The Share Purchase Agreement contemplates that the Purchase Price will be made up of the following amounts:

(a) the CCAA Charge Amount; <u>*plus*</u>

(b) the amount required to satisfy in full the Priority Payment Amount as at the Closing Time; *plus*

(c) the Administration Expense Amount;

14. Based on the terms of the Share Purchase Agreement, the Purchaser agrees to pay the Purchase Price, in cash, to the Monitor on Closing;

15. The Share Purchase Agreement contemplates that the Purchase Price is an Excluded Asset that will be held by the Monitor for the benefit of the Persons entitled to be paid the Purchase Price;

16. Any Claim against the Purchased Entity, Purchased Shares or the Retained Assets shall continue to exist solely as against ResidualCo and the Excluded Assets;

17. The Share Purchase Agreement further contemplates that Safari Flower shall retain the Blacksail Debt, defined as “all of the indebtedness and obligations of the Company owing to Blacksail as at the Closing Time”. The Blacksail Debt shall be retained by Safari Flower and paid on the date when the Blacksail Debt becomes due and owing in accordance with such terms and conditions as shall be agreed between the Purchaser and the Safari Flower Group;

RELIEF SOUGHT

A. Approval and Reverse Vesting

Approval of the Transaction and the Implementation Steps

18. The Applicants seek an Approval and Reverse Vesting Order, approving the Share Purchase Agreement and the Transaction whereby, subject to the approval of this Court and the satisfaction of other closing conditions, the Purchaser will acquire all the issued and outstanding shares of the Company;

19. The Transaction uses a reverse vesting structure to effect the Transaction to preserve cannabis licences which are essential for the Company to continue operations as a going concern;

20. The reverse vesting structure will allow the Excluded Assets to be transferred to ResidualCo, and the Excluded Liabilities to be vested off title of the Purchased Shares and the assets retained by the Company and transferred to ResidualCo;

21. The Transaction contemplates that certain steps will be implemented (the "**Implementation Steps**"), which will effect the cancellation all of the Existing Shares of the Company, the issuance of the Purchased Shares by the Company to be subscribed by and purchased by the Purchaser, and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo;

22. The Implementation Steps are essential to consummating the structure of the Transaction and are set out in the Simons Affidavit;

23. Completing the Implementation Steps will allow the Purchaser to acquire the Purchased Shares free and clear of all Encumbrances (except for Permitted Encumbrances notably, the security in respect of the Blacksail Debt), while allowing the Claims and Encumbrances of the Applicants' stakeholders to continue against ResidualCo;

24. The Transaction contemplated by the Share Purchase Agreement is acceptable to the Lenders, who are the only parties with an economic interest in the Safari Flower Group; it also offers significantly more value to the Lenders than the offer received in connection with the pre-filing Sale Process;

25. The Applicants are of the view that the Share Purchase Agreement and the Transaction contemplated thereunder is in their best interests and their stakeholders' best interests.

Substantially the employees of Safari Flower will remain employed following the Closing of the Transaction;

Adding ResidualCo as Applicant

26. ResidualCo is the corporation that have been incorporated under the federal laws of Canada for the purpose of implementing the Transaction;

27. Immediately after the Excluded Assets and Excluded Liabilities are transferred and vested in ResidualCo in accordance with the Implementation Steps, the entity will be balance sheet insolvent with Claims against it in excess of $5,000,000;

Releases

28. The Approval and Reverse Vesting Order contemplates the Court granting third-party Releases in favour of the Released Parties. The Releases in favour of (1) Dr. Leanne Brigitte Simons and Patrick Grobe as directors of the Applicants; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of the Applicants as at date of incorporation of ResidualCo; (4) the Monitor and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of HAI, (collectively, the "**Released Parties**") are appropriate in the circumstances;

29. The Released Parties have made material contributions to the CCAA Proceedings. Since the initiation of these CCAA Proceeding, the Released Parties have worked diligently towards,

or otherwise facilitated, the sale of the Safari Flower Group's business. Such efforts have resulted in the Share Purchase Agreement.

30. The Releases will benefit the Safari Flower Group's creditors and other stakeholders by protecting the Safari Flower Group and ResidualCo against potential contribution and indemnity claims, minimizing potential claims, and thus maximizing the proceeds of the Transaction.

31. The requested Releases are necessary to facilitate the release of the Court-ordered Directors' Charge without the need to run a claims process to determine claims.

32. The Releases are limited in scope in that HAI, Mr. Grobe and Dr. Simons are released from claims prior to the CCAA proceedings only with respect to the Sale Process, and explicitly do not release or discharge any claim that is not permitted to be released, pursuant to section 5.1(2) of the CCAA. In particular, HAI, Mr. Grobe, and Dr. Simons were heavily involved in facilitating and overseeing the Sale Process, which pre-dated the commencement of the within CCAA proceedings. The Sale Process is described further in the Hyde Affidavit and the Sixth Affidavit, which are sworn in support of the Applicants' motion.

Monitor's Enhanced Powers

33. ResidualCo has been incorporated for the sole purpose of standing in the place of the Company. ResidualCo will not have an operating business or boards of directors. As a result, it is proposed that the power and authority of the Monitor be extended so the Monitor can assist with the winding-up of ResidualCo;

34. The expansion of the powers of the Monitor over ResidualCo will facilitate the efficient administration and wind down of these CCAA proceedings;

Termination of Directors' Charge, Consultant's Charge and KERP Charge

35. The Applicants are seeking to have the Directors' Charge, Consultant's Charge and KERP Charge, terminated effective on the closing of the Transaction;

36. The Releases being sought will release the Officers and Directors for Released Claims, which excludes claims that cannot be released pursuant to section 5.1(2) of the CCAA. As a result, subject to the Releases being granted, the Directors' Charge will no longer need to protect the Officers and Directors after the Closing Time;

37. HAI has been paid the amount agreed-upon in the Consultant Agreement per the terms of the Consultant Agreement. As such, the Consultant Charge is no longer be necessary;

38. Similarly, at the Closing Time, the Applicants will have paid the amounts under the KERP and pursuant to the February 27 Order to Mr. Grobe and Ms. Simons. As a result, the KERP Charge will no longer be necessary;

39. The termination of these Charges will facilitate the Monitor making the Distributions without the need to reserve for the amounts secured by the Charges;

Sealing Order

40. The Confidential Exhibits attached to the Hyde Affidavit include letters of intent and the final bid received from potential purchasers during the Sale Process. This information is also commercially sensitive;

41. If the Transaction fails to close, it is likely that disclosure of the Purchase Price and details of prior offers to third parties would negatively impact the integrity of any future sale

efforts for the Stevensville Facility and the Purchased Shares, including by setting a sale price ceiling;

B. Ancillary Order

DIP Financing Increase

42. The Applicants seek an increase of the Second Amended DIP Term Sheet from the principal amount of $1,300,000 to $2,600,000 (plus interest, fees and expenses);

43. The maximum secured by the DIP Lender's Charge shall be the principal amount of $2,600,000 plus interest, fees, legal costs and any other amounts payable under the Second Amended DIP Term Sheet;

Approval of the Monitor's Reports, Conduct and Activities

44. The Reports sets out in detail the activities of the Monitor and its counsel throughout these CCAA proceedings;

45. The Applicants seek approval of the Third Report, Fourth Report and Fifth Report of the Monitor and the activities and conduct therein;

Extended Stay Period

46. The Stay Period currently expires on May 7, 2024 and the Applicants seek to extend the Stay Period to June 30, 2024;

47. If the Approval and Reverse Vesting Order is granted by the Court, the Transaction is expected to close prior to June 30, 2024;

48. The Monitor has prepared an updated cash flow forecast (the "**Updated Cash Flow Forecast**") for the period May 7, 2024 to June 30, 2024, which will be appended to the Fifth Report. The Updated Cash Flow Forecast, which includes the DIP increase, will demonstrate that the Applicants have sufficient cash during the extended Stay Period;

49. The Extended Stay Period is reasonable in light of the Updated Cash Flow Forecast, and provides the Applicants with time to close the Transaction;

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

51. No creditors will suffer material prejudice as a result of the granting of the Extended Stay Period;

52. The Monitor and the DIP Lender support the relief sought by the Applicants in this Motion;

II. GENERAL

53. The Monitor supports all of the relief sought on this Motion;

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

55. Rules 1.05, 2.03, 3.02, 16, 37, and 59.06 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;

56. Sections 97, 100, 106 and 137(2) of the *Courts of Justice Act*, R.S.O. 1990, c. C.43; and

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

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

58. The First Affidavit;

59. The Second Affidavit;

60. The Third Affidavit;

61. The Fourth Affidavit;

62. The Fifth Affidavit;

63. The Sixth Affidavit, and the exhibits annexed thereto;

64. The Hyde Affidavit, and the exhibits annexed thereto;

65. The Third Report of the Monitor;

66. The Fourth Report of the Monitor;

67. The Fifth Report of the Monitor, to be filed; and

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

April 30, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

Larry Ellis LSO#: 49313K

lellis@millerthomson.com
Tel: 416.595.8639

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

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Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE MAY 7, 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 Rhodes LSO#: 78849U
grhodes@millerthomson.com
Tel: 416.597.4321

Lawyers for the Applicants

TAB 2

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AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn April 30, 2024)

April 30, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

Craig A. Mills LSO#: 40947B
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AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn April 30, 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**" or the "**Company**") and GN Ventures Ltd. ("**GN Ventures**" or the "**Vendor**", and collectively with Safari Flower, the "**Applicants**" or the "**Safari Flower Group**") for:

   (a) an Order (the "**Approval and Reverse Vesting Order**" or "**RVO**"), *inter alia*:

      (1) approving the Share Purchase Agreement ("**Share Purchase Agreement**") among GN Ventures, Safari Flower and NE SPC II LP or its assignee (the "**Purchaser**") dated April 29, 2024, for the purchase and sale of all of the issued and outstanding shares of the Company (the "**Purchased Shares**");

(2) adding 1000877547 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA Proceedings in order to carry out the transactions contemplated by the Share Purchase Agreement (collectively, the "**Transaction**");

(3) vesting in the Purchaser all of the Vendor's right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances;

(4) vesting absolutely and exclusively in ResidualCo all Excluded Liabilities, Excluded Assets and Excluded Contracts;

(5) discharging all Claims (as defined below) and Encumbrances against the Company and the Company's Property other than the Permitted Encumbrances;

(6) approving releases ("**Releases**") in favour of myself and Patrick Grobe as directors of the Applicants; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of ResidualCo as at date of incorporation of ResidualCo; (4) Ernst & Young Inc. ("**EY**"), in its capacity as Monitor in these CCAA Proceedings (the "**Monitor**") and its legal counsel; and (5) the current directors,

officers, employees, legal counsel and advisors of Hyde Advisory & Investments Inc. ("**HAI**");

(4) sealing the Confidential Exhibits (the "**Confidential Exhibits**") attached to the affidavit of David Hyde sworn April 29, 2024 (the "**Hyde Affidavit**"); and

(b) an Order (the "**Ancillary Order**"), *inter alia,*

(1) extending the stay period (the "**Stay Period**") in favour of the Applicants from April 19, 2024 to and including June 30, 2024;

(2) increasing the authorized borrowings under the Second Amended DIP Term Sheet between the Applicants and NE SPC II LP ("**Blacksail**" or the "**DIP Lender**") dated April 29, 2024 (the "**Second Amended DIP Term Sheet**") and the maximum amount of the DIP Lender's Charge (as defined in the ARIO); and

(3) approving the Monitor's Third Report dated March 21, 2024 (the "**Third Report**"), the Fourth Report dated April 15, 2024 (the "**Fourth Report**"), and the Fifth Report, to be filed (the "**Fifth Report**" and together with the Third Report and the Fourth Report, the "**Reports**") and the activities set out therein.

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 affidavit sworn January 11, 2024 (the "**First Affidavit**"), second affidavit sworn January 22, 2024 (the "**Second Affidavit**"), third affidavit sworn February 23, 2024 and supplementary third affidavit sworn February 27, 2024 (together, the "**Third Affidavit**"), fourth affidavit sworn March 21, 2024 (the "**Fourth Affidavit**"), and fifth affidavit sworn April 15, 2024 (the "**Fifth Affidavit**") or the Share Purchase Agreement. A copy of the ARIO is attached hereto as **Exhibit "A"**. Copies of the aforementioned Simons Affidavits are attached hereto as **Exhibit "B", Exhibit "C", Exhibit "D", Exhibit "E"**, and **Exhibit "F"**, without exhibits.

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, 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 by the ARIO.

6. Pursuant to the ARIO, among other things:

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

(b) EY 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).

7. On February 27, 2024, the Court granted an Order (the "**February 27 Order**"), attached hereto as **Exhibit "G"**, among other things:

(a) extending the Stay Period from February 29, 2024 to including March 29, 2024;

(b) increasing the authorized borrowings under the Amended DIP Term Sheet, secured by the DIP Lender's Charge to a maximum principal amount of $1,300,000 plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet;

(c) approving the key employee retention plan ("**KERP**") and granted a priority charge (the "**KERP Charge**") in favour of Management entitled to the KERP, ranking behind the Directors' Charge, in the maximum amount of $200,000;

(d) approving the settlement agreement dated February 22, 2024 among the Applicants, the Lenders and HAI and the payments contemplated therein, and granting a priority charge in favour of HAI (the "**Consultant Charge**"), ranking behind the DIP Lender's Charge and ahead of the Directors Charge and KERP Charge, in the maximum amount of $180,000 plus applicable taxes; and

(e) approving the Monitor's First Report dated January 19, 2024 and the Second Report dated February 23, 2024.

8. On March 21, 2024, the Court granted an order (the "**March Stay Extension Order**"), extending the Stay Period from March 29, 2024 to and including April 19, 2024. A copy of the March Stay Extension Order is attached hereto as **Exhibit "H"**.

9. On April 16, 2024, the Court granted an order (the "**April Stay Extension Order**"), extending the Stay Period from April 19, 2024 to and including May 7, 2024. A copy of the April Stay Extension Order is attached hereto as **Exhibit "I"**.

II. Pre-Filing Sale Process

10. Details of the pre-filing sale and investment solicitation process (the "**Sale Process**") facilitated by HAI, are set out in paragraphs 120 to 139 of my First Affidavit (attached as Exhibit B), and in the Hyde Affidavit, filed in connection with this Motion.

III. The Lenders and Ultimate Purchaser

11. The Safari Flower Group's secured lenders, Blacksail and Gray Jay Estates Inc. ("**Gray Jay**" and together with Blacksail, the "**Lenders**") entered into negotiations at the end of the Sale Process.

12. As discussed in my prior affidavits, the Lenders negotiated assignment agreements, which contemplated Gray Jay purchasing the secured debt and security of Blacksail and a credit bid for the Safari Flower Group's business by a certain date, failing which Blacksail would have the opportunity to be the purchaser. I understand that although these agreements were not signed by Gray Jay, the Lenders agreed on the material terms.

13. In paragraphs 134 and 135 of my First Affidavit,[1] I explained that I was informed by Blacksail that Gray Jay was supposed to purchase Blacksail's debt and security originally by December 18, 2023, but that date was thereafter extended multiple times.

14. As stated in my Third Affidavit, I was advised by Blacksail shortly after the February 27 Order that Blacksail would be the purchaser of the Applicants' business.

15. The Lenders have now executed an assignment agreements ("**Assignment Agreement**") that contemplate Gray Jay purchasing the Blacksail's debt and security by May 17, 2024, failing which Blacksail is required to make a payment to Gray Jay to acquire Gray Jay's debt and security. If Gray Jay purchases Blacksail's debt and security by May 17, 2024, the Share Purchase Agreement will be assigned to Gray Jay by way of a separate agreement assigning the Share Purchase Agreement to Gray Jay prior to closing.

[1] See Exhibit B to my affidavit.

IV. The Share Purchase Agreement

16. Blacksail and the Applicants, under supervision of the Monitor, have agreed to all material terms of the Share Purchase Agreement attached hereto as **Exhibit "J"**, pursuant to which GN Ventures agreed to sell to the Purchaser, and the Purchaser agreed to purchase from GN Ventures, all the issued and outstanding shares of Safari Flower. As the Share Purchase Agreement has not yet been executed at the time of swearing this affidavit, I have attached an unsigned version for review by the Court. An executed version of the Share Purchase Agreement will be filed prior to the Motion.

17. The Share Purchase Agreement contemplates that the Purchase Price will be made up of the following amounts:

(a) the CCAA Charge Amount; *plus*

(b) the amount required to satisfy in full the Priority Payment Amount as at the Closing Time; *plus*

(c) the Administration Expense Amount.

18. Based on the terms of the Share Purchase Agreement, the Purchaser agrees to pay the Purchase Price in cash to the Monitor on Closing.

19. The Share Purchase Agreement contemplates that the Purchase Price is an Excluded Asset that will be held by the Monitor for the benefit of the Persons entitled to be paid the Purchase Price.

20. Any Claim against the Purchased Entity, Purchased Shares or the Retained Assets shall continue to exist solely as against ResidualCo and the Excluded Assets.

21. The Share Purchase Agreement further contemplates that Safari Flower shall retain the Blacksail Debt, defined as “all of the indebtedness and obligations of the Company owing to Blacksail as at the Closing Time”. The Blacksail Debt shall be retained by Safari Flower and paid on the date when the Blacksail Debt becomes due and owing in accordance with such terms and conditions as shall be agreed between the Purchaser and the Safari Flower Group.

22. I have also been working closely with the principal of Blacksail in negotiating the schedules to the Share Purchase Agreement, which will be finalized prior to the Closing Time, if approved by the Court.

23. The Lenders agree to the terms of the Share Purchase Agreement. I understand that the Monitor will be filing its Fifth Report in support of the Transaction contemplated by the Share Purchase Agreement.

V. RELIEF REQUESTED

A. Approval and Reverse Vesting

Approval of the Transaction and the Implementation Steps

24. The Applicants seek an Approval and Reverse Vesting Order, approving the Share Purchase Agreement and the Transaction whereby, subject to the approval of this Court and the satisfaction of other closing conditions, the Purchaser will acquire all the issued and outstanding shares of the Company.

25. The Transaction contemplates the use of a reverse vesting order to preserve cannabis licences which are essential for the Company to continue operations as a going concern.

26. The reverse vesting structure will allow the Excluded Assets to be transferred to ResidualCo, and the Excluded Liabilities to be vested off title of the Purchased Shares and the assets retained by the Company, and transferred to ResidualCo.

27. I understand from the Monitor and the Applicants' counsel that this structure is commonly used in cannabis restructurings due to the highly regulated nature of the industry and the licensing requirements. I further understand that this structure is also used to preserve tax losses, which adds value in a Transaction.

28. The Transaction contemplates that certain steps will be implemented (the "**Implementation Steps**"), which will effect the cancellation all of the Existing Shares of the Company, the issuance of the Purchased Shares by the Company to be subscribed by and purchased by the Purchaser, and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo.

29. The Implementation Steps are essential to consummating the Transaction. Specifically, the following Implementation Steps are to occur, effective upon the delivery of a Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser, in the sequence set out below:

(a) the Purchased Shares will be transferred to the Purchaser;

(b) the Excluded Assets, Excluded Liabilities and Excluded Contracts of the Company will be transferred to ResidualCo in accordance with the Share Purchase Agreement; and

(c) the Safari Flower Group will no longer be Applicants in these CCAA proceedings.

