Court File No. CV-24-00722386-00CL

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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

Applicants

MOTION RECORD OF THE APPLICANTS
(COMEBACK HEARING RETURNABLE JUNE 27, 2024)

June 26, 2024

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TO: **THE SERVICE LIST**

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APPLICANTS

SERVICE LIST
(As of June 26, 2024)

PARTY	CONTACT
OSLER, HOSKIN & HARCOURT LLP 1 First Canadian Place 100 King Street West Suite 6200 Toronto, Ontario M5X 1B8 *Counsel to the Applicants*	**Randal Van de Mosselaer** Tel: 403.260.7060 Email: rvandemosselaer@osler.com **Mary Paterson** Tel: 416.862.4924 Email: mpaterson@osler.com **Justin Kanji** Tel: 416.862.6642 Email: jkanji@osler.com
MCCARTHY TÉTRAULT LLP 66 Wellington St West Suite 5300 Toronto, Ontario M5K 1E6 *Counsel to the Court-appointed Monitor*	**Trevor Courtis** Tel: 416.601.7643 Email: tcourtis@mccarthy.ca

PARTY	CONTACT
ERNST & YOUNG INC. 100 Adelaide Street West Toronto, Ontario M5H 0B3 *Court-appointed Monitor*	**Alex Morrison** Email: alex.f.morrison@parthenon.ey.com **Mike Bell** Email: mike.bell@parthenon.ey.com **Karen Fung** Email: karen.k.fung@parthenon.ey.com **Greg Adams** Email: greg.j.adams@parthenon.ey.com
MILLER THOMSON LLP 40 King Street West Suite 5800 Toronto Ontario, M5H 3S1 *Counsel to the DIP Lender*	**Monica Faheim** Email: mfaheim@millerthomson.com **Larry Ellis** Email: lellis@millerthomson.com **Sam Massie** Email: smassie@millerthomson.com
SECURED PARTIES	
RECONSTRUCT LLP 120 Adelaide Street West Suite 2500 Toronto, Ontario M5H 1T1 *Counsel to Stoke Canada Finance Corp.*	**Caitlin Fell** Tel: 416.613.8282 Email: cfell@reconllp.com **R. Brendan Bissell** Tel: 416.613.0066 Email: bbissell@reconllp.com **Jared Rosenbaum** Tel: 416.613.8284 Email: jrosenbaum@reconllp.com

PARTY	CONTACT
FOGLER RUBINOFF 77 King Street West Suite 3000 Toronto, Ontario M5K 1G8 *Counsel to Hillmount Capital Mortgage Holdings Inc.*	**Joseph Fried** Tel: 416.941.8836 Email: jfried@foglers.com
THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200 Toronto, Ontario M5K 1K7 *Counsel to Hillmount Capital Mortgage Holdings Inc.*	**D.J. Miller** Tel: 416.941.8836 Email: DJmiller@tgf.ca **Derek Harland** Tel: 416.304.1127 Email: DHarland@tgf.ca
SISKINDS LLP 65 Queen Street West Suite 1155 Toronto Ontario, M5H 2M5 *Counsel for 2596690 Ontario Inc. Operating as AgriRoots*	**Barbara VanBunderen** Tel: 519.660.7896 Email: barbara.vanbunderen@siskinds.com
THORNTON GROUT FINNIGAN LLP 100 Wellington Street West Suite 3200 Toronto, Ontario M5K 1K7 *Counsel to Your Neighbourhood Credit Union*	**Leanne Willaims** Email: lwilliams@tgf.ca **Divi Dev** Email: ddev@tgf.ca

PARTY	CONTACT
BOOK ERSKINE LLP 360 Bay Street Suite 500 Toronto Ontario, M5H 2V6 *Counsel to Hillcrest Merchant Partners Inc.*	**Sara Erskine** Tel: 416.597.5408 Email: sara@be-law.ca **Adrienne Zaya** Tel: 416.306.8026 Email: adrienne.zaya@be-law.ca
ONTARIO MINISTRY OF FINANCE – LONDON TAX OFFICE 130 Dufferin Avenue Suite 400 London Ontario, N6A 5R2	Email: financecommunications.fin@ontario.ca Copy to: insolvency.unit@ontario.ca
HALTON AUTOLEASE INC. 4100 Harvester Road Burlington Ontario, L7L 0C1	**Paul Pittaway** Email: lease@haltonautolease.com
M & T Bank 750 Main Street Niagara Falls New York, 14301	
NFS LEASING CANADA LTD. 900 Cummings C Suite 226-U Beverly Massachusetts, 01915	**Dana Calumby** Chief Financial Officer Tel: 866.970.4637 Email: info@nfsleasing.com **Copy to:** JulietT@nfsleasing.com
VALIANT FINANCIAL SERVICES INC. 8840 210 Street Langley Twp British Columbia, V1M 2Y2	