30. Completing the Implementation Steps will allow the Purchaser to acquire the Purchased Shares free and clear of all Encumbrances (except for Permitted Encumbrances notably, the security in respect of the Blacksail Debt), while allowing the Claims and Encumbrances of the Applicants' stakeholders to continue against ResidualCo.

31. In my view, the Transaction is capable of implementation in a timely manner, with the timing of closing anticipated to be before June 30, 2024, if granted.

32. The Transaction contemplated by the Share Purchase Agreement is acceptable to the Lenders, who are the only parties with an economic interest in the Safari Flower Group; it offers significantly more value to the Lenders than the offer received in connection with the pre-filing Sale Process.

33. The Applicants are of the view that the Share Purchase Agreement and the Transaction contemplated therein is in their best interests and their stakeholders' best interests.

34. I have been advised by the Monitor that it supports approval of the Share Purchase Agreement, the Transaction and the granting of the reverse vesting relief.

Benefits of the Transaction

35. The primary benefit of the proposed Transaction is the continuity of the Applicants' business operations and the elimination of the *pari passu* arrangement between the Lenders. Completion of the Transaction will preserve Safari Flower's structure of operations, maintain the current licences, allow it to retain most employees, and preserve the economic activity and customer and supply arrangements without interruption.

36. Substantially all the employees of Safari Flower will remain employed following the Closing of the Transaction. This, together with the reverse vesting structure of the Transaction, will ensure that the change in control of the business does not impact the preservation of the valuable cannabis licences.

Adding ResidualCo as an Applicant

37. ResidualCo is the corporation that has been incorporated under the federal laws of Canada for the purpose of implementing the Transaction.

38. Immediately after the Excluded Assets and Excluded Liabilities are transferred and vested in ResidualCo in accordance with the Implementation Steps, the entity will be balance sheet insolvent with Claims against it in excess of $5,000,000.

Releases

39. The Approval and Reverse Vesting Order contemplates the Court granting third-party Releases in favour of the Released Parties. The Releases in favour of: (1) Dr. Leanne Brigitte Simons and Patrick Grobe as directors of the Applicants; (2) all other directors,

officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of the Applicants as at date of incorporation of ResidualCo; (4) the Monitor and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of HAI (collectively, the "**Released Parties**") are appropriate in the circumstances.

40. The Released Parties have made material contributions to the CCAA Proceedings. Prior to and since the initiation of these CCAA Proceeding, the Released Parties have worked diligently towards, or otherwise facilitated, the sale of the Safari Flower Group's business. Such efforts have resulted in the Share Purchase Agreement.

41. The Releases will benefit the Safari Flower Group's creditors and other stakeholders by protecting the Safari Flower Group and ResidualCo against potential contribution and indemnity claims, minimizing potential claims, and thus maximizing the proceeds of the Transaction.

42. The requested Releases are necessary to facilitate the release of the Court-ordered Directors' Charge without the need to run a claims process to determine claims or requiring a reserve for potential claims to be established prior to making the Distributions. The Releases protect the Released Parties from Released Claims, which are defined to mean:

> shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes,

> recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and (a) undertaken or completed pursuant to the terms of this Order, (b) arising in connection with or relating to the Sale Process (as defined in the Sixth Simons Affidavit), the Share Purchase Agreement or the completion of the Transaction, (c) arising in connection with or relating to these CCAA Proceedings, or (d) related to the management, operations or administration of the Applicants from and after the date of the Initial Order (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

43. The Releases are limited in scope in that HAI, Mr. Grobe and myself are released from claims prior to the CCAA proceedings only with respect to the Sale Process, and explicitly do not release or discharge any claim that is not permitted to be released, pursuant to section 5.1(2) of the CCAA.

44. All of us were involved in facilitating and overseeing the Sale Process which pre-dated the commencement of the within CCAA proceedings. As described in paragraph 25 of Mr. Hyde's affidavit, sworn in support of the Applicants' motion, I conducted every site visit of the Stevensville Facility along with Mr. Hyde or a representative of HAI. Mr. Grobe and myself also created the electronic data room, in consultation with HAI, for potential purchasers to review the Company's business and financials. Mr. Grobe has and continues to be instrumental to ensuring that the Company's financials are up to date and that payments are made in the ordinary course.

45. Further, the KERP agreement executed by the Applicants, Mr. Grobe, myself, and the Lenders and attached as Exhibit "A" to the supplementary Third Affidavit expressly provides that the inclusion of a release in favour of Mr. Grobe and myself as part of the Court's approval of the sale of all of substantially all of the Safari Flower Group's assets or shares.

46. I am of the view that the Releases are fair and reasonable in the circumstances, and I understand that the Monitor supports the granting of the Releases.

Monitor's Enhanced Powers

47. ResidualCo has been incorporated for the sole purpose of standing in the place of the Company. ResidualCo will not have an operating business or a board of directors. As a result, it is proposed that the power and authority of the Monitor be extended so the Monitor can assist with the winding-up of ResidualCo.

48. As a well-respected and experienced Licensed Insolvency Trustee and having been involved in these CCAA Proceedings from its inception, the Monitor has the experience necessary to oversee ResidualCo while achieving an expeditious path forward to the conclusion of these CCAA Proceedings.

49. The expansion of the powers of the Monitor over ResidualCo will facilitate the efficient administration and wind down of these CCAA proceedings.

Termination of Directors' Charge, Consultant Charge and KERP Charge

50. The Applicants are seeking to have the Directors' Charge, Consultant's Charge and KERP Charge, terminated effective on the closing of the Transaction.

51. The Releases being sought will release the Officers and Directors for Released Claims, which excludes claims that cannot be released pursuant to section 5.1(2) of the CCAA. As a result, subject to the Releases being granted, the Directors' Charge will no longer need to protect the Officers and Directors after the Closing Time.

52. HAI has been paid the amount agreed-upon in the Consultant Agreement. I understand that this payment was made by Blacksail sometime last week. As such, the Consultant Charge will no longer be necessary.

53. Similarly, at the Closing Time, the Applicants will have paid the amounts under the KERP and pursuant to the February 27 Order to Mr. Grobe and myself. As part of the closing deliverables in section 7.4 of the Share Purchase Agreement, the Purchaser is required to provide proof that the amounts owed under the KERP are paid prior to Closing. As a result, the KERP Charge will no longer be necessary.

54. The termination of these Charges will facilitate the Monitor making distributions without the need to reserve for the amounts secured by the Charges.

Sealing Order

55. The Confidential Exhibits attached to the Hyde Affidavit include letters of intent and the final bid received from potential purchasers during the Sale Process. This information is also commercially sensitive.

56. If the Transaction fails to close, it is likely that disclosure of the Purchase Price and details of prior offers to third parties would negatively impact the integrity of any future

sale efforts for the Stevensville Facility and the Purchased Shares, including by setting a sale price ceiling.

57. To protect this important commercial interest, the Applicants are requesting the Court seal the Confidential Exhibits until the closing of the Transaction or further order of the Court.

B. Ancillary Order

DIP Financing Increase

58. The Applicants seek an increase of the Second Amended DIP Term Sheet from the principal amount of $1,300,000 to $2,600,000 (plus interest, fees and expenses) (the "**DIP Increase**").

59. The maximum secured by the DIP Lender's Charge shall be the principal amount of $2,600,000 plus interest, fees, legal costs and any other amounts payable under the Second Amended DIP Term Sheet.

Approval of the Monitor's Reports, Conduct and Activities

60. The Applicants are seeking approval of the Monitor's Third, Fourth and Fifth Reports and the activities, and conduct of the Monitor set out in the Reports.

61. The Reports set out in detail the activities of the Monitor and its counsel throughout these CCAA proceedings.

Extended Stay Period

62. The Stay Period currently expires on May 7, 2024 and the Applicants seek to extend the Stay Period to June 30, 2024.

63. If the Approval and Reverse Vesting Order is granted by the Court, the Transaction is expected to close prior to June 30, 2024.

64. The Monitor has prepared an updated cash flow forecast (the "**Updated Cash Flow Forecast**") for the period May 7, 2024 to June 30, 2024, which will be appended to the Fifth Report. The Updated Cash Flow Forecast, which includes the DIP Increase, will demonstrate that the Applicants have sufficient cash during the extended Stay Period.

65. The extended Stay Period is reasonable in light of the Updated Cash Flow Forecast, and provides the Applicants with time to close the Transaction.

66. Based on the above, I am not aware of any creditors that will suffer material prejudice as a result of the granting of the extended Stay Period.

67. I am of the view that the Applicants have acted and continue to act in good faith and with due diligence. The Monitor supports the Safari Flower Group's request for extension of the Stay Period to June 30, 2024.

VI. CONCLUSION

68. I swear this affidavit in support of the Applicants' motion under the CCAA for these Orders in the forms attached at Tabs 4 and 5 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 30th day of April, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely Commissioner for Taking Affidavits	**LEANNE BRIGITTE SIMONS**

This is Exhibit "A" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 22ND
	)	
JUSTICE OSBORNE	)	DAY OF JANUARY, 2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day via Zoom video conference.

ON READING the affidavits of Leanne Brigitte Simons sworn on January 12, 2024 (the "**Simons Affidavit**"), January 19, 2024 (the "**Second Simons Affidavit**") and January 22, 2024 (the "**Supplementary Simons Affidavit**"), the first report of Ernst & Young Inc., dated January 19, 2024 (the "**First Report**"), and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and counsel for Gray Jay Estates Inc. ("**Gray Jay**") and Blacksail, in its capacity as general partner of NE SPC II LP and the DIP Lender (as hereinafter defined), no one appearing for any other party although duly served as appears from the affidavit of service of Maureen McLaren sworn on January 22, 2024, and on reading the consent of Ernst & Young Inc., to act as the Monitor of the Applicants ("**Monitor**"),

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Simons Affidavit and the Second Simons Affidavit.

APPLICATION

3. **THIS COURT ORDERS AND DECLARES** that the Applicants are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

4. **THIS COURT ORDERS** that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**")

POSSESSION OF PROPERTY AND OPERATIONS

5. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of

this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the banking and cash management system currently in place as described in the Simons Affidavit or replace it with another substantially similar banking and cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

7. **THIS COURT ORDERS** that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to, on or after the date of this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and employee expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;

(b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges; and

(c) any taxes, duties, or other payments required under the Cannabis Legislation (as defined below).

8. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicants following the date of this Order.

9. **THIS COURT ORDERS** that the Applicants shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, and (iii) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

10. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances

upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

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

(a) with the consent of the Monitor, permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding $200,000 in any one transaction or $1,000,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as the Applicants deem appropriate; and

(c) pursue all avenues of refinancing of their Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "**Restructuring**").

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

12. **THIS COURT ORDERS** that until and including February 29, 2024, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all

Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

13. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

14. **THIS COURT ORDERS** that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

15. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, testing and irradiation services, insurance, transportation services, utility or other services to the Business or the Applicants, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicants and that the Applicants shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

16. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to any of the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

17. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

18. **THIS COURT ORDERS** that the Applicants shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicants after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

19. **THIS COURT ORDERS** that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $243,000, as security for the indemnity provided in paragraph 18 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

20. **THIS COURT ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 18 of this Order.

APPOINTMENT OF MONITOR

21. **THIS COURT ORDERS** that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicants with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

22. **THIS COURT ORDERS** that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicants' receipts and disbursements, including the management and use of any funds advanced by the DIP Lender (as defined below) to the Applicants under the DIP Term Sheet (as defined below);

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

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

(d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis as agreed to by the DIP Lender;

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

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

(g) have full and complete access to the Property wherever it may be located, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicants, to the extent that is necessary to adequately assess the Applicants' business and financial affairs or to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

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

23. **THIS COURT ORDERS** that the Monitor shall not occupy or take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of, the Property, or any assets, properties or undertakings of any of the Applicants, or the direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, for which a permit or license is issued or required pursuant to any provision of any federal, provincial, or other law respecting, among other things, the manufacturing, possession, processing, and distribution of cannabis or cannabis products including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, the *Excise Tax Act*, R.S.C. 1985, c. E. 15, *Excise Act, 2001,* S.C. 2002, c.22, the Ontario *Cannabis Control Act, 2017,* S.O. 2017, c. 26, Sched. 1, *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, the *Cannabis License Act*, *2018*, S.O. 2018, c. 12, or other such applicable federal or provincial legislation (collectively, the "**Cannabis Legislation**") and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an

employer or successor employer within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.

24. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take Possession of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, the Ontario *Occupational Health and Safety Act*, the Canadian *Fisheries Act*, and regulations thereunder (collectively, the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

25. **THIS COURT ORDERS** that that the Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

26. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

27. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on, or subsequent to the date of this Order by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis and, in addition, pay the Monitor and counsel to the Monitor retainers in the amounts of $25,000 and $25,000, respectively, to be held by them as additional security for payment of their respective fees and disbursements outstanding from time to time.

28. **THIS COURT ORDERS** that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

29. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $350,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of

these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

DIP FINANCING

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

31. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender dated as of January 19, 2024 (the "**DIP Term Sheet**"), filed.

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

33. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property to secure the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

34. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

(a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon four (4) business days' written notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants and set off and/or consolidate any amounts owing by the DIP Lender to the Applicants against the obligations of the Applicants to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants; and

(c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.

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

36. **THIS COURT ORDERS** that nothing herein contained shall require or deem the DIP Lender to take Possession of, or exercise any rights of control over any activities in respect of, any of the Property or the property of any direct or indirect subsidiaries or affiliates of any of the Applicants, including any joint venture entities, that is or may be: (i) subject to any Cannabis Legislation; or (ii) environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any Environmental Legislation.

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

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the Administration Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:

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

39. **THIS COURT ORDERS** that the filing, registration or perfection of Charges shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that each of the Charges shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicants

also obtain the prior written consent of the Monitor, the DIP Lender, and the beneficiaries of the Charges, or further Order of this Court.

42. **THIS COURT ORDERS** that the Directors' Charge, the Administration Charge, the DIP Term Sheet, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by any of the Applicants of any Agreement to which any Applicant is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and

(c) the payments made by the Applicants pursuant to this Order, the DIP Term Sheet or the Definitive Documents and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. **THIS COURT ORDERS** that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicants' interest in such real property leases.

SERVICE AND NOTICE

44. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in Globe & Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five (5) business days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the any of Applicants of more than $1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "**Protocol**") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-

commercial) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: www.ey.com/ca/safari

46. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the respective Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

47. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

48. **THIS COURT ORDERS** that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.

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

50. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

51. **THIS COURT ORDERS** that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

52. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

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

Osborne, J.

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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

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

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at TORONTO

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

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

This is Exhibit "B" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

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

January 11, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

CONTENTS

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

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

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

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

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

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

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

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

I. INTRODUCTION

A. Relief Sought

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

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

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

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

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

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

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

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

(a) extending the Stay Period;

(b) increasing the amount of the Priority Charges;

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

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

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

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

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

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

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

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

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

B. Overview of Applicants' Business

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

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

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

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

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

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

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

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

C. Restructuring Efforts to Date

(i) Pivoting Business Operations

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

(ii) Accommodation Agreement and Sale Process

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

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

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

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

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

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

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

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

D. Purpose of CCAA Proceeding

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

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

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

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

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

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

II. OVERVIEW OF THE APPLICANTS

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

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

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

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

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

B. The Business

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

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

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

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

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

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

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

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

C. The Stevensville Facility

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

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

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

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

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

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

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

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

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

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

E. Licensing

(i) Canada

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

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

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

(ii) Global

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

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

(a) Control Union Medical Cannabis Standard;

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

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

(d) International Standard for Good Agricultural Practices;

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

(f) Israeli Medical Cannabis Agency Good Agricultural Practices.

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

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

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

F. Employees and Payroll

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

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

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

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

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

G. Banking and Cash Management

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

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

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

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

[4] OCRC operates as the Ontario Cannabis Store.

III. FINANCIAL CIRCUMSTANCES AND CASH FLOW FORECAST

A. Financial Performance

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

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

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

B. Assets

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

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

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

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

C. Liabilities

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

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

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

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

D. Secured Creditors

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

(i) The Gray Jay Loan

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

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

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

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

(ii) The NE SPC II "Blacksail" Loan

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

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

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

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

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

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

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

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

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

(iii) The Priority Agreement

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

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

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

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

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

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

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

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

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

(iv) ***Personal Property Security Act*** **Registrations**

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

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

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

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

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

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

(v) The Blacksail Forbearance

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

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

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

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

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

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

(vi) The Accommodation Agreement

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

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

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

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

(c) a key employee retention plan; and

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

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

E. Other Liabilities

(i) Promissory Notes

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

(ii) CEBA Loan

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

(iii) Additional Debts

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

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

(b) Trigon Construction $3,418,407.18

(iv) Equipment Rental Agreement

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

F. Cash Flow Forecast

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

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

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

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

IV. CHALLENGES FACED BY THE APPLICANTS AND PRIOR RESTRUCTURING EFFORTS

A. Overview of Challenges

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

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

B. Timing and Changes to Market Conditions

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

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

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

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

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

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

C. Restructuring Efforts to Date

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

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

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

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

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

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

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

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

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

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

D. Sale Process

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

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

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

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

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

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

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

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

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

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

(c) Proof of funds;

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

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

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

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

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

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

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

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

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

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

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

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

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

V. CCAA PROCEEDINGS AND RELIEF SOUGHT

A. Need for CCAA Proceedings and Eligibility

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

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

B. Appointment of Monitor

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

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

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

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

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

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

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

C. Administration Charge

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

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

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

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

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

D. Directors' Charge

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

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

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

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

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

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

E. Stay of Proceedings in Favour of the Applicants

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

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

F. Relief to be Sought at the Comeback Hearing

(i) Amended and Restated Initial Order

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

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

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

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

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

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

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

VI. CONCLUSION

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

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

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

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

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")	Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

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

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

This is Exhibit “C” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

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

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

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

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

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

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

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

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

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

2. On January 19, 2024, I swore an affidavit in support of this Motion (the "**Second Simons Affidavit**").

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

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

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

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

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SAFARI FLOWER COMPANY *et al*.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SUPPLEMENTARY MOTION RECORD OF THE APPLICANTS
(Returnable January 22, 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#:
grhodes@millerthomson.com
Tel: 416.597.4321

Lawyers for the Applicants

This is Exhibit "D" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn February 23, 2024)

February 23, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn 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**

75319680.1

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn February 27, 2024)

February 27, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn February 27, 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 and 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, served on February 23, 2024, among other things:

   (a) approving a key employee retention plan (the "**KERP**") for Patrick Grobe as Chief Financial Officer and myself as Chief Executive Officer (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**").

2. All references to currency in this Affidavit are references to Canadian dollars, unless otherwise indicated.

3. On February 23, 2024, I swore an affidavit in support of this Motion (the "**Third Simons Affidavit**") and attached a copy of the KERP Agreement at Exhibit "B". At the time that the Third Simons Affidavit was sworn, it had not been signed by the Lenders.

4. The Lenders and Applicants, with the assistance of the Monitor, have since agreed to amend the KERP Agreement. The KERP is the result of significant negotiations with the Lenders, in consultation with the Monitor, and is based on Management's continued efforts to operate and manage the Safari Flower Group through the Extended Stay Period (the intended date upon which the Safari Flower Group will seek sale approval of the Transaction). A copy of the now fully executed KERP is attached hereto as **Exhibit "A"**.

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

(a) $30,000 payment to each member of Management on the date of the Order approving the KERP;

(b) $35,000 to each member of Management 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**"). However, if (i) the assignment of debt and security agreement (the "**Assignment Agreement**") among Gray Jay Estates Inc. and NE SPC II LP has not been executed; and (ii) an irrevocable assignment under the Assignment Agreement has not been completed under the Assignment Agreement by March 15, 2024 (the "**Assignment Date**"), each member of Management shall be entitled to an additional $15,000, for a total payment of $50,000 upon Closing; and

(c) $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.

6. 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. It is the Applicants' position that it is reasonable in the circumstances.

7. I swear this supplementary 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 27th day of February, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely DocuSigned by: Gina Rhodes BE006048B658497... Commissioner for Taking Affidavits	Brigitte Simons LEANNE BRIGITTE SIMONS

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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 27, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Gina Rhodes

BF006048B658497...

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. $35,000 to each member of Management 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**"). However, if (i) the assignment of debt and security agreement (the "**Assignment Agreement**") among Gray Jay Estates Inc. and NE SPC II LP has not been executed; and (ii) an irrevocable assignment under the Assignment Agreement has not been completed under the Assignment Agreement by March 15, 2024 (the "**Assignment Date**"), each member of Management shall be entitled to an additional $15,000, for a total payment of $50,000 upon 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.

[Signature page follows]

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DATED THIS 26th 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: Leanne Brigitte Simons
Title: CEO

Patrick Grobe

Pat Grobe

Name: Patrick J Grobe
Title: CFO

Acknowledged by:

NE SPC II LP

Name: Cheng Dang
Title: Director

Gray Jay Estates Inc.

Name:
Title:

DocuSign Envelope ID: EFFB1A6F-D2FD-4C93-B8EC-6CB8960B4F89

DATED THIS 26th day of February, 2024

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

____
Name:
Title:

GN Ventures Ltd.

____
Name:
Title:

Leanne Brigitte Simons

____
Name:
Title:

Patrick Grobe

____
Name:
Title:

Acknowledged by:

NE SPC II LP

____
Name:
Title:

Gray Jay Estates Inc.

____
Name:
Title:

DocuSign Envelope ID: EFFB1A6F-D2FD-4C93-B8EC-6CB8960B4F89

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) and GN VENTURES LTD. (the "**Applicants**")

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

ONTARIO

SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

SUPPLEMENTARY AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn February 27, 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

This is Exhibit “E” referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn March 21, 2024)

March 21, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

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

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS (sworn March 21, 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 an Order (the "**Stay Extension Order**"), substantially in the form attached as **Tab "3"** to the Applicants' Motion Record, among other things, extending the stay period (the "**Stay Period**") in favour of the Applicants from March 29, 2024 to and including April 19, 2024 (the "**Extended Stay Period**").

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 affidavits sworn January 11, 2024 (the "**First Simons Affidavit**"), January 22, 2024 (the "**Second Simons Affidavit**"), and February 23, 2024 (the "**Third 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 (the "**ARIO**") in favour of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"). A copy of the ARIO is attached hereto as **Exhibit "A"**.

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 NE SPC II LP (the "**DIP Lender**" or "**Blacksail**"), 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).

2. On February 27, 2024 the Court granted an Order (the "**February 27 Order**"), attached hereto as **Exhibit "B"**, among other things:

(a) extending the Stay Period from February 29, 2024 to including March 29, 2024;

(b) increasing the authorized borrowings under the Amended DIP Term Sheet and secured by the DIP Lender's Charge to a maximum principal amount of $1,300,000 plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet;

(c) approving the key employee retention plan ("**KERP**") 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;

(d) approving the settlement agreement dated February 22, 2024 among the Applicants, the Lenders and Hyde Advisory and Investments Inc. ("**HAI**") and the payments contemplated therein, and granting a priority charge in favour of

HAI, ranking behind the DIP Lenders Charge and ahead of the Directors Charge, in the maximum amount of $180,000 plus applicable taxes; and

(e) approving the Monitor's First and Second Reports.

II. Update of the CCAA Proceedings

7. Since the February 27 Order, the Applicants' secured lenders, Blacksail and Gray Jay Estates Inc. (together, the "**Lenders**") have continued their negotiations in respect to the assignment of debt and security. Shortly thereafter, I was advised by Blacksail that Blacksail would be the purchaser of the Applicants' business.

8. As such, Blacksail and the Applicants, in consultation with the Monitor, have been negotiating a share purchase agreement (the "**Share Purchase Agreement**"). The Share Purchase Agreement contemplates Blacksail purchasing the shares of Safari Flower through a reverse vesting order (the "**Transaction**"). The Share Purchase Agreement is still being negotiated, but the material terms have been agreed upon.

9. As such, the Applicants require a short extension of the Stay Period to finalize the Share Purchase Agreement and provide the requisite notice to the service list to seek Court approval of same.

III. Relief Sought in the Order

Extension of the Stay Period

10. The Stay Period currently expires on March 29, 2024 and the Applicants seek to extend the Stay Period to April 19, 2024. It is expected that this will provide the Applicants and Blacksail time to finalize the Share Purchase Agreement and seek Court approval.

11. The cash flow forecast ending April 19, 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 will be attached to the Monitor's Third Report.

12. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides the Applicants with time to negotiate and finalize the Share Purchase Agreement and seek Court approval of the Transaction.

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

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

15. I understand that the Monitor and the DIP Lender are supportive of the Extended Stay Period.

IV. CONCLUSION

16. I swear this affidavit in support of the Applicants' motion under the CCAA for the Stay Extension Order, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 21st day of March, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely Commissioner for Taking Affidavits	Brigitte Simons **LEANNE BRIGITTE SIMONS**

75902108.1

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 March 21, 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

This is Exhibit "F" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn April 15, 2024)

April 15, 2024

MILLER THOMSON LLP
Scotia Plaza
40 King Street West, Suite 5800
P.O. Box 1011
Toronto, ON Canada M5H 3S1

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

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

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

Lawyers for the Applicants

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF LEANNE BRIGITTE SIMONS
(sworn April 15, 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 an Order (the "**Stay Extension Order**"), substantially in the form attached as **Tab "3"** to the Applicants' Motion Record, among other things, extending the stay period (the "**Stay Period**") in favour of the Applicants from April 19, 2024 to and including May 3, 2024 (the "**Extended Stay Period**").

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 affidavits sworn January 11, 2024 (the "**First Simons Affidavit**"), January 22, 2024 (the "**Second Simons Affidavit**"), February 23, 2024 (the "**Third Simons Affidavit**"), and March 21, 2024 (the "**Fourth 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 (the "**ARIO**") in favour of the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**").

6. Pursuant to the ARIO, attached hereto as **Exhibit "A"**, 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 NE SPC II LP (the "**DIP Lender**" or "**Blacksail**"), 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).

7. On February 27, 2024 the Court granted an Order (the "**February 27 Order**"), attached hereto as **Exhibit "B"**, among other things:

(a) extending the Stay Period from February 29, 2024 to including March 29, 2024;

(b) increasing the authorized borrowings under the Amended DIP Term Sheet and secured by the DIP Lender's Charge to a maximum principal amount of $1,300,000 plus interest, fees, legal costs and any other amounts payable under the Amended DIP Term Sheet;

(c) approving the key employee retention plan ("**KERP**") 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;

(d) approving the settlement agreement dated February 22, 2024 among the Applicants, the Lenders and Hyde Advisory and Investments Inc. ("**HAI**") and the payments contemplated therein, and granting a priority charge in favour of HAI, ranking behind the DIP Lenders Charge and ahead of the Directors Charge, in the maximum amount of $180,000 plus applicable taxes; and

(e) approving the Monitor's First and Second Reports.

8. On March 25, 2024, this Court granted an order (the "**March 25 Order**"), attached hereto as **Exhibit "C"**, extending the Stay Period from March 29, 2024 to including April 19, 2024.

II. Update of the CCAA Proceedings

9. As explained in the Fourth Simons Affidavit, since the February 27 Order, the Applicants' secured lenders, Blacksail and Gray Jay Estates Inc. (together, the "**Lenders**") have continued their negotiations in respect to the assignment of debt and security. Shortly thereafter, I was advised by Blacksail that Blacksail would be the purchaser of the Applicants' business.

10. As such, Blacksail and the Applicants, in consultation with the Monitor, have been negotiating a share purchase agreement (the "**Share Purchase Agreement**"). The Share Purchase Agreement contemplates Blacksail purchasing the shares of Safari Flower through a reverse vesting order (the "**Transaction**"). The Share Purchase Agreement is still being negotiated, but the material terms have been agreed upon.

11. I understand that Gray Jay has also reviewed the Share Purchase Agreement.

12. Since the March 25 Order, I have been working closely with management of Blacksail to finalize the schedules to the Share Purchase Agreement, including with respect to the employees Blacksail intends to retain after the closing of the Transaction.

13. On or around April 8, 2024, I was advised by counsel and the Monitor that Gray Jay has requested a further extension from Blacksail so they could continue negotiations with Blacksail in respect to the assignment of debt and security. I understand that Blacksail has agreed and the Lenders are negotiating the terms.

14. In the interim, a short extension of the Stay Period to May 3, 2024 is needed for the Lenders to come to an agreement, failing which I expect that the Applicants will be seeking court approval of a Share Purchase Agreement with Blacksail as the ultimate purchaser of the Applicants' business.

III. Relief Sought in the Order

Extension of the Stay Period

15. The Stay Period currently expires on April 19, 2024. The Applicants seek to extend the Stay Period to May 3, 2024. It is expected that this will provide the Lenders with sufficient time to execute an agreement and for the Applicants to finalize the Share Purchase Agreement with the successful Lender and seek Court approval of the Share Purchase Agreement and Transaction.

16. The cash flow forecast ending May 3, 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. The Cash Flow Forecast contemplated the

Applicants drawing upon an additional $300,000 from the DIP Facility that was approved in the February 27 Order. A copy of the Cash Flow Forecast will be attached to the Monitor's Fourth Report.

17. The Extended Stay Period is reasonable in light of the Cash Flow Forecast and provides time for: (i) the Lenders to determine who will be the purchaser, (ii) the finalizing of the Share Purchase Agreement, and (iii) providing the requisite notice to the service list to seek Court approval of same.

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

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

20. I understand that the Monitor and the Lenders are supportive of the Extended Stay Period.

IV. CONCLUSION

21. I swear this affidavit in support of the Applicants' motion under the CCAA for the Stay Extension Order, and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 15th day of April, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely	______________________________

LEANNE BRIGITTE SIMONS

Commissioner for Taking Affidavits

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 April 15, 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

This is Exhibit "G" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY THE 26^{TH}
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 and Maureen McLaren sworn February 27, 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 Affidavits of Dr. Brigitte Simons sworn February 23, 2024 (the "**Third Simons Affidavit**"), and February 27, 2024 (the "**Supplementary 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 Supplementary Simons Affidavit, 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

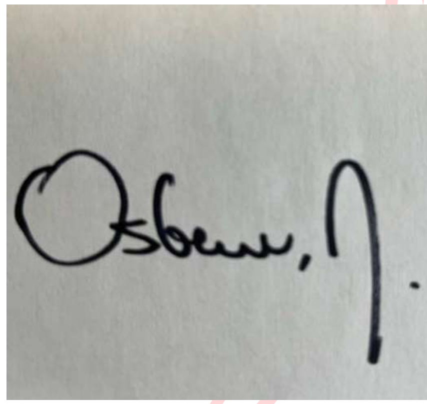
11. **THIS COURT ORDERS** that the First Report of the Monitor dated January 19, 2024, the Second Report and the activities, conduct and decisions of the Monitor as set out therein are hereby ratified and approved, provided that only the Monitor, in its personal capacity and only with respect to its 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.



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

MILLER THOMSON LLP
Scotia Plaza
40 King Street West
Suite 5800
Toronto Ontario M5H 3S1

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

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

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

Tel: (416) 595 8500
Lawyers for the Applicants

This is Exhibit "H" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

Electronically issued / Délivré par voie électronique : 25-Mar-2024
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-24-00712687-00CL

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	MONDAY, THE 25TH
JUSTICE OSBORNE	)	DAY OF MARCH, 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**")

STAY EXTENSION ORDER

THIS MOTION made by the Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) and GN Ventures Ltd. (together, the "**Applicants**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*, extending the stay of proceedings, was heard this day via Zoom videoconference.

ON READING the Motion Record of the Applicants and the Third Report of the Monitor dated March 21, 2024 ("**Third Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Lenders, 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 Maureen McLaren sworn March 21, 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.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Third Report.

EXTENSION OF STAY PERIOD

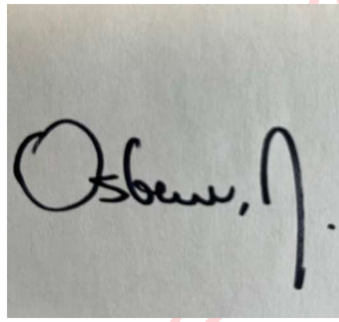
3. **THIS COURT ORDERS** that the Stay Period is hereby extended from March 29, 2024 to and including April 19, 2024.

GENERAL

4. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

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



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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(STAY EXTENSION ORDER)
(Dated March 25, 2024)

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

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

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

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

Tel: (416) 595 8500
Lawyers for the Applicants

This is Exhibit "I" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY THE 16TH
JUSTICE OSBORNE	)	DAY OF APRIL, 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)

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, extending the stay of proceedings to and including May 1, 2024, was heard this day by Zoom videoconference,

ON READING the Motion Record of the Applicants and the Fourth Report of the Monitor dated April 15, 2024 ("**Fourth 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 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 Maureen McClaren sworn April 15, 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 April 15, 2024 (the "**Fourth Simons Affidavit**"), and the Amended and Restated Initial Order dated January 12, 2024 (the "**ARIO**").

EXTENSION OF STAY PERIOD

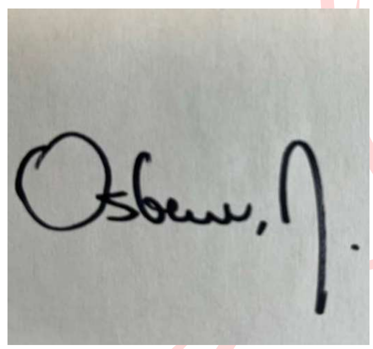
3. **THIS COURT ORDERS** that the Stay Period is hereby extended from April 19, 2024 to and including May 7, 2024.

GENERAL

4. **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.

5. **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.

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



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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

ORDER
(Dated April 16, 2024)

MILLER THOMSON LLP
Scotia Plaza
40 King Street West
Suite 5800
Toronto Ontario M5H 3S1

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

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

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

Tel: (416) 595 8500
Lawyers for the Applicants

This is Exhibit "J" referred to in the Affidavit of LEANNE BRIGITTE SIMONS sworn by LEANNE BRIGITTE SIMONS of the City of Burlington, before me at the City of Toronto, in the Province of Ontario, on April 30, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

SHARE PURCHASE AGREEMENT

This Agreement is made as of the 29th day of April, 2024 (the "**Effective Date**"), among:

GN VENTURES LTD.
(the "**Vendor**")

– and –

9869247 CANADA LIMITED, d.b.a. SAFARI FLOWER
(the "**Company**" and together with the Vendor, the "**Safari Flower Group**")

– and –

NE SPC II LP or its assignee
(the "**Purchaser**")

RECITALS

A. **WHEREAS** the Safari Flower Group, in consultation with its *pari passu* senior secured lenders, Gray Jay Estates Inc. ("**Gray Jay**") and Next Edge General Partner (Ontario) Inc., in its capacity as general partner of the Purchaser (or, as the context requires, "**Blacksail**" or "**DIP Lender**"), engaged Hyde Advisory & Investments Inc. ("**Hyde**") in June 2023 to conduct a sale process to solicit offers for the sale of all or substantially all of the Company's assets (the "**Sale Process**").

B. **AND WHEREAS** On January 12, 2024, the Safari Flower Group was granted an Initial Order commencing proceedings (the "**CCAA Proceedings**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**") in the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), which Initial Order was thereafter amended and restated on January 22, 2024 (the "**ARIO**") among other things, appointing Ernst & Young Inc. as the monitor of the Safari Flower Group (in such capacity, the "**Monitor**").

C. **AND WHEREAS** the ARIO authorized Safari Flower Group to borrow under a DIP Term Sheet (the "**Original DIP Term Sheet**") from the DIP Lender in the principal amount of $1,000,000 (the "**DIP Loan**"). It also granted certain priority charges, namely, an administration charge (up to $350,000) (the "**Administration Charge**"), a charge in favour of the DIP Lender and a director's charge (up to $243,000) (the "**Director's Charge**").

D. **AND WHEREAS** by order dated February 26, 2024 (the "**February 2024 Order**"), the Court approved, among other things: (i) an Amended DIP Term Sheet (together with the Original DIP Term Sheet, and as may be further amended from time to time, the "**DIP Term Sheet**") between the Safari Flower Group and the Purchaser in the amount of $1,300,000 plus interest, fees and expenses (the "**Amended DIP Loan**"); (ii) a charge in favour of Hyde (the "**Consultant Charge**"); and (iii) a key employee retention plan in the amount of $200,000 (the "**KERP**") and corresponding charge;

E. **AND WHEREAS** as the bids in the Sale Process were lower than the secured debt, the Purchaser has submitted an offer to purchase all of the issued and outstanding shares of the

Company (the "**Purchased Shares**"), free and clear of all Encumbrances pursuant to an Approval and Reverse Vesting Order.

F. **AND WHEREAS** the Parties wish to enter into this Agreement to memorialize the terms and conditions pursuant to which the Vendor will sell and transfer to the Purchaser, and the Purchaser will purchase from the Vendor, the Purchased Shares.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

"**Administration Charge**" has the meaning set out in the Recitals hereto.

"**Administration Expense Amount**" means cash in the amount of $300,000, which shall form part of the Cash Purchase Price be paid to the Monitor on the Closing Date and held by the Monitor, for the benefit of Persons entitled to be paid the Administrative Expenses Costs.

"**Administrative Expense Costs**" means the reasonable and documented costs and expenses for services performed by the Monitor and its legal counsel after the Closing Date in connection with the CCAA Proceedings, the administration of such proceedings to their conclusion and this Agreement, including any bankruptcy of the Vendor and ResidualCo.

"**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act* (Ontario).

"**Agreement**" means this share purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Reverse Vesting Order**" means an order of the Court, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, (i) approving the Transaction; (ii) vesting in the Purchaser (or as it may direct) all the right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances; (iii) vesting out of the Company all Excluded Assets and Excluded Liabilities; and (iv) releasing the current and former directors, officers, employees, legal counsel and advisors of the Safari Flower Group and ResidualCo, together with the Monitor and its legal counsel.

"**Blacksail**" has the meaning set out in the Recitals hereto.