PARTY	CONTACT
GM FINANCIAL CANADA LEASING LTD. 2001 Sheppard Avenue Suite 600 Toronto Ontario, M2J 4ZB	
PRAXAIR CANADA INC. 1 City Centre Drive Suite 1200 Mississauga Ontario, L5B 1M2	**Eric Mackenzie** Tel: 905.803.1600 Email: eric_mackenzie@praxair.com
ONTARIO WATER TESTING CENTRE INC. 20 Currie Street Chatham Ontario, N7M 6J9	
GOVERNMENT ENTITIES	
ATTORNEY GENERAL OF CANADA DEPARTMENT OF JUSTICE – INSOLVENCY UNIT Ontario Regional Officer, Tax Law Section Suite 400 120 Adelaide Street West Toronto, Ontario M5H 1T1	**Edward Park** Email: edward.park@justice.gc.ca *Lawyer for Canada Revenue Agency*
CANADA REVENUE AGENCY 1 Front Street West Toronto, Ontario M5J 2X6 *Federal Taxation Authority*	**Pat Confalone** Tel: 1.866.668.8297 Email: pat.confalone@cra-arc.gc.ca Email: NotificationPGC-AGC.Fiscal-Tax@justice.gc.ca **Copy to:** Tessania.Lawrence@justice.gc.ca

PARTY	CONTACT
MINISTRY OF FINANCE (ONTARIO) – INSOLVENCY UNIT Legal Services Branch 11-777 Bay Street Toronto, Ontario M5G 2C8	**Leslie Crawford** Email: insolvency.unit@ontario.ca
DEPARTMENT OF JUSTICE (BRITISH COLUMBIA) Legal Services Branch, Revenue & Taxation PO Box 9280 Stn Prov Govt Victoria, BC V8W 9J7	Email: AGLSBRevTaxInsolvency@gov.bc.ca
ACTIVE LITIGATION PARTIES	
MUSKOKA GROWN LIMITED 440 Ecclestone Drive Bracebridge Ontario, P1L 1Z6	
MCHPEE INVESTMENTS LTD. 4 Covent Market Place London Ontario, N6A 1E2	**Jonathan J. Foreman** Email: jforeman@foremancompany.com **Sarah A. Bowden** Email: sbowden@foremancompany.com
WSIB 120 King Street West Hamilton Ontario, L8P 2V2	

PARTY	CONTACT
1402171 ALBERTA INC. 65 St. Clair Avenue East Suite 200 Toronto Ontario, M4T 2Y8	**Alex Van Kralingen** Tel: 416.640.1550 Email: avankralingen@israelfoulon.com **Katherine Chau** Tel: 416.640.1550 Email: kchau@israelfoulon.com
ALACER ET AL. 5000 Younge Street 10th Floor Toronto Ontario, M2N 7E9	**Christopher J. Staples** Tel: 416.218.1146 Email: chris@chaitons.com **Darren Marr** Tel: 416.218.1136 Email: dmarr@chaitons.com
SHAWN SIMON 295 Central Avenue London Ontario, N6B 2C9	**L. Scott Smith** Tel: 519.679.3366 Email: reception@nicholsonsmith.com
ATLAS GROWERS LTD. 2800 Rice Howard Place 10060 Jasper Avenue Edmonton Alberta, T5J 3V9	**Ryan F.T. Quinlan** Tel: 780.441.4336 Email: rquinlan@dcllp.com
AGRICULTURAL FINANCIAL SERVICES CORPORATION 2500 Stantec Tower 10220-103 Avenue NE Edmonton Alberta, T5J 3V5	**Richard J. Cotter** Email: richard.cotter@dentons.com **Kurtis Letwin** Email: kurtis.letwin@dentons.com **Danielle Carriere** Email: danielle.carriere@dentons.com

PARTY	CONTACT
UNSECURED PARTIES	
11213091 CANADA INC. c/o Trevor Henry 19664 Charing Cross Rd Chatham ON N0P 1A0	

E-SERVICE LIST

rvandemosselaer@osler.com; mpaterson@osler.com; jkanji@osler.com; alex.f.morrison@parthenon.ey.com; mike.bell@parthenon.ey.com; karen.k.fung@parthenon.ey.com; greg.j.adams@parthenon.ey.com; tcourtis@mccarthy.ca; mfaheim@millerthomson.com; lellis@millerthomson.com; smassie@millerthomson.com; cfell@reconllp.com; bbissell@reconllp.com; jrosenbaum@reconllp.com; jfried@foglers.com; DJmiller@tgf.ca; DHarland@tgf.ca; barbara.vanbunderen@siskinds.com; lwilliams@tgf.ca; ddev@tgf.ca; sara@be-law.ca; adrienne.zaya@be-law.ca; financecommunications.fin@ontario.ca; insolvency.unit@ontario.ca; lease@haltonautolease.com; info@nfsleasing.com; JulietT@nfsleasing.com; eric_mackenzie@praxair.com; edward.park@justice.gc.ca; AGC-PGC.Toronto-Tax-Fiscal@justice.gc.ca; pat.confalone@cra-arc.gc.ca; NotificationPGC-AGC.Fiscal-Tax@justice.gc.ca; Tessania.Lawrence@justice.gc.ca; insolvency.unit@ontario.ca; AGLSBRevTaxInsolvency@gov.bc.ca; jforeman@foremancompany.com; sbowden@foremancompany.com; avankralingen@israelfoulon.com; kchau@israelfoulon.com; chris@chaitons.com; dmarr@chaitons.com; reception@nicholsonsmith.com; rquinlan@dcllp.com; richard.cotter@dentons.com; kurtis.letwin@dentons.com; danielle.carriere@dentons.com;

COURIER SERVICE

GM FINANCIAL CANADA LEASING LTD. 2001 Sheppard Avenue East Suite 600 Toronto Ontario, M2J 4ZB	**ONTARIO WATER TESTING CENTRE INC.** 20 Currie Street Chatham Ontario, N7M 6J9
WSIB 120 King Street West Hamilton Ontario, L8P 2V2	**11213091 CANADA INC.** c/o Trevor Henry 19664 Charing Cross Rd Chatham ON N0P 1A0
MUSKOKA GROWN LIMITED 440 Ecclestone Drive Bracebridge Ontario, P1L 1Z6	**VALIANT FINANCIAL SERVICES INC.** 8840 210 Street Langley Twp British Columbia, V1M 2Y2
M & T Bank 750 Main Street Niagara Falls New York, 14301	

TABLE OF CONTENTS

TAB 1

Court File No. CV-24-00722386-00CL

ONTARIO
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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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

Applicants

NOTICE OF MOTION
(returnable June 27, 2024)

The Applicants, Atlas Global Brands Inc. ("**Atlas**") as well as the "**Ontario Subsidiaries**", namely, GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**GreenSeal Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp. ("**Wellworth**"), 5047346 Ontario Inc. ("**5047 Ontario**"), 8050678 Canada Inc. ("**8050 Canada**") and Tavivat Naturals Inc. ("**Tavivat**"), will make a motion before the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) on June 27, 2024 at 2:00 pm, or as soon as possible after that time as the motion can be heard.

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

☐ In writing under subrule 37.12.1 (1);

☐ In writing as an opposed motion under subrule 37.12.1 (4);

☐ In person;

☐ By telephone conference;

☒ By video conference.

at the following location:

https://ca01web.zoom.us/j/65400327305?pwd=WC91RjNENjNnZ1Q2NHpvbDlzaUNldz09#success

Meeting ID: 654 0032 7305
Passcode: 082269

THIS MOTION IS FOR:

1. An Amended and Restated Initial Order ("**ARIO**") substantially in the form included in the Motion Record, *inter alia*:

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

   (b) extending the Initial Stay Period (as defined below) to July 26, 2024 (the "**Stay Extension**");

   (c) approving the Applicants (as defined below) to enter into a debtor-in-possession ("**DIP**") term sheet (the "**DIP Term Sheet**") and borrow under the facility to be provided under such DIP Term Sheet, and granting a priority charge to the DIP lender (the "**DIP Lender's Charge**");

   (d) granting and/or amending the following charges over the property of the Applicant:

      (i) increasing the Administration Charge to $600,000; and

      (ii) increasing the Directors' Charge to $1,400,000.

(e) relieving Atlas of any obligation to call and hold its annual general meeting of shareholders ("**AGM**") until further Order of this Court;

(f) authorizing the Applicants to incur no further expenses for the duration of the Stay of Proceedings in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange (collectively, the "**Securities Provisions**"), and declaring that none of the directors, officers, employees, and other representatives of the Applicants or the Monitor in these CCAA proceedings (and its directors, officers, employees and representatives) shall have any personal liability for any failure by the Applicants to make the Securities Filings;

(g) sealing the First Confidential Cervi Affidavit ("**First Confidential Cervi Affidavit**") and to not form part of the public record until further Order of the Court; and

2. Such further and other relief as this Court may deem just and equitable.

3. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Affidavit of Jason Cervi affirmed June 19, 2024 (the "**Initial Cervi Affidavit**").