"**Blacksail Debt**" means all of the indebtedness and obligations of the Company owing to Blacksail as at the Closing Time, including: (a) the indebtedness existing under the commitment letter dated January 23, 2020; (b) the indebtedness existing under the accommodation agreement dated June 30, 2023; (c) the debtor-in-possession financing under the DIP Term Sheet; (d) the Hyde Payment; and (e) upon completion of Blacksail's purchase of the indebtedness owing by the Safari Flower Group to Gray Jay and the security securing such indebtedness, the amount of such indebtedness.

"**Books and Records**" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of the Company, related to the Retained Assets, including the Retained Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

"**Business**" means the business conducted by the Company, being the cultivation and processing of cannabis and cannabis products.

"**Business Day**" means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**Cash Purchase Price**" has the meaning set out in Section 3.2(a).

"**CCAA**" has the meaning set out in the Recitals hereto.

"**CCAA Proceeding**" has the meaning set out in the Recitals hereto.

"**CCAA Charge Amount**" means cash in an amount sufficient to satisfy the amounts owing in respect of obligations secured by the Priority Charges as at the Closing Time (without duplication to amounts satisfied as Administrative Expense Costs or by the Priority Payment Amount), which for greater certainty, in the case of the Administration Charge shall include payment of all fees and disbursements of the beneficiaries of the Administration Charge for services provided up to the Closing Date.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person, and includes any and all claims and interests of secured creditors in and to the assets of the Company, including the Facility.

"**Closing**" means the closing and consummation of the Transaction.

"**Closing Date**" means the date that is ten (10) Business Days, after the date upon which the conditions set forth in Article 8 have been satisfied or waived, other than any conditions set forth in Article 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing).

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date.

"**Contracts**" means all written contracts, agreements, leases, understandings and arrangements to which the Company is a party or by which the Company is bound or in which the Company has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts relating to real property or personal property used in, arising from or otherwise related to the Business and any Contracts in respect of Employees.

"**Company**" has the meaning set out in the Recitals hereto.

"**Consultant Charge**" has the meaning set out in the Recitals hereto.

"**Court**" has the meaning set out in the Recitals hereto.

"**Director's Charge**" has the meaning set out in the Recitals hereto.

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property.

"**Effective Date**" has the meaning set out in the preamble hereto.

"**Employee**" means any individual who is employed by the Company as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any Terminated Employee.

"**Encumbrances**" means any security interest, lien, Claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"***Excise Act***" means the *Excise Act, 2001*, S.C. 2002, c.22 (Canada).

"***Excise Tax Act***" means the *Excise Tax Act*, R.S.C, 1985, c. E-15 (Canada).

"**Excise Licence**" means cannabis licence 75579 2124RD0001 obtained by the Company under the *Excise Act*.

"**Excluded Assets**" means the properties, rights, assets and undertakings of the Company listed on Schedule "**A**", as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof

“**Excluded Contracts**” means the Contracts and other agreements of the Company that are not Retained Contracts and for greater certainty, but without limiting the generality of the forgoing, includes those contracts and agreements which are listed in Schedule “**B**”, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

“**Excluded Liabilities**” has the meaning set out in Section 2.2(a).

“**Facility**” means all of the land, building and fixtures owned by the Company at the real property municipally known as: 2818 House Rd., Stevensville, Ontario, with the legal description of: (PIN: 642460188) - Part Lot 13 Concession 13, Niagara River, Bertie, Parts 1 & 2, 59R15712; subject to an easement over Part 2 59R15712 as in BE44961 together with an easement over parts 4, 9, & 14, 59R15712 as in SN502947; and (PIN: 642460190) - Part Lots 13 & 14 Concession 13, Niagara River, Bertie designated as Part 1 Plan 59R16046 Town of Fort Erie.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*.

“**Gray Jay**” has the meaning set out in the Recitals hereto.

“Gray Jay Assignment” means the assignment of this Agreement from the Purchaser to Gray Jay.

“**Health Canada Approval**” means the approval issued by Health Canada in connection with the change of control contemplated by the Transaction.

“**Health Canada Licence**” means all authorizations related to cannabis and issued by Health Canada to the Company, including authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation the licence attached hereto as Schedule “**E**”.

“Hyde Payment” means any payments made to Hyde by Blacksail pursuant to a settlement and release agreement between the Safari Flower Group, Blacksail, Gray Jay, and Hyde;

“**Interim Period**” means the period beginning on the Effective Date and ending at the Closing Time.

“**KERP**” has the meaning set out in the Recitals hereto.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Miller Thomson**" means Miller Thomson LLP, counsel for the Safari Flower Group.

"**Monitor**" has the meaning set out in the Recitals hereto.

"**Monitor's Certificate"** means the certificate of the Monitor in in substantially the form attached to the Approval and Reverse Vesting Order.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means 11:59 p.m. (Toronto time) on June 30, 2024, or such later date as the Parties may agree to in writing, in consultation with the Monitor

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permits and Licences**" means (i) the permits, licences, authorizations, approvals, certificates, registrations, consents, waivers or other evidence of authority issued to, granted to, conferred upon, or otherwise created for, the Company by any Governmental Authority, including: (i) those related to the Business, the Retained Assets and the Retained Contracts; (ii) the Excise Tax Licence; and (iii) all other authorizations related to cannabis issued by any Governmental Authority including authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including, without limitation, the Health Canada Licence.

"**Permitted Encumbrances**" means those Encumbrances set forth in Schedule "**D**", as the same may be modified by the Purchaser prior to the granting of the Approval and Reverse Vesting Order in accordance with the terms hereof.

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Pre-Closing Reorganization**" means the transactions, acts or events described in Exhibit "**A**" which are to occur immediately prior to the Closing Time, as the same may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof and the Approval and Reverse Vesting Order.

"**Priority Payment Amount**" means an amount equal to those priority payments prescribed under subsections 6(3), 6(5)(a) and 6(6) of the CCAA as at the Closing Time, except to the extent such payments relate to the Excluded Assets or Excluded Liabilities.

"**Priority Charges**" means the Administration Charge, the Director's Charge and the Consultant Charge in the CCAA Proceedings.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Purchased Shares**" means all of the issued and outstanding shares of the Company.

"**ResidualCo**" means a corporation to be incorporated as a wholly-owned subsidiary or Affiliate of the Vendor to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.

"**Retained Assets**" has the meaning set out in Section 4.1.

"**Retained Contracts**" means all Contracts that are listed in Schedule "**G**", as may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof.

"**Retained Liabilities**" means: (a) Liabilities specifically and expressly designated by the Purchaser as retained Liabilities in Schedule "**F**", as may be modified by the Purchaser prior to the Closing Time in accordance with the terms hereof; and (b) all Liabilities which relate to: (i) the Business under any Retained Contracts; (ii) any Permits and Licences forming part of the Retained Assets; in each case solely in respect of the period from and after the Closing Date, and (iii) the KERP.

"**Sale Process**" has the meaning set out in the Recitals hereto.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" means those individuals employed by the Company whose employment will be terminated prior to Closing, as listed in a terminated employee list to be sent by the Purchaser to the Company no later than five (5) Business Days before the Closing Date.

"**Transaction**" means all of the transactions contemplated by this Agreement, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Shares and the Retained Assets, including the Facility.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to $, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules

The following exhibit and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A	-	Pre-Closing Reorganization

SCHEDULES

Schedule A	-	Excluded Assets
Schedule B	-	Excluded Contracts
Schedule C	-	Excluded Liabilities

Schedule D	-	Permitted Encumbrances
Schedule E	-	Permits and Licences
Schedule F	-	Retained Liabilities
Schedule G	-	Retained Contracts

The Parties acknowledge that as of the Effective Date, except for Schedule "E", the Schedules and Exhibit are not complete. Such Schedules and Exhibit are for the benefit of the Purchaser and may be amended or completed by the Purchaser by written notice to the Safari Flower Group, and in consultation with the Monitor, on or before the dates set out in such Schedules.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibit and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibit and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibit and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Company's Shares

Subject to the terms and conditions of this Agreement, effective as and from the Closing Time, the Vendor shall sell and transfer the Purchased Shares to the Purchaser and the Purchaser shall purchase the Purchased Shares from the Vendor, free and clear of all Encumbrances (other than Permitted Encumbrances).

2.2 Excluded Liabilities of the Company

(a) Save and except for the Retained Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or the Purchased Shares or against, relating to or affecting any of the Retained Assets, or any Excluded Assets or Excluded Contracts or the Terminated Employees as at the Closing Time, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule "**C**" (collectively, the "**Excluded Liabilities**") shall be excluded and will no longer be binding on the Company, the Purchased Shares, the Retained Assets, or Employees following the Closing Time.

(b) Subject to the Pre-Closing Reorganization and pursuant to the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in, and assumed in full by ResidualCo in accordance with, and as further described in, Article 4 and the Approval and Reverse Vesting Order, and the Company, the Purchased Shares, the Retained Assets, and the Company's undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price for the Purchased Shares shall be made up of the following amounts (the "**Purchase Price**"), without duplication:

(a) the CCAA Charge Amount; *plus*

(b) the amount required to satisfy in full the Priority Payment Amount as at the Closing Time; *plus*

(c) the Administration Expense Amount.

3.2 Payment of Purchase Price

The Purchaser shall pay the Purchase Price at the Closing Time as follows:

(a) Cash. The Purchaser shall pay to the Monitor by wire transfer, certified cheque, bank draft or other means of immediately available funds, the amount required to satisfy the CCAA Charge Amount, Priority Payment Amount, and Administration Expense Amount (collectively, the "**Cash Purchase Price**").

3.3 Retention of Blacksail Debt

On the Closing Date, the Company shall retain the Blacksail Debt as set out in Schedule **"F"**. For greater certainty, the Blacksail Debt shall be retained by the Company and paid on the date when the Blacksail Debt becomes due and owing in accordance with such terms and conditions as shall be agreed between the Purchaser, the Vendor and the Company prior to Closing.

ARTICLE 4
TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

On the Closing Date, the Company shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, including, without limitation, the Facility, the Company's personal property and equipment, its Retained Contracts, Permits and Licences, Books and Records, Business and undertakings (the "**Retained Assets**"), save and except for inventory sold in the ordinary course of Business in the Interim Period, the Excluded Assets and Excluded Contracts, which the Company shall transfer to ResidualCo on or before the Closing Time or shall be vested in ResidualCo pursuant to the Approval and Reverse Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Pre-Closing Reorganization and the Approval and Reverse Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from and against the Company and its assets, undertakings, Business and properties from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Pre-Closing Reorganization and the Approval and Reverse Vesting Order, at the Closing Time, all Taxes owed or owing or accrued due by the Company shall be transferred to and vest in ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

Notwithstanding the foregoing or anything to the contrary contained in this Agreement, the Purchaser shall be responsible for any transfer taxes that are due and payable in connection with the Transaction. If applicable, the Vendor and the Purchaser shall jointly elect that no GST/HST is payable pursuant to the *Excise Tax Act* with respect to the Transaction and the Purchaser will file an election pursuant to section 167 of the *Excise Tax Act*, prepared by the Purchaser and made jointly by the Purchaser and the Vendor (the "**Section 167 Election**").

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor

Subject to the issuance of the Approval and Reverse Vesting Order, the Vendor hereby represents and warrants as follows, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) <u>Incorporation and Status</u>. The Vendor is a corporation incorporated and existing under the *Business Corporations Act* (Alberta), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) <u>Corporate Authorization</u>. The execution, delivery and, subject to obtaining the Approval and Reverse Vesting Order, performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.

(c) <u>No Conflict</u>. The execution, delivery and performance by the Vendor of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Vendor.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.

(e) Proceedings. There are no proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Purchased Shares, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.

(f) Residency. The Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

(g) Title to Purchased Shares. The Vendor is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the Purchased Shares, with good and valid title thereto, and the Vendor will transfer good and valid title to the Purchased Shares to the Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances), pursuant to and in accordance with the Approval and Reverse Vesting Order. There are no issued and outstanding shares or other securities of the Company other than the Purchased Shares nor are there any securities convertible into or options, equity-based awards, pre-emptive rights, or other rights, agreements, warrants, or commitments that are held by any Person and which are convertible into or exchangeable for shares or any other securities of the Company.

(h) No Other Agreements to Purchase. Except for the rights of the Purchaser under this Agreement, no Person has any written or oral agreement, option, commitment, warrant, contractual right, option or privilege (whether legal, equitable, contractual or otherwise) for the purchase or acquisition from the Vendor or the Company of any of the Purchased Shares or Retained Assets or for the purchase, subscription or issuance of any unissued shares, securities, or rights of the Corporation.

5.2 Representations and Warranties of the Company

Subject to the issuance of the Approval and Reverse Vesting Order, the Company hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and, subject to obtaining the Approval and Reverse Vesting Order, performance by the Company of this

Agreement has been authorized by all necessary corporate action on the part of the Company.

(c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.

(e) Authorized and Issued Capital and Title to Common Shares. The authorized capital of the Company consists of an unlimited number of one class of common shares. The Purchased Shares: (i) constitute all of the issued and outstanding securities in the capital of the Company; (ii) have all been duly authorized and validly issued as fully paid and non-assessable; (iii) have been issued by the Company in compliance with all Applicable Laws; and (iv) are registered in the name of, and are legally and beneficially owned by, the Vendor. None of the Purchased Shares have been issued in violation of any pre-emptive, right of first offer or refusal or similar rights.

(f) Title to Facility and Retained Assets. The Company is the legal and beneficial owner of the Company's Facility and Retained Assets.

(g) No Other Agreements to Purchase. Except for the rights of the Purchaser under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Purchased Shares, the Retained Assets or the Facility.

(h) Proceedings. There are no Proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Purchased Shares, the Retained Assets or the Facility or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Shares, the Retained Assets or the Facility or the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Vendor or the Company from fulfilling any of their obligations set forth in this Agreement.

(i) Permits and Licences. Except for the rights of the Purchaser under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Permits and Licences.

5.3 Representations and Warranties of the Purchaser

The Purchaser hereby represent and warrant as follows, on a joint and several basis, to and in favour of the Vendor, and acknowledge that, as of the Closing Time, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a limited partnership duly organized existing under the laws of the province of Ontario, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser’s general partner.

(c) No Conflict. The execution, delivery and performance by the Purchaser’s general partner of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Reverse Vesting Order.

(e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) HST Registrant. The Purchaser is, or will be on the Closing Date, HST registrant.

5.4 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date. The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser, on an “*as is, where is*” basis as of the Effective Date, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Licences, Purchased Shares, or the Retained Assets.

THE PURCHASER SPECIFICALLY ACKNOWLEDGES AND AGREES THAT THE MONITOR (INCLUDING ANY REPRESENTATIVE OF THE MONITOR WHETHER IN ANY INDIVIDUAL, CORPORATE OR ANY OTHER CAPACITY) AND HYDE ADVISORY & INVESTMENTS INC., ARE NOT MAKING, AND THE PURCHASER IS NOT RELYING ON, ANY REPRESENTATIONS, WARRANTIES, CONDITIONS OR OTHER STATEMENTS OF ANY KIND WHATSOEVER, WHETHER ORAL OR

WRITTEN, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, AS TO ANY MATTER CONCERNING THE COMPANY, THE BUSINESS, THE PURCHASED SHARES, THE RETAINED LIABILITIES, THE EXCLUDED ASSETS, THE EXCLUDED LIABILITIES, THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED BY THE AGREEMENT, OR THE ACCURACY OR COMPLETENESS OF ANY INFORMATION PROVIDED TO (OR OTHERWISE ACQUIRED BY) THE PURCHASER OR ANY OF ITS RESPECTIVE REPRESENTATIVES, INCLUDING WITH RESPECT TO MERCHANTABILITY, PHYSICAL OR FINANCIAL CONDITION, DESCRIPTION, FITNESS FOR A PARTICULAR PURPOSE, OR IN RESPECT OF ANY OTHER MATTER OR THING WHATSOEVER, INCLUDING ANY AND ALL CONDITIONS, WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, PURSUANT TO ANY APPLICABLE LAWS IN ANY JURISDICTION, WHICH THE PURCHASER CONFIRMS DO NOT APPLY TO THIS AGREEMENT, AND ARE HEREBY WAIVED IN THEIR ENTIRETY BY THE PURCHASER.

ARTICLE 6
COVENANTS

6.1 Closing Date

(a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

(b) Without limiting the foregoing, the Parties shall assist with submissions, share information and make any other efforts required to obtain any approval or Permits and Licences from any Governmental Authority necessary to effect the Closing.

(c) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions (including with respect to the Permits and Licences), as applicable, required under any Applicable Law to effect the Closing.

(d) The Vendor and the Company shall cause such individuals as the Purchaser may determine in its sole discretion to be appointed or assigned to be as of the Closing Time: (i) a director or officer of the Company; (ii) another individual who exercises direct control over the Company; (iii) directors or officers of any corporation that exercises direct control over the Company; or (iv) the responsible person, the head of security, or the master grower, and their alternates, as those terms are defined in the *Cannabis Regulations* (Canada).

6.2 Motion for Approval and Reverse Vesting Order

As soon as practicable following the Effective Date, and in any event by no later than May 3, 2024, the Vendor shall serve and file with the Court a motion for the issuance of the Approval and Reverse Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction and release the officers and directors of the Company and ResidualCo along with the Company's counsel, the Monitor and the Monitor's counsel. The Vendor shall use its best efforts to seek the issuance and entry of the Approval and Reverse Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Reverse Vesting Order. The Company shall promptly inform the counsel for the Purchaser of any and all threatened and actual objections to the motion for the Approval and Reverse Vesting Order of which it becomes aware and will promptly provide to the Purchaser and its counsel a copy of all written objections.

6.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Reverse Vesting Order and the Pre-Closing Reorganization), the Vendor and Company shall maintain the Retained Assets, the Business, including, without limitation, maintaining its corporate existence and renewing and keeping in full force the Permits and Licenses in substantially the same condition as on the Effective Date and in material compliance with all Applicable Laws, Permits and Licences.

6.4 Access During Interim Period

During the Interim Period, the Vendor and the Company with oversight of the Monitor shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its Representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Company's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Vendor and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.5 Insurance Matters

Until Closing, the Vendor and the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Pre-Closing Reorganization

(a) Subject to the other terms of this Agreement, the Company shall effect the Pre-Closing Reorganization on the terms, and using the steps set out at Exhibit "**A**".

(b) The Purchaser and the Vendor shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

7.3 The Safari Flower Group Closing Deliveries

At or before the Closing Time, the Vendor and the Company shall deliver or cause to be delivered to the Purchaser the following:

(a) a true copy of the Approval and Reverse Vesting Order, as issued and entered by the Court;

(b) an executed certificate of the Monitor substantially in the form attached to the Approval and Reverse Vesting Order (the "**Monitor's Certificate**");

(c) share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the Vendor;

(d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor and the Company contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor and the Company have performed in all material respects the covenants, obligations and agreements to be performed by them prior to the Closing Time;

(e) a full and final release of the Purchaser (and its affiliates, shareholders, officers, directors, agents, consultants, counsel, employees, heirs, executors, administrators, successors and assigns) from the Safari Flower Group (and each of their respective affiliates, shareholders, officers, directors, employees, heirs, executors, administrators, successors and assigns) from any and all claims against the Purchaser in a form satisfactory to the Purchaser acting reasonably; and

(f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, as applicable), the following:

(a) the Cash Purchase Price delivered pursuant to Section 3.2 hereof;

(b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants, obligations and agreements to be performed by it prior to the Closing Time;

(c) a receipt sent to the Safari Flower Group and the Monitor, confirming that the Hyde Payment has been paid by the Purchaser or its assignee;

(d) a receipt sent to the Safari Flower Group and the Monitor, confirming the completion of Blacksail's purchase of the indebtedness owing by the Safari Flower Group to Gray Jay and the security securing such indebtedness;

(e) a receipt sent to the Safari Flower Group and the Monitor, confirming payment of all amounts payable to management of the Company pursuant to the terms of the KERP agreement dated February 26, 2024;

(f) such other agreements, documents and instruments as may be reasonably required by the Vendor and the Company to complete the Transaction, including but not limited to an assignment agreement as described in section 10.9(b)(iii) and amended and restated loan in respect to the Blacksail Debt as described in section 3.3, which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint condition being satisfied, fulfilled or performed, which joint condition may not be waived by either Party:

(a) Approval and Reverse Vesting Order. The Court shall have granted the Approval and Reverse Vesting Order in form and substance satisfactory to each of the Parties, and the Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been threatened or commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction;

(c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement; and

(d) Monitor's Certificate. The Monitor shall have delivered the Monitor's Certificate.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

(a) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.

(b) Safari Flower Group Deliverables. The Vendor and the Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

(c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 and Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(d) No Breach of Covenants. The Company and the Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company and the Vendor on or before the Closing Date.

(e) ResidualCo. Pursuant to the Approval and Reverse Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the Excluded Liabilities shall have attached to the Excluded Assets; and (iii) the Company, its Business, the Purchased Shares, the Facility and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Retained Liabilities, if any) such that, from and after Closing the Business, Facility and property of the Company shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

(f) CCAA Proceeding. Upon Closing, the CCAA Proceeding shall have been terminated in respect of the Company as set out in the Approval and Reverse Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo and the Vendor.

(g) Health Canada Licence. The Health Canada Licence shall be valid and in good standing at the Closing Time with no adverse conditions or restrictions, except for routine conditions or restrictions that do not result in a finding of non-compliance or suspension, it being understood that such licences at the Closing Time shall enable the Safari Flower Group to carry on the Business substantially consistent with past practice.

(h) Regulatory Approval. The Purchaser shall have obtained the Health Canada Approval, in a form satisfactory to the Purchaser, acting reasonably, which may be waived by the Purchaser.

(i) Employees. The Company shall not have terminated the employment of any employee of the Company during the Interim Period, except with the prior written consent of the Purchaser. The Company shall have terminated the employment of the Terminated Employees and all Liabilities owing to any such terminated employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements, all of which Liabilities shall be Excluded Liabilities or shall be Discharged by the Approval and Reverse Vesting Order.

(j) Purchase of Gray Jay Debt. The Purchaser shall have purchased all of the indebtedness and obligations of the Company owing to Gray Jay, including the indebtedness existing under the secured grid promissory note dated August 16, 2018 as amended by an amendment dated June 1, 2019, issued by the Company in favour of Gray Jay together with the security relating thereto.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

8.3 Conditions Precedent in favour of the Vendor and the Company

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.4.

(b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.3 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 8.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) by the mutual written agreement of the Vendor and the Purchaser;

(b) by either Party upon written notice to the other Party if: (i) the Approval and Reverse Vesting Order has not been obtained by the Outside Date; or (ii) the Court declines at any time to grant the Approval and Reverse Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement; and

(c) by the Purchaser at any time following the Outside Date, if Closing has not occurred on or prior to 5:00 p.m. (Eastern time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Purchaser.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder.

ARTICLE 10
GENERAL

10.1 Access to Books and Records

For a period of seven years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. During that period, the Vendor or ResidualCo (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

For a period of seven years from the Closing Date, the Vendor and ResidualCo shall make all books and records comprising Excluded Assets reasonably available to the Monitor and any trustee in bankruptcy of the Vendor or ResidualCo and shall, at the Monitor's or trustee in bankruptcy's expense, permit them to take copies thereof as they may determine to be necessary or useful to accomplish their respective roles.

10.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

Garrington Group of Companies

5075 Yonge Street, Suite 700
Toronto, ON M2N 6C6

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

with a copy to:

Chaitons LLP
5000 Yonge St.
North York, ON M2N 7E9
Attention: Harvey Chaiton
Email: harvey@chaitons.com

(b) in the case of the Vendor or the Company, as follows:

9869247 Canada Limited
2818 House Rd.
Stevensville, Ontario

Attention: Brigitte Simons
Email: bsimons@safariflower.co

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

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

In each case, with a copy to the Monitor and the Monitor's counsel as follows:

ERNST & YOUNG INC.
100 Adelaide Street West
Toronto, ON M5H 0B3

Attention: Alex Morrison, Karen Fung and Greg Adams
Email: Alex.F.Morrison@parthenon.ey.com; Karen.K.Fung@parthenon.ey.com; Greg.J.Adams@parthenon.ey.com

with a copy to:

GOWLING WLG
First Canadian Place
100 King Street West, Suite 1600

Toronto, OntarioM5X 1G5

Attention: Virginie Gauthier and Haddon Murray
Email: virginie.gauthier@gowlingwlg.com; haddon.murray@gowlingwlg.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

10.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.4 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.5 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

10.6 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by all Parties hereto and provided that such amendment is consented to by the Monitor, acting reasonably. No waiver of any provision of this Agreement shall constitute a waiver of any provision nor shall any waiver of any provision unless otherwise expressly provided.

10.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.9 Assignment

(a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Reverse Vesting Order, in whole or in part, without the prior written consent of the Vendor, the Company, ResidualCo or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor, the Company and the Monitor; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder.

(b) Notwithstanding Section 10.9(a), Blacksail shall be entitled to exercise the Gray Jay Assignment at any time, before or after the issuance of the Approval and Reverse Vesting Order, but prior to the Closing Date, provided that (ii) Blacksail provides prior notice of such assignment to the Vendor, the Company and the Monitor; and (iii) Gray Jay agrees to be bound by the terms of this Agreement, *mutatis mutandis*, by executing an assignment agreement. Upon such assignment, Blacksail shall be released from all its obligations hereunder.

(c) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Vendor or the Company without the consent of the Purchaser.

10.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.13 Matters Pertaining to the Monitor

(a) When the conditions to Closing set out in Sections 8.1, 8.2, and 8.3 have been satisfied and/or waived by the Vendor, the Company or the Purchaser, as applicable, the Vendor, the Company, the Purchaser or their respective counsel shall each deliver to the Monitor written confirmation that all conditions to Closing have been satisfied and/or waived (the "**Conditions Certificates**"). The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving the Conditions Certificates from the Vendor and the Purchaser (or the applicable counsel) and the Monitor will have no liability whatsoever to any of the Vendor, the Company, the Purchaser or any other Person as a result of filing the Monitor's Certificate.

(b) On the Closing Date, the Cash Purchase Price shall be paid to the Monitor, which the Monitor shall hold for the benefit of Persons entitled to be paid the Cash Purchase Price, and the Monitor shall be entitled to disburse amounts from the Cash Purchase Price to satisfy the obligations contemplated to be satisfied pursuant thereto.

(c) Without limitation to the foregoing paragraph, from time to time after the Closing Date, the Monitor may pay from the Cash Purchase Price, the Administrative Expense Costs, in each case to the Persons entitled to receive payment of these amounts, in its sole discretion and without further authorization from the Vendor, the Company or the Purchaser. Any unused portion of the Administration Expense Amount after payment or reservation for all Administrative Expense Costs, as determined by the Monitor, in its sole discretion, shall be transferred by the Monitor to the Purchaser, or as directed by it.

(d) Notwithstanding anything else contained herein or elsewhere, each of the Vendor, the Company and the Purchaser acknowledges and agrees that: (i) the Monitor's obligations under this Agreement are and shall remain limited to those specifically set out in this Section 10.13; and (ii) the Monitor is acting solely in its capacity as the Court-appointed Monitor in the CCAA Proceedings pursuant to the ARIO and not in its personal or corporate capacity, and the Monitor has no liability in connection with this Agreement whatsoever, in its personal or corporate capacity or otherwise, save and except for and only to the extent of the Monitor's gross negligence or intentional fault.

(e) The Parties acknowledge that the Monitor may rely upon the provisions of Sections 10.1 and 10.13 notwithstanding that the Monitor is not a party to this Agreement.

(f) The provisions of Sections 10.13(d) and (e) above shall survive the termination or non-completion of the transactions contemplated by this Agreement.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the Effective Date.

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

By: __________________________________
Name:
Title:

I have authority to bind the Corporation.

9869247 CANADA LIMITED D.B.A. SAFARI FLOWER COMPANY

By: __________________________________
Name: Brigitte Simons
Title: Chief Executive Officer

I have authority to bind the Corporation.

GN VENTURES LIMITED

By: __________________________________
Name: Brigitte Simons
Title: Chief Executive Officer

I have authority to bind the Corporation.

EXHIBIT "A"
PRE-CLOSING REORGANIZATION

1. ResidualCo shall be incorporated by the Vendor with nominal consideration for common shares and shall be added to the CCAA Proceedings as an Applicant, but taking no other steps or actions in respect thereof.

2. The Excluded Assets and Excluded Liabilities shall be channelled to, and vested in, ResidualCo pursuant to the Approval and Reverse Vesting Order.

SCHEDULE "A"
EXCLUDED ASSETS

1. Excluded Contracts.

2. Cash Portion of the Purchase Price.

[**Note: Balance of schedule to be completed prior to Closing.]**

SCHEDULE “B”
EXCLUDED CONTRACTS

The following is a non-exhaustive list of the Excluded Contracts:

[**Note: Balance of schedule to be completed prior to Closing.]**

SCHEDULE "C"
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time.

2. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.

3. Any and all Liabilities that are not Retained Liabilities.

[**Note: Balance of schedule to be completed prior to Closing.]**

SCHEDULE "D"
PERMITTED ENCUMBRANCES

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

SCHEDULE "E"
PERMITS AND LICENCES

Attached:

1. Standard Cultivation and Processing Licence issued by Health Canada, effective until May 18, 2027.

2. Research Licence issued by Health Canada, effective until March 24, 2028.

3. Excise Licence issued by Canada Revenue Agency, effective until September 22, 2024.

4. Control Union Medical Cannabis Standard Certificate, effective until April 3, 2024.

5. Control Union Medical Cannabis Standard Good Agricultural Practices Certificate, effective until April 3, 2024.

6. European Union Certificate of Good Manufacturing Practice

SCHEDULE "F"
RETAINED LIABILITIES

1. The Blacksail Debt

[**Note: Balance of schedule to be completed prior to Closing**.]

SCHEDULE “G”
RETAINED CONTRACTS

1. All Employee Contracts for Employees employed by the Company on the Closing Date.

[**Note: Balance of schedule to be completed prior to Closing.]**

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 April 29, 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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 9869247 CANADA LIMITED (d.b.a. SAFARI FLOWER COMPANY) AND GN VENTURES LTD. (collectively, the "**Applicants**")

AFFIDAVIT OF DAVID HYDE
(sworn April 29, 2024)

I, DAVID HYDE, of the City of Hamilton, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

1. I am the Chief Executive Officer ("**CEO**") of Hyde Advisory & Investments Inc. ("**HAI**"), a global cannabis advisory firm. HAI was engaged by the Applicants 9869247 Canada Limited (d.b.a. Safari Flower Company) (the "**Company**") and GN Ventures Ltd. (collectively, the "**Safari Flower Group**") in June, 2023 to facilitate and implement a sale and investment solicitation process ("**Sale Process**") with respect to its cannabis production business, and, as such, I have personal knowledge of the matters to which I herein depose.

2. 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.

Background and Experience

3. By way of background, I am global cannabis industry consultant with 11 years of hands on experience providing guidance to cannabis companies and government bodies on matters relating to mergers and acquisitions, restructuring, sales processes, investment, finance, operations, regulatory/policy approaches, corporate due diligence and governance.

4. I hold a Master of Sciences Degree (M.Sc.) from the University of Leicester, UK where I studied regulatory theory, compliance strategy and security risk management. I also hold a Certificate in Security Management from the University of Calgary. I am a graduate of the Wharton School Development Program for Security Executives. I am also a Certified Professional Coach (CPC) and a Certified Advanced Level Crime Prevention (CPTED) practitioner.

5. Since early 2013, I have consulted with a vast number of legal cannabis businesses, including large-scale and small-batch cultivators, outdoor farms and cannabis nurseries, processors and extractors, packagers and distributors, research and testing labs, and cannabis retail outlets. On the public sector side, I have worked with local and regional governments, as well as federal licensing bodies, on regulatory policy, licensing and compliance strategy, enforcement tools, inspector training and guidance documents for industry.

6. In addition to providing cannabis sector advice to large and small cannabis companies governments and investment groups, I have acted as a broker on business transactions between investors/buyers and cannabis companies.

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7. My eight-person team at HAI is comprised of trusted senior advisors to the Canadian and global cannabis industries. HAI is an experienced cannabis business broker and trusted advisor to the global cannabis sector, with experience spanning 23 countries.

8. HAI has spearheaded over 75 sale and investment solicitation processes in the Canadian cannabis sector, including several Court-mandated sale processes under the *Companies' Creditors Arrangement Act* ("**CCAA**").

Engagement by the Safari Flower Group

9. In or around April 2023, I met with Dr. Leanne Brigitte Simons, CEO of Safari, and Mr. Pat Grobe, the Chief Financial Officer of Safari. Following extensive discussions, HAI started introducing the Company's business opportunity anonymously to potential purchasers.

10. On or about June 7, 2023, HAI was engaged by Safari Flower to conduct a Sale Process for the sale of the Company's business and assets outside of the CCAA proceedings (the "**Consultant Agreement**").[1]

11. The Safari Flower Group's two *pari passu* secured lenders, NE SPC II LP and Gray Jay Estates Inc. (together the "**Lenders**") were involved in the discussions of facilitating a Sale Process. The Lenders and the Safari Flower Group agreed that HAI would market the Company's business, including the facility located at 2818 House Road, Stevensville, Ontario (the "**Stevensville Facility**"), to a targeted list of prospects and, following the

[1] I understand a copy of the Consultant Agreement is attached as Exhibit "U" to the Safari Flower Group's initial Application Record dated January 11, 2024.

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.

Marketing Efforts

12. The overall outreach methodology for the Sale Process was based on a solid understanding of the Company's business, which HAI gained from extensive interactions with their leadership and a review of key business and financial information. This process ensured that HAI had the ability to properly position the Safari Flower Group for sale in the market.

13. HAI then created a targeted list of potential purchasers (the "**Organic Reach Outs**") based on:

(a) HAI's institutional knowledge of the industry and financial purchasers who might be willing and able to acquire the Company as an accretive acquisition;

(b) additional industry research to identify purchasers for whom such an acquisition would be within their growth strategy and investment criteria;

(c) analyst reports and research reports on the cannabis sector; and

(d) my knowledge of key members of the Cannabis Council of Canada, a cannabis lobby group of which I am a member.

14. The majority of Organic Reach-Outs were made during the months of June to August, 2023 by way of email, in person meetings or through conference calls.

15. HAI prepared a teaser letter (the "**Teaser**") shortly after executing the Consultant Agreement to detail the Company's business, but kept the name of the company anonymous until interested parties signed a non-disclosure agreement ("**NDA**"). Attached hereto as **Exhibit "A"** is a copy of the Teaser.

16. The Teaser consists of a high-level summary of the opportunity. It was sent directly to 38 potential purchasers primarily via email. The HAI team continued to engage with new potential purchasers who were identified throughout and to the very end of the sale process.

17. HAI also prepared a website posting, which set out the opportunity anonymously. This was broadly advertised on LinkedIn and X (formerly Twitter), as well as featured in HAI's newsletter. In each case, a link to the description of the opportunity on HAI's website was included. Attached hereto as **Exhibit "B"** is a copy of the website posting.

18. HAI's advertising efforts spread to potential purchasers across the cannabis industry worldwide, including Canada, the United States and Europe.

19. In addition to HAI's directed efforts as noted above, there were approximately 14 unsolicited additional purchasers that reached out to HAI during the Sale Process. As such, there were a total of 52 Organic Reach Outs.

20. Of the Organic Reach Outs, a total of 48 prospective purchasers signed an NDA in order to receive limited confidential information on the Safari Flower Group.

21. Any interested potential purchaser that contacted HAI and signed an NDA was carefully vetted by my team members and me to determine if it was a viable purchaser. HAI is aware that in many sales processes conducted both in and outside of an insolvency proceeding,

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some "potential purchasers" go through the motions solely to obtain business and financial information of a company for the ulterior motive of gaining a competitive advantage rather than for the purposes of exploring a sale opportunity.

22. To minimize such risk and to protect the Safari Flower Group's sensitive information, we have developed certain criteria at HAI over the years to determine the viability of a potential purchaser prior to sharing confidential financial and detailed business information. This criteria, includes, among other things, assessing the potential purchaser's:

(a) *bona fides* and reputation in relation to the proposed corporate entity and key financial backers. This is so HAI can ascertain whether the potential purchaser's corporate entity or key individuals would be accepted for licensing by Health Canada;

(b) ability to move at a reasonable speed to conduct due diligence and complete a transaction;

(c) understanding of the regulatory and operational complexities of the cannabis industry;

(d) proof of funds;

(e) nature of interest and understanding that there is a certain cost to run the Company's business and a willingness to expend resources to do so;

(f) nature of inquiries of the operations of the business; and

(g) efforts and intentions to visit the Stevensville Facility and conduct due diligence.

23. Once interested purchasers who signed an NDA were deemed viable by HAI, they were given access to an electronic data room (the "**Data Room**") created by the Safari Flower Group's management, in consultation with HAI.

24. A total of 22 potential purchasers executed a more robust NDA prepared by HAI, were deemed viable by HAI, and were granted access to the Data Room.

25. Interested purchasers were also able to visit the Stevensville Facility for a tour facilitated by representatives of HAI or me. Every site visit of the Stevensville Facility was conducted by Dr. Simons and me or another representative of HAI. Over the course of the Sale Process, HAI facilitated a total of 31 site visits at the Stevensville, which in some cases included multiple site visits by certain potential purchasers.

26. Ongoing follow-ups were maintained with all Organic Reach Outs to ensure they remained engaged in dialogue, and to maintain an efficient and expedited sale process.

27. An extensive amount of communication and follow up was involved with all parties whom were given access to the Data Room and attended a site visit at the Stevensville Facility.

Letters of Intent and Final Bids

28. HAI consulted with the Safari Flower Group's management team at the outset of the Consultation Agreement to set a timetable for the Sale Process. The original intention was to receive letters of intent in early Fall 2023, with final bids and an agreement executed in November 2023.

29. As the Sale Process occurred primarily in the summer months of 2023, it became apparent that many potential and viable purchasers were delayed in completing their due diligence. In addition, the Safari Flower Group's business has a unique and significant export opportunity as part of their business, which distinguishes it from other cannabis businesses. In light of this additional business component, some potential purchasers located in the US and Canada required additional time to review and analyze the opportunity.