THE GROUNDS FOR THE MOTION ARE:

Background

4. The Atlas Group is vertically integrated with operations in Canada and Israel, and with sales in eight international markets. The principal business activity of the Atlas Group is the production, distribution, and sale of cannabis internationally and in Canada. Its medical cannabis is currently sold and distributed in Canada, Australia, Germany, Israel, Denmark, Norway, Spain, and United Kingdom. Atlas also sells cannabis for the adult recreational market in Canada;

5. Atlas is a public company and a reporting issuer in Alberta, British Columbia, Manitoba, and Ontario. The common shares of Atlas are listed on the CSE under the ticker symbol "ATL". Atlas is currently subject to a cease-to-trade order;

6. On June 20, 2024, the Honourable Justice Penny granted an initial order (the "**Initial Order**") which, *inter alia*, appointed Ernst & Young Inc. as Monitor over the Applicants (in such capacity, the "**Monitor**") and provided protection to the Applicants under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**");

7. The Applicants understand that the Monitor is supportive of the relief sought at the Comeback Hearing;

Extension of Stay of Proceedings

8. Pursuant to the Initial Order, a 7-day stay of proceedings was granted (the "**Initial Stay Period**");

9. During the Initial Stay Period, the Applicants have acted, and continue to act, in good faith and with due diligence to, among other things, operate in the ordinary course and communicate with stakeholders;

10. The Stay Extension is required to provide stability for the Applicants and to enable their restructuring;

11. It is forecasted that the Applicants will have sufficient liquidity during the Stay Extension to fund obligations and the costs of the CCAA proceedings;

12. The Applicants understand that the Monitor supports this relief, and no creditor will be materially prejudiced by the Stay Extension;

DIP Loan and DIP Lender's Charge

13. The Cash Flow Forecast prepared by the Applicants with the assistance of the Monitor indicates that the Applicants anticipate the need for interim financing to continue operating up to and including the Stay Extension;

14. In connection with these CCAA proceedings, the Applicants entered into the DIP loan with Shalcor Management Inc. (the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to provide a non-revolving credit facility to the Applicants of up to $7 million (the "**DIP Facility**");

15. The DIP Facility is conditional upon, among other things, the obtaining of an order of this Court approving the DIP Loan and other documents to be executed and delivered thereunder, as necessary, and granting the DIP Lender's Charge over the Applicants' Property, which shall be subject to a cap of $3 million in respect of the assets of GreenSeal;

16. The DIP Lender's Charge is proposed to rank behind the Administration Charge and ahead of the Director's Charge;

17. The Monitor is supportive of the proposed authority for the Applicants to borrow up to $7,000,000 million under the DIP Facility and the corresponding DIP Lender's Charge;

Relief from Reporting Obligations and Extension of Time to Hold the AGM

18. The Applicants seek:

(a) to incur no further expenses in relation to the Securities Filings;

(b) a declaration that none of the directors, officers, employees and other representatives of the Applicants or the Monitor shall have any personal liability for failure by the Applicants to make any Securities Filings that may be required by the Securities Provisions; and

(c) to extend the time limit to hold the AGM;

19. In the circumstances, it is in the best interest of the Applicants and their stakeholders to incur no further expenses to maintain the currency of its securities reporting going forward and to extend the time limit to hold the AGM until after the conclusion of the CCAA proceedings, subject to a further order of this Court;

20. Full information will be provided to stakeholders through the reporting associated with these CCAA proceedings;

21. The Applicants' resources and time are better focused on their restructuring efforts for the benefit of all stakeholders;

Increase to Charges and Priming

22. The Initial Order provided for the following Charges, which are being requested to be raised to the below and primed over other Encumbrances (with one exception) (term as defined in the ARIO):

(a) First – the Administration Charge in the amount of $400,000 to $600,000;

(b) Second – the DIP Lender's Charge in the amount of $7,000,000; and

(c) Third – the Directors' Charge in the amount of $500,000 to $1,400,000.

23. The relief sought regarding the Charges on the application for the Initial Order was limited to the amount reasonably necessary for the Applicants to continue operations in the ordinary course of business during the initial 7-day stay;

24. The requested increase to the Charges reflects an amount reasonably necessary and recommended by the Monitor for the purposes of the Stay Extension;

STATUTORY REGIME

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

26. Rules 1.04, 2.03, 3.02, 16, 37 and 39 of the *Rules of Civil Procedure,* R.R.O. 1990, Reg. 194, as amended, along with any other relevant provisions therein;

27. Section 106 and 137 of the *Courts of Justice Act*, R.S.O. 1990, c. C. 43, as amended, along with any other relevant provisions therein; and