30. As such, HAI, in consultation with management and the Lenders, recommended extending the deadline to receive letters of intent ("**LOIs**") to October 13, 2023, to allow potential purchasers extra time to conduct due diligence.

31. On or about October 13, 2023, seven (7) interested purchasers, based in Canada and the United States, submitted signed LOIs to purchase the Company's business. A summary of the LOIs received has been filed with this Court as **Confidential Exhibit "1"**.

32. HAI discussed the LOIs with the Safari Flower Group and with the Lenders. The Lenders and the Safari Flower Group agreed that only viable offers above $10,000,000 would move onto the final stage of the Sale Process towards submitting a formal bid (the "**Bid**").

33. On November 6, 2023, HAI sent a letter and draft share purchase agreement to the four (4) 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 $1,000,000 deposit must accompany the bid. Attached hereto as **Exhibit "C"** is a copy of the letter circulated to the Finalists with the Finalists' information redacted.

34. At all times during the discussions with the Finalists, HAI and the Safari Flower Group communicated to the Finalists 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 Safari Flower Group commencing a formal CCAA process for court approval of a sale transaction. The Finalists were given the Lenders' loan and security documents and were aware of the total amount of secured debt.

35. On the Bid Deadline, only one Finalist submitted a proper Bid in accordance with the Guidelines. The Bid from the Finalist was significant, and was higher than expected in my experience, particularly in the unstable cannabis market over the past few years. A copy of the Bid has been filed with the Court as **Confidential Exhibit "2"**.

The Lenders Declined to Accept the Bid

36. I was advised by the Safari Flower Group and the Lenders in or around December 2023 that the Lenders determined that the Bid was insufficient. As a result, the Lenders declined to accept the Bid.

Conclusion

37. I verily believe that HAI facilitated an extensive, thorough and transparent Sale Process and complied with its obligations under the Consultant Agreement. Based on my understanding of current market conditions, if a similar sale process were to be conducted in the within CCAA proceeding, I do not believe that the results would be substantially or significantly different from HAI's experience in the Sale Process as outlined above.

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38. The cannabis market is challenging and, despite HAI's best efforts, only one (1) Bid was received in accordance with the Guidelines at the end of an approximate 6-month Sale Process.

39. I swear this affidavit in support of Safari Flower Group's motion for an Approval and Reverse Vesting Order and for no other or improper purpose.

SWORN before me at the City of Toronto, in the Province of Ontario, this 29th day of April, 2024 in accordance with O. Reg. 431/20 Administering Oath or Declaration Remotely

DocuSigned by:
Gina Rhodes
BF006048B658497...

Commissioner for Taking Affidavits

DocuSigned by:
David Hyde
D80A18AD93A7438...

DAVID HYDE

DocuSign Envelope ID: 7AFA8512-5CA9-4B3F-858C-2B94FDE26E46

This is Exhibit “A” referred to in the Affidavit of David Hyde sworn by David Hyde of the City of Hamilton, in the Regional Municipality of Hamilton-Wentworth, before me at the City of Toronto, in the Province of Ontario, on April 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Gina Rhodes

BF006048B658497...

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

DocuSign Envelope ID: 7AFA8512-5CA9-4B3F-858C-2B94FDE26E46

HYDE
ADVISORY & INVESTMENTS

ONE-OF-A-KIND, LARGE-SCALE INDOOR CRAFT CULTIVATOR IN ONTARIO; A TRUE UNICORN!

BUSINESS FOR SALE

OPPORTUNITY HIGHLIGHTS

We are pleased to present this unique opportunity to acquire a state-of-the-art, indoor cultivation facility capable of producing 7,000 kg/yr., of ultra high-quality dried cannabis flower. Facility and assets represent ≈$40M enterprise value, ≈60,000 sq ft purpose-built, fully automated, climate-controlled facility with on-site power generation, and advanced irrigation, HVAC/automation and cultivation systems. International certifications for sales to Israel and Australia, with EU-GMP certification well underway (anticipated Q4-2023).

SALIENT FACTS

- ✓ Purpose-built, meticulously operated, large-scale craft cultivation facility licensed by Health Canada for cultivation, processing and sensory research
- ✓ ≈60,000 sq ft facility on 38 acres located in Ontario featuring state-of-the-art systems and infrastructure, including fully automated HVAC, environmental controls, fertigation systems, on-site power generation, and more
- ✓ International accreditations in hand - GACP, CUMCS/I.M.C.-GAP (Israel), and EU-GMP (exp. Q4-2023)
- ✓ 10 purpose-built, fully dialed-in, 2,200 sq ft flowering rooms
- ✓ 30-40% reduction in energy expense from generating own on-site power
- ✓ Demonstrated strong positive EBITDA
- ✓ Sensory research licence enhances internal product testing capabilities
- ✓ Strong focus on plant health with on-site tissue culture and pathogen indexing lab (offers additional revenue streams)
- ✓ A history of bringing unique and in-demand cultivars to market and producing ultra premium flower for a number of Canada's top cannabis brands
- ✓ Facility and assets represent ≈$40M enterprise value
- ✓ Serious parties are encouraged to contact the undersigned to receive further information, including pricing and terms

This document has been prepared by Hyde Advisory & Investments Inc ("HAI"). HAI is not a real estate agent or broker, lender, credit or capital provider. HAI is a strategic advisory firm in the regulated cannabis industry and, as such, is uniquely positioned to facilitate business transactions pertaining to cannabis licences and regulated assets. The content displayed in this document is for informational purposes only and is based on information made available to HAI by the seller. HAI makes no guarantees, representations or warranties of any kind, express or implied, regarding the information contained herein including, but not limited to, warranties of content, accuracy and reliability. Interested parties are required to undertake their own inquiries as to the accuracy of the information. © Hyde Advisory & Investments Inc., 2023.

David Hyde
1-905-906-4933
david@hydeadvisory.com

Mike Samways
1-905-441-7935
mike@hydeadvisory.com

Andrew Kain
1-905-818-8051
Andrew.Kain1@gmail.com

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This is Exhibit "B" referred to in the Affidavit of David Hyde sworn by David Hyde of the City of Hamilton, in the Regional Municipality of Hamilton-Wentworth, before me at the City of Toronto, in the Province of Ontario, on April 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Gina Rhodes

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Commissioner for Taking Affidavits (or as may be)

GINA RHODES

UNDER OFFER: Large-scale craft cultivator with GACP, IMC-GAP & EU-GMP certification

UNDER OFFER! Confidential sale mandate: Large-scale, GACP- & IMC-GAP-accredited, ultra premium craft cultivator in Ontario with 7,000 KG/yr production capacity, growing high margin exports, and EU-GMP certification

Listing ID: 14993305961

Licence(s) Held: Standard Cultivation, Standard Processing, Research (Sensory)

Seeking outright divestiture of wholly-owned property, business and licences. Open to offers!

Listing Details:

- Fully-owned, large-scale craft cultivator with approx. 25,000 sq. ft of licensed cultivation space within 1.5 hours of GTA
- Almost $40 million total spend on purpose built, fully automated, climate controlled facility with on site power generation, and advanced irrigation, HVAC/automation and cultivation systems
- Capable of producing 7,000 KG/yr of ultra premium flower for supply into top retail brands and high margin export channels
- A history of bringing unique and in-demand cultivars to market and producing ultra premium flower for a number of Canada's top cannabis brands
- Strong focus on plant health with onsite tissue culture and pathogen indexing lab
- Track record of positive EBITDA based on consistent high quality, high yield craft cannabis cultivation
- International certifications and accreditations in hand including IMC-GAP (Israel) and GACP, with EU-GMP certification
- Facility comes with significant physical assets and equipment
- Sensory research licence enhances internal product testing capabilities

Contact Us < Back

14993305961

Inquiry Form

Name/Title

Company Name

Phone

Email Address

Submit

© 2024 by HYDE Advisory & Investments Inc

This is Exhibit "C" referred to in the Affidavit of David Hyde sworn by David Hyde of the City of Hamilton, in the Regional Municipality of Hamilton-Wentworth, before me at the City of Toronto, in the Province of Ontario, on April 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

DocuSigned by:

Gina Rhodes

BF006048B658497...

Commissioner for Taking Affidavits (or as may be)

GINA RHODES

DocuSign Envelope ID: 7AFA8512-5CA9-4B3F-858C-2B94FDE26E46

HYDE
ADVISORY & INVESTMENTS
CANNABIS SECTOR M&A

Hyde Advisory & Investments Inc.
330 Bay St. #1400,
Toronto, ON. M5H 2S8
Tel: 1-289-270-4933

[redacted]

November 3rd, 2023

RE: **Share Purchase Agreement for Safari Flower Company c/o GN Ventures Ltd** (collectively, "**Safari Flower**")

Dear [redacted]

Thank you for remitting your letter of intent entitled [redacted].

As you know Hyde Advisory & Investments Inc. ("**HAI**"), was retained by Safari Flower to conduct a sales process (the "**Sales Process**") for the sale of Safari Flower's business and assets (collectively, the "**Business**"). The preliminary stage of the Sales Process is complete. HAI and Safari Flower have reviewed each of the letters of intent/term sheets submitted to purchase the Business. We are contacting you ("**You**" or, the "**Bidder**") to advise that your offer is a finalist and to provide You with a clear understanding of the final stage of the Sales Process.

<u>Sales Process – Final Stage</u>

Safari Flower intends to complete a conveyance of the Business by way of a share sale. Safari Flower will initiate a commonly used process to ensure that the ultimate purchaser of the Business and the shares of Safari Flower, receive the Business free and clear of any and all liabilities. Safari Flower has created a standard form of share purchase agreement (the "**SPA**"), which is attached hereto for your review. In order to participate in the final stage of the Sales Process, You must comply with the following requirements by no later than 5:00 PM (EST) on November 17, 2023 (the "**Bid Deadline**"):

1. The SPA must be signed by the Bidder such that Safari Flower is able to counter sign, thereby establishing a binding agreement. The purchase price must be completed by You in the SPA (the "**Purchase Price**") and shall not be less than was offered in your letter of intent/term sheet.

2. The signed SPA must be delivered to HAI by no later than the Bid Deadline. Any proposed changes to the form SPA must be accompanied with a blackline of the SPA.

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HYDE
ADVISORY & INVESTMENTS
CANNABIS SECTOR M&A

Hyde Advisory & Investments Inc.
330 Bay St. #1400,
Toronto, ON. M5H 2S8
Tel: 1-289-270-4933

3. A deposit in the amount of $1,000,000 (the "**Deposit**") shall be deposited with Miller Thomson LLP by the Bid Deadline, to be held in escrow. Miller Thomson LLP's wire instructions are enclosed. The Deposit will be returned to You within two days of the Selection Date (as defined below) if you are not selected as the winning bidder. You shall acknowledge that if you are selected as the winning bidder that the Deposit shall immediately thereafter become nonrefundable, subject to any conditions precedent noted in the SPA.

4. Bidders shall provide evidence that they have the financial wherewithal ("**Proof of Funding**") to satisfy the Purchase Price. Please contact HAI if you require clarity in connection with understanding expectations to satisfy Proof of Funding.

5. You are encouraged to submit clean bids with minimal conditions. More specifically, bids with diligence conditions will not be considered.

Please note that diligence must be completed by the Bid Deadline. To the extent You require information or site access we encourage you to make information requests and schedule site visits directly with HAI. Management and HAI are available at your convenience and the data room is constantly being updated to reflect information requests.

Share Purchase Agreement

The Share Purchase Agreement provides certain unique provisions, including:

1. The sale transaction stated by the SPA (the "**Transaction**") is conditional upon court approval. Court approval will occur as part of the contemplated *Companies' Creditors Arrangement Act* proceedings, which will be initiated in the very near term.

2. The Court's approval of the Transaction will also provide the Bidder with court ordered provisions that remove any and all liabilities from Safari Flower and transfer those liabilities to a newly formed company, which has no affiliation with Safari Flower. The net outcome is that the Bidder will acquire 100% of the equity of a completely cleaned up Safari Flower. For certainty, any and all liabilities owed by Safari Flower, which exist prior to close, whether contingent or liquidated, shall be permanently expunged.

3. Safari Flower is targeting a closing date of December 15, 2023.

HAI encourages the Bidder to engage legal counsel to ensure that the timelines noted herein are adhered to. HAI is available at the Bidder's request to answer any questions that the Bidder and its legal team have.

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HYDE
ADVISORY & INVESTMENTS
CANNABIS SECTOR M&A

Hyde Advisory & Investments Inc.
330 Bay St. #1400,
Toronto, ON. M5H 2S8
Tel: 1-289-270-4933

All bidders have been provided the same opportunity to submit bids under the same rules. HAI will work with Safari Flower and Safari Flower's lenders to select the winning bid and confirm same to all bidders no later than November 20, 2023 at noon (EST) (the "**Selection Date**").

Thank you,

David Hyde
Chief Executive Officer
Hyde Advisory & Investments Inc

Phone: 905-906-4933
E-mail: david@hydeadvisory.com

SHARE PURCHASE AGREEMENT

This Agreement is made as of the _____ day of November, 2023 ("**Effective Date**"), among:

GN VENTURES LTD.
(the "**Vendor**")
– and –

9869247 CANADA LIMITED, d.b.a. SAFARI FLOWER
(the "**Company**" and together with the Vendor, the "**Safari Flower Group**")

– and –

●
(the "**Purchaser**")

RECITALS

A. **AND WHEREAS** the Vendor was incorporated under *Business Corporations Act* (Alberta) on January 31, 2020 and is the 100% parent of, and is a holding company for the Company.

B. **WHEREAS** the Company was incorporated under the *Canada Business Corporations Act* on August 15, 2016, and is a licensed cultivator and processor of cannabis with its head office and business operations located at 2818 House Rd., Stevensville, Ontario, in the Niagara region.

C. **AND WHEREAS** the Vendor has two *pari-passu* secured creditors, Gray Jay Estates Inc. and Next Edge General Partner (Ontario) Inc., in its capacity as general partner of NE SPC II LP (together, the "**Lenders**").

D. **AND WHEREAS** as a result of the Company's insolvency, the Lenders and the Safari Flower Group entered into an agreement whereby the Safari Flower Group was authorized to carry out a sale process ("**Sale Process**") to solicit offers for the sale of some or all of the Company's assets.

E. **AND WHEREAS** the Safari Flower Group engaged David Hyde, Hyde Advisory and Investments Inc., as the broker to carry out the Sale Process.

F. **AND WHEREAS** in accordance with the terms of the Sale Process, the Purchaser submitted an offer for the purchase of 100% of the issued and outstanding shares of the Company.

G. **NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

"**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act* (Ontario).

"**Agreement**" means this share purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order, in each case, having the force of law that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Vesting Order**" means an order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**"), among other things, in form and substance satisfactory to the Purchaser, acting reasonably, among other things, approving and authorizing the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of the Company in and to the Safari Flower Shares, free and clear from any Encumbrances.

"**Assumed Contracts**" means all Contracts that are listed in Schedule "**G**", as may be modified by the Parties prior to the Closing Time in accordance with the terms hereof.

"**Assumed Liabilities**" means: (a) Liabilities specifically and expressly designated by the Purchaser as assumed Liabilities in Schedule "**F**"; and (b) all Liabilities which relate to: (i) the Business under any Assumed Contracts; (ii) any Permits and Licenses forming part of the Retained Assets; in each case solely in respect of the period from and after.

"**Books and Records**" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of the Company, in connection with the ownership of the Company, or operation of the Business, including the Assumed Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, credit records, records relating to suppliers and other data, in each case, relating to the Business.

"**Business**" means the business conducted by the Company, being the cultivation and processing of cannabis and cannabis products.

"**Business Day**" means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**Cash Purchase Price**" has the meaning set out in Section 3.2(b).

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended.

"**CCAA Proceeding**" means the Safari Flower Group's formal Court proceedings under the CCAA.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, chose in or cause of action, suit, default, assessment, litigation, third party action, arbitral proceeding or proceeding by or before any Person, and includes any and all claims and interests of secured creditors in and to the assets of the Company, including the Facility.

"**Closing**" means the closing and consummation of the Transaction.

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"**Closing Date**" means December 15, 2023, or such other date to be determined by the Parties, in writing.

"**Closing Time**" means 10:00 a.m. (Toronto time) on the Closing Date.

"**Contracts**" means the written contracts, agreements, leases, understandings and arrangements that are related to the Business to which the Company is a party or by which the Company is bound or in which the Company has any rights, including any Employee Contracts.

"**Company**" means 9869247 Canada Limited, d.b.a. Safari Flower.

"**Court**" has the meaning set out in the recitals hereto.

"**Deposit**" has the meaning set out in Section 3.2(a).

"**Discharged**" means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property.

"**Effective Date**" has the meaning set out in the preamble hereto.

"**Employee**" means any individual who is employed by the Company, listed in Schedule "**H**" hereto.

"**Employee Contracts**" means any Contracts in respect of Employees listed in Schedule "**H**" hereto.

"**Encumbrances**" means any security interest, lien, Claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"***Excise Act***" means the *Excise Act, 2001*, S.C. 2002, c.22.

"***Excise Tax Act***" means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

"**Excise License**" means cannabis license 75579 2124RD0001 obtained by the Company under the *Excise Act, 2001* (Canada).

"**Excluded Assets**" means those assets listed on Schedule "**A**", as the same may be modified by the Parties prior to the Closing Time in accordance with the terms hereof

"**Excluded Contracts**" means the Contracts and other agreements of the Company that are not Assumed Contracts and for greater certainty, includes those contracts and agreements which are listed in Schedule "**B**", as the same may be modified by the Parties prior to the Closing Time in accordance with the terms hereof.

"**Excluded Liabilities**" has the meaning set out in Section 2.2(a).

"**Facility**" means all of the land, building and fixtures owned by the Company at the real property municipally known as: 2818 House Rd., Stevensville, Ontario, with the legal description of: (PIN: 642460188) - Part Lot 13 Concession 13, Niagara River, Bertie, Parts 1 & 2, 59R15712; subject to

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an easement over Part 2 59R15712 as in BE44961 together with an easement over parts 4, 9, & 14, 59R15712 as in SN502947; and (PIN: 642460190) - Part Lots 13 & 14 Concession 13, Niagara River, Bertie designated as Part 1 Plan 59R16046 Town of Fort Erie.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

"**GST/HST**" means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

"**Health Canada License**" means all authorizations related to cannabis and issued by Health Canada to the Company, including authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation the license attached hereto as Schedule "**E**".

"**Initial Order**" means the date the Company is granted creditor protection under the CCAA by the Court.

"**Interim Period**" means the period from the Effective Date to the Closing Time.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Miller Thomson**" means Miller Thomson LLP as counsel for the Safari Flower Group.

"**Monitor**" means the court-approved officer who will be appointed by the Court in the CCAA Proceedings.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means 11:59 p.m. (Toronto time) on ●, or such later date as the Parties may agree to in writing.

"**Party**" means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and "**Parties**" means more than one of them.