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

DOCUMENTARY EVIDENCE

29. The Second Affidavit of Jason Cervi affirmed June 26, 2024 and the exhibits attached thereto;

30. The First Confidential Cervi Affidavit affirmed June 26, 2024 and the exhibits attached thereto;

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

32. Such further and other material as counsel may advise.

June 26, 2024

OSLER, HOSKIN & HARCOURT LLP
100 King Street West
1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicant

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*
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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
PROCEEDING COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable June 27, 2024)

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicant

TAB 2

Court File No. CV-24-00722386-00CL

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Applicants

AFFIDAVIT OF JASON CERVI
(Affirmed June 26, 2024)

I, Jason Cervi, of the City of Burlington, in the Province of Ontario, AFFIRM:

INTRODUCTION AND OVERVIEW

1. I am the Chief Financial Officer ("**CFO**") of Atlas Global Brands Inc. ("**Atlas**", together with its Ontario Subsidiaries (as defined below), the "**Applicants**" or the "**Atlas Ontario Group**").

2. GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**GreenSeal Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp. ("**Wellworth**"), 5047346 Ontario Inc. ("**5047 Ontario**"), 8050678 Canada Inc. ("**8050 Canada**") and Tavivat Naturals Inc. ("**Tavivat**") are subsidiaries of Atlas (together, the "**Ontario Subsidiaries**"; the Applicants, together with all Atlas subsidiaries, is the "**Atlas Group**").

3. I have been the CFO of Atlas since January 31, 2023. I joined Atlas on December 30, 2022, as Global Head of Finance and Administration and Group Controller. I was appointed as Director of GreenSeal and GreenSeal Nursery on April 28, 2023 and Director of AgMedica on May 31, 2023. I have personal knowledge of the matters to which I depose in this Affidavit except where I have obtained information from others. 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.

4. Capitalized terms used herein and not otherwise defined have the meaning ascribed to them in my affidavit affirmed on June 19, 2024 (the "**Initial Cervi Affidavit**"), a copy of which is attached hereto (without Exhibits) as **Exhibit "A"**. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise noted.

5. This affidavit is affirmed in support of an Application for an Amended and Restated Initial Order ("**ARIO**") pursuant to *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), *inter alia*:

(a) extending the Initial Stay Period (as defined in paragraph 13 of the Initial Order) to July 26, 2024 (the "**Stay Extension**");

(b) approving the Applicants entering into a debtor-in-possession ("**DIP**") term sheet (the "**DIP Term Sheet**") and borrowing under the facility to be provided pursuant to such DIP Term Sheet, and granting a priority charge to the DIP lender (the "**DIP Lender's Charge**");

(c) amending the following charges over the property of the Applicant:

(i) increasing the Administration Charge to $600,000;

(ii) increasing the Directors' Charge to $1,400,000; and

(iii) deleting the Intercompany Charge.

(d) relieving Atlas of any obligation to call and hold its annual general meeting of shareholders ("**AGM**") until further Order of this Court;

(e) authorizing the Applicants to incur no further expenses for the duration of the Stay of Proceedings in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial, or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange (collectively, the "**Securities Provisions**"), and declaring that none of the directors, officers, employees, and other representatives of the Applicants or the Monitor in these CCAA proceedings (and its directors, officers, employees and representatives) shall have any personal liability for any failure by the Applicants to make the Securities Filings; and

(f) seeking a sealing order in respect of the First Confidential Affidavit of Jason Cervi dated June 26, 2024.

6. The Atlas Group, as defined in the Initial Cervi Affidavit, is vertically integrated with operations in Canada and Israel, and with sales in seven international markets. The principal

business activity of the Atlas Group is the production, distribution, and sale of cannabis internationally and in Canada. Its medical cannabis is currently sold and distributed in Canada, Australia, Germany, Israel, Denmark, Norway, Spain, and United Kingdom. Atlas also sells cannabis for the adult recreational market in Canada.

BACKGROUND AND STATUS OF THE CCAA PROCEEDINGS

A. Background

7. The Initial Cervi Affidavit contains additional background about the Atlas Group and the events leading up to these CCAA proceedings.

8. The Atlas Ontario Group applied for urgent relief under the CCAA and was granted the Initial Order dated June 20, 2024 (the "**Initial Order**"). The Initial Order, a copy of which is attached hereto at **Exhibit "B"**, *inter alia*, granted the following relief (terms as defined in the Initial Order):

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

(b) appointing Ernst & Young Inc. ("**EY**") as an officer of the Court to monitor the assets, business, and affairs of the Applicant (in such capacity, the "**Monitor**");

(c) staying, for an initial period of not more than seven (7) days, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor, their directors and officers, or affecting the Applicants' business or the Property (as defined in the Initial Order), except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "**Stay of Proceedings**");

(d) granting the following priority charges (collectively, the "**Charges**") over the Property:

(i) a charge as security for the respective fees and disbursements of the proposed Monitor, its counsel and counsel to the Applicants, relating to services rendered in respect of the Applicants, in the maximum amount of $400,000 (the "**Administration Charge**");

(ii) a charge in favour of the directors and officers of the Applicants in the maximum amount of $500,000 (the "**Directors' Charge**"); and

(iii) a charge in favour any Applicant (an "**Intercompany Lender**") who, after the date of the Initial Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant); and granting such an Intercompany Lender a charge (each, an "**Intercompany Charge")** on all the Property of such Debtor Applicant in the amount of such payment, obligation or transfer, which charge shall not exceed an aggregate amount of $150,000; and

(e) authorizing Atlas and the Ontario Subsidiaries to continue using their Cash Management System.

9. Copies of materials filed in the CCAA proceedings are available on the website of the Monitor at: https://documentcentre.ey.com/#/detail-engmt?eid=601.

10. Since the Initial Order was granted, the Atlas Ontario Group has continued its business operations in the ordinary course. The Atlas Ontario Group has been working with the Monitor to stabilize operations and begin its restructuring initiatives as well as engaging with stakeholders. Immediately after obtaining CCAA protection, the Applicants published a press release to inform its various stakeholders of the granting of the Initial Order. A copy of the press release is attached as **Exhibit "C"**.

11. The Applicants' activities during the first five days of these proceedings, with the assistance of its advisors and the Monitor, include:

(a) engaging in discussions with potential DIP lenders about the DIP Loan, the business and next steps in the CCAA proceedings, and entering into the DIP Term Sheet;

(b) engaging in discussions with the Canada Revenue Agency (the "**CRA**") regarding the CRA Requirements and the Applicants' ability to purchase excise stamps and reaching an agreement regarding both items;

(c) creating and implementing a communication plan to advise key stakeholders of the CCAA proceeding, preparing an advertisement announcing the issuance of the Initial Order, and preparing a "Frequently Asked Questions" sheet for impacted entities;

(d) engaging in discussions with other creditors;

(e) communicating with, providing information to, and answering questions of various stakeholders and employees;

(f) meeting with employees and the Monitor to discuss expenditure and cash flow management; and

(g) together with the assistance of the Monitor, establishing a virtual data room in anticipation of the ARIO being granted.

12. The Atlas Ontario Group continues to work with the Monitor in good faith to respond to numerous creditor and stakeholder inquiries on a daily basis.

13. The Applicants have also notified the various cannabis regulatory entities in the jurisdictions in which the Applicants operate their business, advising each entity of the granting of the Initial Order and their inclusion on the Applicants' service list.

B. Developments Regarding Secured Debt: YNCU

14. As is described in the Initial Cervi Affidavit, Your Neighbourhood Credit Union Limited ("**YNCU**") agreed to provide to GreenSeal three credit facilities in the aggregate amount of $5,346,485 (the "**Commitment Letter**"). The tranches included, a commercial mortgage in the amount of $4,371,000, an additional commercial mortgage facility in the amount of $675,000 (collectively, the "**Commercial Mortgages**") and a line of credit in the amount of $300,000 (the "**Line of Credit**").

15. The Commercial Mortgages were used to fund the acquisition of the Stratford Facility and the Line of Credit was given for GreenSeal's operations. The Commercial Mortgages have a maturity date of March 9, 2026, and the Line of Credit matured on July 4, 2023. The unpaid balance is approximately $230,000, in respect of which GreenSeal has been making regular payments.

16. As security for the payment and performance of GreenSeal's obligations under the Commitment Letter, among other things, GreenSeal granted a charge in the amount of $5.4 million over the Stratford Facility to YNCU and a fixed and floating charge over the Real Property (as defined in the Commitment Letter) and its associated assets and a subordinate fixed and floating charge over all of the assets and undertakings of GreenSeal subsequent only to existing charges.

17. In addition, personal guarantees were given by the Former Principals and a corporate guarantee from the Former Shareholder. YNCU currently has a registered security interest in respect of the Commercial Mortgages pursuant to the PPSA against GreenSeal.

18. On the afternoon of June 25, 2024, YNCU's counsel advised that YNCU would be bringing a receivership application in respect of the assets of GreenSeal returnable at the Comeback Hearing. YNCU's mortgage is in good standing as all payments are current. YNCU has not made a demand for payment of any kind, has not issued a notice of default, has not provided GreenSeal with an opportunity to cure any alleged default, and has not delivered a section 244 notice.

C. Developments Regarding the CRA's Enforcement Actions

19. I am informed by my counsel, Ms. Paterson, and believe that discussions with counsel for the CRA started on Friday, June 21, 2024, and continued through to Tuesday, June 25, 2024.