"**Permits and Licenses**" means (i) the permits, licenses, authorizations, approvals, certificates or other evidence of authority related to the Business, including: the permits, licenses, authorizations, approvals or other evidence of authority related to the Business and issued to, granted to, conferred upon, or otherwise created for, the Company, and (ii) all other authorizations related to cannabis issued by any Governmental Authority including authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law, including without limitation the Health Canada License, Excise Tax License, and all other licenses attached hereto as Schedule "**E**".

"**Permitted Encumbrances**" means those Encumbrances set forth in Schedule "**D**".

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Pre-Closing Reorganization**" means the transactions, acts or events described in Exhibit "**A**" which are to occur immediately prior to the Closing Time.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**ResidualCo**" means a corporation to be incorporated as a wholly-owned subsidiary of the Company to which the Excluded Assets and Excluded Liabilities will be transferred as part of the Pre-Closing Reorganization.

"**Retained Assets**" has the meaning set out in Section 4.1.

"**Safari Flower Shares**" means all of the issued and outstanding shares of the Company.

"**Sale Process**" has the meaning set out in the recitals hereto.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Transaction**" means the transaction of purchase and sale contemplated by this Agreement, whereby the Purchaser will acquire the shares of the Company, including ownership of the Facility.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The expression "Section" or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this

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Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Company or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to $, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit A	-	Pre-Closing Reorganization

SCHEDULES

Schedule A	-	Excluded Assets
Schedule B	-	Excluded Contracts
Schedule C	-	Excluded Liabilities
Schedule D	-	Permitted Encumbrances
Schedule E	-	Permits and Licenses
Schedule F	-	Assumed Liabilities
Schedule G	-	Assumed Contracts
Schedule H	-	Employees

The Parties acknowledge that as of the Effective Date, the Schedules are not complete. Such Schedules are for the benefit of the Purchaser and may be amended, but must be completed by the Parties, acting reasonably, no more than 5 Business Days prior to the Closing.

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Company's Shares

Subject to the terms and conditions of this Agreement, effective as and from the Closing Time:

(a) the Vendor shall sell, assign and transfer the Safari Flower Shares to the Purchaser and the Purchaser shall purchase the Safari Flower Shares from the Vendor, free and clear of all Encumbrances (other than Permitted Encumbrances), with the result that the Purchaser shall become the sole shareholder of the Company at the Closing Time;

2.2 Assumed Liabilities of the Company

(a) Save and except for the Assumed Liabilities, all debts, obligations, Liabilities, Encumbrances, indebtedness, Excluded Contracts, leases, agreements, undertakings, Claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Company or relating to any Excluded Assets or Excluded Contracts as at the Closing Time, including, *inter alia*, the non-exhaustive list of Liabilities set forth in Schedule "**C**", any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time, all Liabilities relating to or under the Excluded Contracts and Excluded Assets, Liabilities (collectively, the "**Excluded Liabilities**") shall be excluded and will no longer be binding on the Company following the Closing Time.

(b) Subject to the Pre-Closing Reorganization and pursuant to the Approval and Vesting Order, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in Article 4 and the Approval and Vesting Order, and the Company, the Safari Flower Shares, the Retained Assets, and the Company's undertakings, Business and properties shall be Discharged of such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo and the Excluded Assets, if any, shall be available to satisfy such Claims.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser for the Safari Flower Shares shall be ● (CAD $●) (the "**Purchase Price**"). The Purchase Price shall be paid to Miller Thomson, in trust, as consideration for the Safari Flower Shares.

3.2 Satisfaction of Purchase Price

The Purchaser shall pay the Purchase Price to Miller Thomson, for the benefit of the Vendor, in accordance with the following:

(a) Deposit. Concurrently with the signing of this Agreement, the Purchaser shall pay to Miller Thomson a deposit in the amount of $1,000,000 (the "**Deposit**") by wire transfer of immediately available funds, to be credited against the Purchase Price at Closing;

(b) Cash Purchase Price. At Closing, the Purchaser shall pay to the Monitor the balance of the Purchase Price, being $●, plus any adjustments in accordance with this Agreement, by wire transfer of immediately available funds (the "**Cash Purchase Price**").

ARTICLE 4
TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets to ResidualCo

On the Closing Date, the Company shall retain all of the assets owned by it on the Effective Date of this Agreement and any assets acquired by it up to and including Closing, the Company's equipment, its Assumed Contracts, Permits and Licenses, Books and Records, Business and undertakings (the "**Retained Assets**"), save and except for inventory sold in the ordinary course of Business in the Interim Period, cash in the bank accounts of the Company as at the Effective Date, the Excluded Assets and Excluded Contracts, which the Company shall transfer to ResidualCo on or before the Closing Time or shall be vested in ResidualCo pursuant to the Approval and Vesting Order.

4.2 Transfer of Excluded Liabilities to ResidualCo

At or before the Closing Time, the Excluded Liabilities shall have been channeled to and assumed by ResidualCo, in accordance with the Pre-Closing Reorganization and pursuant to the Approval and Vesting Order. Notwithstanding any other provision of this Agreement, neither the Purchaser nor the Company shall assume or have any Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from the Company and its assets, undertakings, Business and properties from and after the Closing Time.

4.3 Tax Matters

All Taxes owed or owing or accrued due by the Company shall be transferred to and vest in ResidualCo. Any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless upon when such audit was commenced or completed, and any and all such obligations with respect to such audits or reassessments shall be transferred to and vest in ResidualCo.

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ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor

Subject to the issuance of the Approval and Vesting Order, the Vendor hereby represents and warrants as follows, and acknowledges that, as of the Closing Time, the Purchaser are relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the *Business Corporations Act* (Alberta), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.

(c) No Conflict. The execution, delivery and performance by the Vendor of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Vendor.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

(e) Proceedings. There are no proceedings pending against the Vendor or, to the knowledge of the Vendor, threatened, with respect to, or in any manner affecting, title to the Safari Flower Shares, which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Safari Flower Shares as contemplated by this Agreement or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.

(f) Residency. The Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

(g) Title to Safari Flower Shares. The Vendor is, and immediately prior to the Closing Time will be, the sole registered and beneficial owner of the Safari Flower Shares, with good and valid title thereto, and the Vendor will transfer good and valid title to the Safari Flower Shares to the Purchaser, free and clear of all Encumbrances (other than Permitted Encumbrances), pursuant to and in accordance with the Approval and Vesting Order. There are no issued and outstanding common shares or other securities of the Company other than the Safari Flower Shares nor are there any securities convertible into or options, equity-based awards or other rights, agreements or commitments that are held by any Person and which are convertible into or exchangeable for common shares or any other securities of the Company.

(h) No Other Agreements to Purchase. Except for the rights of the Purchaser under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor or the Company of any of the Safari Flower Shares or Retained Assets.

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5.2 Representations and Warranties of the Company

Subject to the issuance of the Approval and Vesting Order, the Company hereby represents and warrants to and in favour of the Purchaser, and acknowledges that, as of the Closing Time, the Purchaser are relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Company is a corporation incorporated and existing under the *Business Corporations Act* (Ontario), is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Company of this Agreement has been authorized by all necessary corporate action on the part of the Company.

(c) No Conflict. The execution, delivery and performance by the Company of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Company.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

(e) Authorized and Issued Capital and Title to New Common Shares. The authorized capital of the Company consists of an unlimited number of one class of common shares. The Safari Flower Shares: (i) constitute all of the issued and outstanding securities in the capital of the Company; (ii) have all been duly authorized and validly issued as fully paid and non-assessable; (iii) have been issued by the Company in compliance with all Applicable Laws; and (iv) are registered in the name of, and are legally and beneficially owned by, the Vendor. None of the Safari Flower Shares have been issued in violation of any pre-emptive, right of first offer or refusal or similar rights.

(f) Title to Facility. The Company is the legal and beneficial owner of the Company's Facility.

(g) No Other Agreements to Purchase. Except for the rights of the Purchaser under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Company of any of the Safari Flower Shares, the Retained Assets or the Facility.

(h) Proceedings. There are no Proceedings pending against the Company or, to the knowledge of the Company, threatened, with respect to, or in any manner affecting, title to the Safari Flower Shares, the Retained Assets or the Facility or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Safari Flower Shares, the Retained Assets or the Facility or the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Vendor or the Company from fulfilling any of their obligations set forth in this Agreement.

(i) Permits and Licenses. Except for the rights of the Purchaser under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition of any interest in, or the creation of any Encumbrance in respect of, the Licenses.

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(j) Assumed Contracts. The Company has provided to the Purchaser correct and complete copies of each Assumed Contract together with all amendments, modifications and supplements thereto.

5.3 Representations and Warranties of the Purchaser

The Purchaser hereby represent and warrant as follows, on a joint and several basis, to and in favour of the Vendor, and acknowledge that, as of the Closing Time, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the ●, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

(c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

(e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) HST Registrant. The Purchaser is, or will be on the Closing Date, HST registrant.

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5.4 As is, Where is

The representations and warranties of the Company shall survive the Closing Time on the Closing Date provided, however, that the Purchaser's recourse for any breach or inaccuracy of such representations and warranties shall be against ResidualCo. The Purchaser acknowledges, agree and confirm that, at the Closing Time, the Safari Flower Shares (for clarity, together with the Retained Assets) shall be sold and delivered to the Purchaser, on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Licenses, Safari Flower Shares, or the Retained Assets.

ARTICLE 6
COVENANTS

6.1 Closing Date

(a) The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

(b) Without limiting the foregoing, the Parties shall assist with submissions, share information and make any other efforts required to obtain any approval (including the Health Canada Approval) or Permits and Licenses from any Governmental Authority necessary to effect the Closing.

(c) Each of the Parties shall, as promptly as possible, make, or cause to be made, all filings and submissions (including with respect to the Permits and Licenses), as applicable, required under any Applicable Law to effect the Closing.

(d) The Vendor and the Company shall cause such individuals as the Purchaser may determine in its sole discretion to be appointed or assigned to be as of the Closing Time: (i) a director or officer of the Company; (ii) another individual who exercises direct control over the Company; (iii) directors or officers of any corporation that exercises direct control over the Company; or (iv) the responsible person, the head of security, or the master grower, and their alternates, as those terms are defined in the *Cannabis Regulations* (Canada).

6.2 Motion for Approval and Vesting Order

As soon as practicable following the Effective Date, and in any event by no later than ●, 2023, the Vendor shall commence CCAA Proceedings by serving and filing with the Court all necessary documents, including a motion for the issuance of the Approval and Vesting Order, seeking relief that will, *inter alia*, approve this Agreement and the Transaction and release the officers and directors of the Company along with the Company's counsel, Hyde Advisory & Investments Inc., its advisors and representatives, the Monitor and the Monitor's counsel. The Vendor shall use its best efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the Approval and Vesting Order.

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6.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order and the Pre-Closing Reorganization), the Vendor and Company shall maintain the Retained Assets in substantially the same condition as on the Effective Date and in material compliance with all Applicable Laws, Permits and Licenses.

6.4 Access During Interim Period

During the Interim Period, the Vendor and the Company shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Business and the Retained Assets. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its Representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and the Company's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with the Company's operations and the Vendor and the Company shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser.

6.5 Insurance Matters

Until Closing, the Vendor and the Company shall keep in full force and effect all existing insurance policies and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of business. The Cash Purchase Price shall be adjusted at Closing, on a dollar-for-dollar basis in favour of the Vendor, to account for the remaining portion of any pre-paid insurance policies, from the Effective Date.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

7.2 Pre-Closing Reorganization

(a) Subject to the other terms of this Agreement, the Company shall effect the Pre-Closing Reorganization on the terms and using the steps set out at Exhibit "**A**".

(b) The Purchaser and the Vendor shall work cooperatively and use commercially reasonable efforts to prepare, before the Closing Date, all documentation necessary and do such other acts and things as are necessary to give effect to the Pre-Closing Reorganization.

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7.3 Vendor / Company Closing Deliveries

At or before the Closing Time, the Vendor and the Company shall deliver or cause to be delivered to the Purchaser the following:

(a) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

(b) an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**");

(c) share certificates representing the Safari Flower Shares duly endorsed in blank for transfer, or accompanied by irrevocable stock transfer powers duly executed in blank, in either case, by the Vendor;

(d) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Vendor and the Company contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor and the Company have performed in all material respects the covenants to be performed by them prior to the Closing Time;

(e) confirmation, in form and substance satisfactory to the Purchaser, that all applicable Governmental Authorities have approved the change of control contemplated by the Transaction such that the Permits and Licenses, will be valid and in good standing immediately following the Closing; and

(f) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor and the Company (or to the Monitor, as applicable), the following:

(a) the Cash Purchase Price;

(b) a certificate dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

(c) such other agreements, documents and instruments as may be reasonably required by the Vendor and the Company to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

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ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint condition being satisfied, fulfilled or performed, which joint condition may not be waived by either Party:

(a) CCAA Proceeding. The Safari Flower Group shall commence CCAA Proceedings and have been granted protection under the CCAA by the Court. The Court must grant the Approval and Vesting Order in form and substance satisfactory to each of the Parties, and all applicable appeal periods shall have expired;

(b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and

(c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

(a) Regulatory Approval. The Purchaser shall have obtained the approval of Health Canada and any other relevant Governmental Authority, in a form satisfactory to the Purchaser, acting reasonably.

(b) Pre-Closing Reorganization. The Pre-Closing Reorganization shall have been completed in the order and in the timeframes contemplated hereunder.

(c) Court Approval. The Approval and Vesting Order shall have been issued and entered by the Court and shall not have been vacated, set aside or stayed, and all applicable appeal periods shall have expired.

(d) Company's Deliverables. The Vendor and the Company shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

(e) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 5.1 and Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(f) No Breach of Covenants. The Company shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Company on or before the Closing Date.

(g) ResidualCo. Pursuant to the Approval and Vesting Order: (i) all Excluded Assets and Excluded Liabilities shall have been transferred to ResidualCo or Discharged; (ii) the

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Excluded Liabilities shall have attached to the Excluded Assets and the proceeds from the Purchase Price; and (iii) the Company, its Business, the Facility and property shall have been released and forever Discharged of all Claims and Encumbrances (other than Assumed Liabilities, if any) such that, from and after Closing the Business, Facility and property of the Company shall exclude the Excluded Assets and shall not be subject to any Excluded Liabilities.

(h) CCAA Proceeding. Upon Closing, the CCAA Proceeding shall have been terminated in respect of the Company as set out in the Approval and Vesting Order, but, for greater certainty, shall continue in respect of ResidualCo and the Vendor.

(i) Disclaim Excluded Contracts. The Company shall have sent notices of disclaimer for all known Excluded Contracts and other agreements, and such known Excluded Contracts shall form part of the Excluded Assets.

(j) Permits and Licenses. The Permits and Licenses shall be in good standing at the Closing Time and no material default shall have occurred under any such Permits and Licenses that remains unremedied and such Permits and Licenses shall remain in good standing immediately following and notwithstanding Closing and no Governmental Authority whose consent is not required to the Transaction shall have objected to the completion of the Transaction or indicated that such Permits and Licenses will not remain in full force and effect following completion of the Transaction.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

8.3 Conditions Precedent in favour of the Vendor and the Company

The obligation of the Company to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed:

(a) Court Approval. The Approval and Vesting Order shall have been issued and entered by the Court and shall not have been vacated, set aside or stayed, and all applicable appeal periods shall have expired.

(b) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Company at the Closing all the documents and payments contemplated in Section 7.4.

(c) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.3 shall be true and correct in all material respects (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.

(d) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 8.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) By the mutual written agreement of the Vendor and the Purchaser.

(b) By either Party upon written notice to the other Party if: (i) the Approval and Vesting Order has not been obtained by the Outside Date; or (ii) the Court declines at any time to grant the Approval and Vesting Order; in each case for reasons other than a breach of this Agreement by the Party proposing to terminate the Agreement.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder. Notwithstanding the foregoing, if the Transaction is not completed by the Outside Date solely as a result of the Vendor's failure to perform any of its obligations under this Agreement, then the Deposit shall be repaid to the Purchaser in full, without deduction or setoff.

ARTICLE 10
GENERAL

10.1 Access to Books and Records

For a period of two years from the Closing Date or for such longer period as may be reasonably required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor, including the Monitor) has the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

10.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

●

Attention: ●
Email: ●

with a copy to:

●

Attention: ●
Email: ●

(b) in the case of the Vendor or the Company, as follows:

9869247 Canada Limited
2818 House Rd.
Stevensville, Ontario

Attention: Brigitte Simons
Email: bsimons@safariflower.co

with a copy to:

Miller Thomson LLP
40 King Street West, Suite 5800
Toronto, ON M5H 4A9

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

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

10.3 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.4 Survival

The representations and warranties of the Parties contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

10.5 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo.

10.6 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by all of the Parties.

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10.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

10.9 Assignment by Purchaser

(a) This Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, with the prior written consent of the Vendor and the Company, acting reasonably.

10.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by facsimile or by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

10.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.13 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

●

By: ______________________________

Name: ●
Title: ●

I have authority to bind the Corporation.

9869247 CANADA LIMITED
D.B.A. SAFARI FLOWER SAFARI COMPANY

By: ______________________________

Name: Brigitte Simons
Title: Chief Executive Officer

I have authority to bind the Corporation.

GN VENTURES LIMITED

By: ______________________________

Name: Brigitte Simons
Title: Chief Executive Officer

I have authority to bind the Corporation.

EXHIBIT "A"
PRE-CLOSING REORGANIZATION

1. ResidualCo shall be incorporated by the Vendor with nominal consideration for common shares and shall be added to the CCAA Proceeding as an Applicant, but taking no other steps or actions in respect thereof.

2. The Excluded Assets and Excluded Liabilities shall be channelled to, and vested in, ResidualCo pursuant to the Approval and Vesting Order.

SCHEDULE "A"
EXCLUDED ASSETS

1. Excluded Contracts.

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

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SCHEDULE "B"
EXCLUDED CONTRACTS

The following is a non-exhaustive list of the Excluded Contracts:

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

SCHEDULE "C"
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which the Company may be bound as at the Closing Time.

2. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.

3. Any and all Liabilities that are not Assumed Liabilities.

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

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SCHEDULE "D"
PERMITTED ENCUMBRANCES

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

SCHEDULE "E"
LICENSES

Attached.

1. Standard cultivation and processing license effective until May 18, 2027.
2. Research license by Health Canada effective until March 24, 2028.
3. Canada Revenue Agency cannabis license that expires on September 22, 2024.
4. Control Union Medical Cannabis Standard certificate effective until April 3, 2024.
5. Control Union Medical Cannabis Standard Good Agricultural Practices certificate effective until April 3, 2024.

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

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SCHEDULE "F"
ASSUMED LIABILITIES

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing**.]