20. As is set out in the Initial Cervi Affidavit, by May 20, 2024, GreenSeal had approximately $2,919,273.95 in excise tax arrears. These arrears prompted the CRA to issue garnishment notices (each a "**CRA Requirement**") to various provincial wholesalers for non-payment of excise taxes.

21. In February 2024, the CRA issued CRA Requirements to provincial wholesaler account debtors of GreenSeal directing payment to the Receiver General of 50% of the receivables owed

to GreenSeal. As of June 19, 2024, the CRA had garnished a total of appropriately $854,719 of GreenSeal's receivables and provided notice of its intention to garnish an additional $1,259,480. As of the date of this affidavit, the cumulative garnishments are $1,393,622.87.

22. In addition, as of June 19, 2024, AgMedica had $3,842,970 in excise tax arrears. The CRA issued a CRA Requirement to Ontario Cannabis Store ("**OCS**") for 50% of AgMedica's receivables. AgMedica's receivables with OCS are minimal as AgMedica primarily focuses on international exports. Less than $20,000 has been garnished.

23. To ensure certainty and clarity on both the CRA Requirements and excise stamps, the Atlas Group included in its factum filed to support seeking the Initial Order proposed language for the ARIO related to both issues.

24. The Applicants and the CRA have reached an agreement pursuant to which the CRA will withdraw the CRA Requirements and will continue to sell excise stamps to GreenSeal and AgMedica. That agreement contemplates that the CRA will supply cannabis stamps in the ordinary course during the Stay Period provided that

(a) the Applicants remain current with their monthly filing obligations under section 160 of the *Excise Act, 2001*;

(b) the number of stamps ordered do not exceed the licencee's capacity limit, which is represented by the number of stamps reported as used on products on the B300 Cannabis Duty and Information Returns for the most recent 4-month period. These would apply to all licencees that are registered with the stamping regime and wish to place an order; and

(c) post-CCAA duties are paid or remitted on a timely basis as and when they become due.

25. Once the CRA withdraws the CRA Requirements, all receivables previously subject to those Requirements can be paid by wholesalers to the applicable Atlas Group subsidiary rather than to the CRA.

26. As a result of this agreement, the Applicants will not seek the language proposed in Schedule "C" to the factum filed to support of seeking the Initial Order.

D. Receivables Purchase Agreement and Stoke's Demand

27. As is described in the Initial Cervi Affidavit, on June 7, 2023, Stoke and GreenSeal entered into the Receivables Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, collectively the "**GreenSeal RPA**") which describes GreenSeal agreeing to sell and Stoke agreeing to buy certain Eligible Receivables of GreenSeal. A copy of the GreenSeal RPA was attached to the Initial Cervi Affidavit as Exhibit "T".

28. Pursuant to the GreenSeal RPA, once a week, GreenSeal could ask Stoke to purchase Eligible Receivables on a proposed Purchase Date. If it agreed to do so, Stoke would purchase receivables for a purchase price, subject to certain fees and two Reserves or holdbacks of that price against certain contingencies.

29. In the GreenSeal RPA, there is a distinction between "Purchased Receivables" and "Eligible Receivables". Eligible Receivables are receivables that meet the criteria set out in Schedule A to the GreenSeal RPA, such as being owed by a Crown or Private Wholesaler, being payable in Canada, and the Wholesaler having approved in writing and accepted the underlying

Cannabis Product, among other things. All Purchased Receivables must be Eligible Receivables, in the sense that they meet the criteria set out in Schedule A. Eligible Receivables only become Purchased Receivables once GreenSeal asks Stoke to purchase Eligible Receivables and Stoke agrees to do so and pays the purchase price.

30. I note that GreenSeal has Eligible Receivables that are not Purchased Receivables in that there are receivables from Wholesalers that were not factored to Stoke.

31. To make a request, the GreenSeal RPA contemplated GreenSeal completing a "Purchase Summary", the form of which was attached to the GreenSeal RPA as Schedule B, providing certain specified information, such as the Total Invoice Amount, Total Eligible Amount, Expected Payment Date, Purchase Date and Purchase Price. In addition, GreenSeal provided supporting documentation, including the invoices and purchase orders associated with the Purchased Receivable.

32. Over the course of the GreenSeal RPA, there were a total of 14 actual cash advances made by Stoke from the inception to the last advance made on December 4, 2023. GreenSeal made nine cash payments to Stoke, remitting $732,328 in cash when collateral fell below the previously advanced balances. Total actual cash advanced by Stoke to GreenSeal was $2,233,749 with accrued interest and fees up to the last reconciled balance of $325,979. When this amount is netted against the payments made by GreenSeal, the amount owed by GreenSeal to Stoke is approximately $1.85 million.