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SCHEDULE “G”
ASSUMED CONTRACTS

1. All Employee Contracts for Employees employed by the Company on the Closing Date.

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

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SCHEDULE "H"
EMPLOYEES

[**Note: Balance of schedule to be completed 5 Business Days prior to Closing.]**

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SAFARI FLOWER COMPANY *et al*.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

AFFIDAVIT OF DAVID HYDE
(Sworn April 29, 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#:
grhodes@millerthomson.com
Tel: 416.597.4321

Lawyers for the Applicants

TAB 4

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY THE 7TH
JUSTICE OSBORNE	)	DAY OF MAY, 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
(Approval and Reverse Vesting Order)

THIS MOTION made by the Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**" or the "**Company**") and GN Ventures Ltd. ("**GN Ventures**" or the "**Vendor**") (collectively the "**Safari Flower Group**" or "**Applicants**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*, (i) approving the Share Purchase Agreement ("**Share Purchase Agreement**") among GN Ventures, Safari Flower and NE SPC II LP (the "**Purchaser**") dated April 29, 2024, for the purchase and sale of all of the issued and outstanding shares of the Company (the "**Purchased Shares**"); (ii) adding 1000877547 Ontario Inc. ("**ResidualCo**") as an Applicant to these CCAA Proceedings in order to carry out the transactions contemplated by the Share Purchase Agreement (collectively, the "**Transaction**"); (iii) vesting in the Purchaser all of the Vendor's right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances (as defined below); (iv) vesting absolutely and exclusively in ResidualCo all Excluded Liabilities, Excluded Assets and Excluded Contracts (each as defined below); (v) discharging all Claims (as defined below) and Encumbrances against the Company and the Company's Property (as defined below) other than the Permitted Encumbrances; (vii) approving releases in favour of (1) Dr. Leanne Brigitte Simons and Patrick Grobe as directors of the Applicants; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of ResidualCo as at date of incorporation of ResidualCo; (4) Ernst & Young Inc., in its capacity as Monitor of the Applicants (the "**Monitor**") and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of Hyde Advisory & Investments Inc. ("**HAI**"); (vii) sealing the Confidential Exhibits to the affidavit of David Hyde sworn April 29, 2024 (the "**Hyde Affidavit**"), and (viii) granting certain related relief, was heard this day via Zoom videoconference.

ON READING the Motion Record of the Applicants and the Fifth Report of the Monitor dated ●, 2024 ("**Fifth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the Purchaser, counsel for Gray Jay Estates Inc., 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 Maureen McLaren sworn April 30, 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.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Share Purchase Agreement or the Affidavit of Dr. Brigitte Simons sworn April 30, 2024 (the "**Sixth Simons Affidavit**").

APPROVAL AND REVERSE VESTING

3. **THIS COURT ORDERS** that the Share Purchase Agreement and the Transaction are hereby approved and the execution of the Share Purchase Agreement (including the Pre-Closing Reorganization) by the Vendor and the Company is hereby authorized, ratified, and approved, with such minor amendments as the parties thereto may deem necessary, with the approval of the Monitor. The Applicants are hereby authorized and directed to perform their obligations under the Share Purchase Agreement and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Shares to the Purchaser.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Applicants to proceed with the Transaction and that no shareholder or other approval shall be required in connection therewith, other than as contemplated by the applicable Transaction Regulatory Approvals.

5. **THIS COURT ORDERS** that, upon the delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser, substantially in the form attached as **Schedule "A"** hereto, the following steps shall occur and shall be deemed to have occurred in the sequence as set out in the Pre-Closing Reorganization and as set out below, provided that the Pre-Closing Reorganization steps as set out below may be amended to implement the Transaction on such terms as may be agreed by the Parties, with the consent of the Monitor or further Order of the Court:

(a) all of the Company's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo in accordance with the Share Purchase Agreement, and all Claims and Encumbrances (defined below) shall continue to attach to the Excluded Assets with the same nature and priority as they had immediately prior to their transfer;

(b) all Excluded Liabilities and Excluded Contracts of the Company (which, for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Company other than the Retained Liabilities) shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Contracts and Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of the Company, and the Company and all of its assets, wherever situated (including, for certainty, the Transferred Assets and the Retained Assets, collectively the "**Company's Property**"), shall be and are hereby forever released and discharged from such Excluded Contracts and Excluded Liabilities and all related Claims (as defined below), and all Encumbrances (as defined below) affecting or relating to the Company's Property are hereby expunged and discharged as against the Company's Property;

(c) all of the right, title and interest in and to the Purchased Shares shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed, and whether secured, unsecured or otherwise (collectively the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order or any other Order of the Court in these CCAA Proceedings; (ii) all charges, security interests or claims evidence by registrations pursuant to the *Personal Property Security Act* (Ontario), or any other personal property registry system; and (iii) those Claims listed on **Schedule "B"** hereto (all of which, for greater certainty, excludes Permitted Encumbrances, which shall continue against the Company's Property, are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Shares are hereby expunged and discharged as against the Purchased Shares;

(d) all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as defined below) and are convertible or exchangeable for any securities of the Company or which require the issuance, sale or transfer by the Company, of any shares or other securities of the Company, or otherwise evidencing a right to acquire the Purchased Shares and/or the share capital of the Company, or otherwise relating thereto, shall be deemed terminated and cancelled;

(e) if applicable, all of the Existing Shares (which, for greater certainty, do not include the Purchased Shares) shall be deemed terminated and cancelled for no consideration as provided for in the Implementation Steps and the Articles of Reorganization, as applicable; and

(f) the Company shall and shall be deemed to cease being an Applicant in these CCAA Proceedings, and the Company shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Company and ResidualCo) shall continue to apply in all respects.

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

7. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Vendor and the Purchaser regarding the fulfillment of conditions to closing under the Share Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

8. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Company, the Company's Property or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Share Purchase Agreement. Presentment of this Order and the Monitor's Certificate shall be the sole and sufficient authority for Governmental Authorities to make and register transfers of interest against any of the Company's Property and and the Monitor and the Purchaser are hereby specifically authorized to discharge the registrations on the Company's Property, except for Permitted Encumbrances which shall continue against the Company's Property and the Excluded Assets, as applicable.

9. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Shares (the "**Proceeds**") and the Excluded Assets, if any, shall be allocated to ResidualCo, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the Proceeds, with the same nature and priority as they had with respect to the Purchased Shares immediately prior to the Transaction, as if (i) the Purchased Shares had not been sold and remained owned by and in the possession or control of the Person who owned and had possession or control immediately prior to the Transaction; and (ii) the Excluded Contracts and Excluded Liabilities had not been transferred to and vested in ResidualCo and had remained liabilities of the Company immediately prior to the Transaction.

10. **THIS COURT ORDERS** that, upon delivery of the Monitor's Certificate, the Purchaser, its counsel, and/or their respective agents, shall be authorized to file or register, as applicable, all such financing change statements and other instruments as may be necessary to cancel and discharge all registrations against the Company pursuant to the *Personal Property Security Act* (Ontario) or any similar legislation.

11. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Applicants or the Monitor, as the case may be, are authorized and permitted to disclose to the Purchaser all human resources and payroll information in the Company's records pertaining to past and current employees of the Company. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Company.

12. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 5 hereof, the Purchaser and the Company shall be deemed released from any and all Claims of, or that relate to the Company or the Company's Property (provided as it relates to the Company, such release shall not apply to taxes (i) arising from the Transaction; (ii) in respect of the business and operations conducted by the Company after the Closing Time; or (iii) that otherwise expressly form a part of the Retained Liabilities), including, without limiting the generality of the foregoing, all taxes that could be assessed against the Purchaser or the Company (including any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada), or any provincial equivalent in connection with the Company. For greater certainty, nothing in this paragraph shall release or discharge any Claims with respect to taxes that are transferred to ResidualCo.

13. **THIS COURT ORDERS** that, except to the extent expressly contemplated by the Share Purchase Agreement, all Retained Contracts to which the Applicants are parties upon the delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the delivery of the Monitor's Certificate and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Applicant);

(b) the insolvency of any Applicant or the fact that the Applicants sought or obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Share Purchase Agreement, the Transaction or the provisions of this Order, or any other Order of the Court in these CCAA Proceedings; or

(d) any transfer or assignment, or any change of control of the Company, or other step arising from the implementation of the Share Purchase Agreement, the Transaction or the provisions of this Order.

14. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract, existing between such Person and the Company arising directly or indirectly from the filing by the Company under the CCAA and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph 13 hereof, any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse the Company from performing its obligations under the Share Purchase Agreement or be a waiver of defaults by the Company under the Share Purchase Agreement and the related documents.

15. **THIS COURT ORDERS** that from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Company or the Company's Property relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order.

16. **THIS COURT ORDERS** that, from and after the Closing Time:

(a) the nature of the Retained Liabilities retained by the Company, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Closing Time had a valid right or claim against the Company under or in respect of any of the Excluded Contracts or the Excluded Liabilities (each an "**Excluded Liability Claim**") shall no longer have such right or claim against the Company but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Contracts and Excluded Liabilities from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the Company prior to the Closing Time.

17. **THIS COURT ORDERS** that, as of the Closing Time:

(a) ResidualCo shall be a company to which the CCAA applies; and

(b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to:

(i) an "Applicant" or the "Applicants" shall refer to and include ResidualCo, and (ii) the "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof, of ResidualCo (the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the Initial Order) shall constitute a charge on the ResidualCo Property.

RELEASES

18. **THIS COURT ORDERS** that effective upon the filing of the Monitor's Certificate, each of (1) Dr. Leanne Brigitte Simons and Patrick Grobe as directors of the Applicants; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of ResidualCo as at date of incorporation of ResidualCo; (4) the Monitor and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of HAI, (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Certificate and (a) undertaken or completed pursuant to the

terms of this Order, (b) arising in connection with or relating to the Sale Process (as defined in the Sixth Simons Affidavit), the Share Purchase Agreement or the completion of the Transaction, (c) arising in connection with or relating to these CCAA Proceedings, or (d) related to the management, operations or administration of the Applicants from and after the date of the Initial Order (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

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

(a) the pendency of these proceedings;

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

(c) any assignment in bankruptcy made in respect of the Applicants;

the Share Purchase Agreement, the implementation of the Transaction (including, without limitation, the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, and any payments by the Purchaser authorized herein or pursuant to the Share Purchase Agreement shall be binding on any licensed insolvency trustee that may be appointed in respect of the Applicants or ResidualCo shall not be void or voidable by creditors of the Applicants or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

THE MONITOR

20. **THIS COURT ORDERS** that nothing in this Order, including the release of the Company from the purview of these CCAA Proceedings pursuant to paragraph 5(f) hereof and the addition of ResidualCo as an Applicant in these CCAA Proceedings, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and Ernst & Young Inc. shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of Ernst & Young Inc., in its capacity as Monitor, all of which are expressly continued and confirmed.

21. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than fifteen (15) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

22. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the Company or ResidualCo or to have taken or maintained possession or control of the business or

property of any of the Company or ResidualCo or any part thereof; or (b) be deemed to be in Possession (as defined in the Initial Order) of any property of the Company or ResidualCo within the meaning of any applicable Environmental Legislation and Cannabis Legislation (each as defined in the Initial Order) or otherwise.

23. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

24. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditor or legal representative of ResidualCo.

MONITOR'S ENHANCED POWERS

25. **THIS COURT ORDERS** that in addition to the powers and duties of the Monitor set out in the Initial Order or any other Order of this Court in these CCAA Proceedings, and without altering in any way the limitations and obligations of ResidualCo as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required to:

(a) take any and all actions and steps, and execute all documents and writings, on behalf of, and in the name of ResidualCo in order to facilitate the performance of any ongoing obligations of same, including with respect to any Excluded

Liability Claim, and to carry out the Monitor's duties under this Order or any other Order of this Court in these CCAA Proceedings;

(b) exercise any powers which may be properly exercised by a board of directors of ResidualCo;

(c) cause ResidualCo to retain the services of any person as an employee, consultant, or other similar capacity all under the supervision and direction of the Monitor and on the terms as agreed with the Monitor;

(d) open one or more new accounts (the "**ResidualCo Accounts**") into which all funds, monies, cheques, instruments and other forms of payment payable to ResidualCo shall be deposited to and after the making of this Order from any source whatsoever and to operate and control, as applicable, on behalf of ResidualCo, the ResidualCo Accounts in such manner as the Monitor, in its sole discretion, deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties;

(e) cause ResidualCo to perform such other functions or duties as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of ResidualCo or the distribution of the proceeds or any other related activities, including in connection with bringing these CCAA proceedings to an end;

(f) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of ResidualCo (including any governmental authority) in the name of or on behalf of ResidualCo;

(g) claim or cause ResidualCo to claim any and all insurance refunds or tax refunds, including refunds of harmonized sales taxes, to which ResidualCo is entitled;

(h) have access to all books and records that are the property of ResidualCo in its possession or control in addition to the Applicants' books and records in accordance with the terms of the Share Purchase Agreement;

(i) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof;

(j) consult with Canada Revenue Agency, Health Canada, or any other governmental body with respect to any issues arising in respect of these CCAA Proceedings; and

(k) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

TERMINATION OF CONSULTANT CHARGE, KERP CHARGE AND DIRECTORS' CHARGE

26. **THIS COURT ORDERS** that effective upon the filing of the Monitor's Certificate, the Consultant Charge, KERP Charge and the Directors' Charge shall be and are hereby terminated.

SEALING ORDER

27. **THIS COURT ORDERS** that the Confidential Exhibit Brief to the Hyde Affidavit is hereby sealed and shall not form part of the public record until the earlier of (a) closing of the Transaction and (b) further Order of the Court.

GENERAL

28. **THIS COURT ORDERS** that, following the Closing Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against the Purchased Shares and the Company Property.

29. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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 GN VENTURES LTD. AND 1000877547 ONTARIO INC.

30. **THIS COURT DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.

31. **THIS COURT DECLARES** that the Applicants shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada or elsewhere, for orders which aid and complement this Order. All courts and administrative bodies of all such jurisdictions are hereby respectfully requested to make such

orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

32. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

33. **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.

34. **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, provided that the transaction steps set out in Paragraph 5 shall be deemed to have occurred sequentially, one after the other, in the order set out in Paragraph 5.

Schedule "A"
Form of Monitor's Certificate

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")

MONITOR'S CERTIFICATE

RECITALS

A. The Applicants commenced these proceedings under the *Companies' Creditors Arrangement Act* on January 12, 2024 (the "**CCAA Proceedings**").

B. Pursuant to an Order of the Honourable Justice Osborne of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated January 12, 2024, as amended and restated on January 22, 2024, Ernst & Young Inc. was appointed as monitor (the "**Monitor**") of the Applicants in the CCAA Proceedings.

C. Pursuant to an Approval and Reverse Vesting Order of the Court dated May 7, 2024 (the "**Order**"), the Court approved the transaction (the "**Transaction**") contemplated by the Share Purchase Agreement (the "**Share Purchase Agreement**") among GN Ventures Ltd. (the "**Vendor**"), 9869247 Canada Limited d.b.a. Safari Flower (the "**Company**") and NE SPC II LP (the "**Purchaser**") dated April 29, 2024, and ordered, *inter alia*, that: (i) 1000877547 Ontario Inc. ("**ResidualCo**") be added as an Applicant to these CCAA Proceedings; (ii) vesting in the Purchaser all of the Vendor's right, title and interest of the Vendor in and to the Purchased Shares, free and clear from any Encumbrances; (iii) vesting absolutely and exclusively in ResidualCo, all Excluded Assets, Excluded Liabilities and Excluded Contracts; (iv) discharging all Encumbrances against the Applicants and the Applicants' Property; (v) approving releases in favour of (1) Dr.

Leanne Brigitte Simons and Patrick Grobe as directors of the Applicants; (2) all other directors, officers, legal counsel and advisors of the Applicants as at date of the commencement of the CCAA Proceedings; (3) the directors, officers, legal counsel and advisors of ResidualCo that were directors, officers, legal counsel and advisors of the Applicants as at date of incorporation of ResidualCo; (4) the Monitor (as defined below) and its legal counsel; and (5) the current directors, officers, employees, legal counsel and advisors of Hyde Advisory & Investments Inc.; and (vi) expanding the Monitor's powers regarding ResidualCo.

D. Capitalized terms used but not defined herein have the meanings ascribed to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Purchaser has paid and the Monitor has received the Purchase Price for the Purchased Shares payable on the Closing Date pursuant to the Share Purchase Agreement;

2. The Monitor has received written confirmation from the Purchaser, the Vendor and the Company, in form and substance satisfactory to the Monitor, that except for the delivery of this Monitor's Certificate, all conditions to closing as set out in sections 8.1, 8.2 and 8.3 of the Share Purchase Agreement have been satisfied or waived; and

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

This Monitor's Certificate was delivered by the Monitor at ________ on ______________, 2024.

ERNST & YOUNG INC., in its capacity as Monitor of the Applicants, and not in its personal capacity

Per: ____________________________________

Name:

Title:

Schedule "B"
Encumbrances
(unaffected by the Approval and Reverse Vesting Order)

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

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
(APPROVAL AND REVERSE VESTING ORDER)
(Dated May 7, 2024)

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

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

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

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

Tel: (416) 595 8500
Lawyers for the Applicants

TAB 5

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 7TH
JUSTICE OSBORNE	)	DAY OF MAY, 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 Monitor's Reports)

THIS MOTION made by the Applicants, 9869247 Canada Limited (d.b.a. Safari Flower Company) ("**Safari Flower**") and GN Ventures Ltd. ("**GN Ventures**", and together with Safari Flower, the "**Applicants**") for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), *inter alia*, (a) extending the stay of proceedings to and including June 30, 2024, (b) increasing the authorized borrowings under the Second Amended DIP Term Sheet between the Applicants and NE SPC II LP (the "**DIP Lender**") dated 29, 2024 (the "**Second Amended DIP Term Sheet**") and the maximum amount of the DIP Lender's Charge (as defined in the Initial Order and ARIO), and (c) approving the activities, conduct and reports of Ernst & Young Inc., in its capacity as monitor of the Applicants (the "**Monitor**"), was heard this day via Zoom videoconference.

ON READING the Motion Record of the Applicants and the Fifth Report of the Monitor dated April ●, 2024 ("**Fifth Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for the DIP Lender, 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 Maureen McLaren sworn April 30, 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.

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein have the meaning ascribed to them in the Affidavit of Dr. Brigitte Simons sworn April 29, 2024 (the "**Sixth Simons Affidavit**") or the Fifth Report.

EXTENSION OF STAY PERIOD

3. **THIS COURT ORDERS** that the Stay Period is hereby extended from May 7, 2024 to and including June 30, 2024.

DIP FINANCING INCREASE

4. **THIS COURT ORDERS** that the maximum authorized borrowings under the Second Amended DIP Term Sheet is hereby increased from the principal amount of $1,300,000 to $2,600,000 (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 $2,600,000 plus interest, fees, legal costs and any other amounts payable under the Second Amended DIP Term Sheet.

APPROVAL OF THE MONITOR'S REPORTS, CONDUCT AND ACTIVITIES

6. **THIS COURT ORDERS** that the Third Report of the Monitor dated March 21, 2024, the Fourth Report of the Monitor dated April 15, 2024, and the Fifth 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

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada 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 the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Applicants and the Monitor be at liberty and are 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.

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

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
(Re: Stay Extension, DIP Increase, and Approval of Monitor's Reports)
(Dated May 7, 2024)

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

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

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

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

Tel: (416) 595 8500
Lawyers for the Applicants

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.C-36 AS AMENDED AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SAFARI FLOWER COMPANY *et al*.	Court File No.: CV-24-00712687-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto

MOTION RECORD OF THE APPLICANTS
(Returnable April 16, 2024)

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

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

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

Gina P. Rhodes LSO#:
grhodes@millerthomson.com

Tel: 416.597.4321
Lawyers for the Applicants