33. Operationally, when GreenSeal received payment on Purchased Receivables, GreenSeal generally proposed new Eligible Receivables or new Eligible Purchase Orders to re-collateralize

the outstanding balance owed to Stoke. As a result, after the initial period of the GreenSeal RPA, Stoke generally did not advance new amounts.

34. As is described in the Purchase Summary, GreenSeal paid Stoke a financing fee equal to 1.80% per 30 days, charged (uncompounded) daily; an administrative fee of $150.00 per Purchase Summary, and a default fee equal to 1.0% per 30 days, charged (compounded) daily.

35. The GreenSeal RPA contemplated the existence of two bank accounts: (1) the "Purchaser's Bank Account" (i.e., Stoke's account), and (2) the Seller's Bank Account, which was defined to be a GreenSeal account over which Stoke had signing authority. When GreenSeal sold product to Wholesalers, the GreenSeal RPA contemplated Wholesalers paying the amounts owing in respect of that product into one of those two accounts.

36. To my knowledge, a Wholesaler never paid any amount owing in respect of GreenSeal product into Stoke's Purchaser's Bank Account. To my knowledge, the "Seller's Bank Account" does not exist, as there is no GreenSeal bank account over which Stoke has signing authority.

37. The GreenSeal RPA describes the factoring arrangement as an absolute sale of receivables. Upon completing a purchase, Stoke is stated to obtain absolute title to the Purchased Receivables. Further, it is stated that the parties do not intend this relationship to be a secured loan (section 3.4).

38. I was informed by John Zannis of the CRA that when the CRA began issuing the CRA Requirements and garnishing receivables that Stoke believed it owned pursuant to the GreenSeal RPA, Stoke contacted the CRA and asserted that ownership right. I understand that the CRA did not accept Stoke's ownership of those receivables and continued to garnish the receivables until the Initial Order was granted.

39. As security for the payment and performance of GreenSeal's obligations, the GreenSeal RPA describes GreenSeal granting a continuing security interest, in the moneys and other sums payable to or receivable by GreenSeal under or pursuant to the provisions of the Eligible Receivables, the Reserve Amount and the Dilution Reserve as defined in the GreenSeal RPA, the books and records related to the foregoing, and all additions, substitutions and replacements for each of the foregoing.

40. As security for GreenSeal's obligations in connection with the Additional Facility Supplement, the Additional Facility Supplement contemplates GreenSeal granting Stoke "a first priority security interest in, all of [GreenSeal's] right, title and interest in and to" the Eligible Purchase Order, goods and inventory held for the purpose of filling the Eligible Purchase Order, and related documents, books and records, among other things.

41. Stoke appears to assert a security interest in *all* Eligible Purchase Orders regardless of whether Stoke purchased or advanced against those Purchase Orders. However, the GreenSeal RPA, as amended, uses the word "the" ahead of Purchaser Orders. It does not use the word "all".

42. In addition, YNCU, the mortgagee on the Stratford Facility owned by GreenSeal, has a fixed and floating charge over all of the assets and undertakings of GreenSeal subsequent only to existing charges. The YNCU security predates the GreenSeal RPA and Stoke's interests.

43. It is my understanding that YNCU, Stoke and GreenSeal began to negotiate a *pari passu* priority agreement, but GreenSeal does not have a final or executed copy of such agreement and I am not aware of any such agreement having been executed.

44. As a result, it is unclear which of YNCU and Stoke has priority in relation to the Eligible Receivables and the Eligible Purchase Orders.

45. Of the total debt of approximately $1.85 million owing to Stoke, approximately $1.35 million is associated with as of yet unpaid Purchased Receivables.

THE CASH FLOW FORECAST

46. To preserve the status quo pending further order of this Court, the Cash Flow Forecast prepared by the Applicants with the assistance of the Monitor is designed to minimize, and, if possible, eliminate, any potential prejudice to secured creditors. In particular:

(a) *Stoke*: The Cash Flow Forecast contemplates that none of the anticipated $1.35 million in receivables associated with the Purchased Receivables will be used by GreenSeal (or any other Applicant) pending resolution of the uncertainty associated with the competing security between YNCU and Stoke. Furthermore, as the Cash Flow Forecast shows and the DIP Term Sheet contemplates, $500,000 will be advanced to the Monitor and held in trust upon resolution of the priority claims between Stoke and YNCU. In this manner, the entire amount demanded by Stoke is addressed through the CCAA proceedings such that Stoke is not prejudiced by the CCAA Proceedings.

(b) *YNCU*: The Cash Flow Forecast contemplates that interest payments owing to YNCU will be paid in the ordinary course. As no amounts are owing to YNCU currently, it is not prejudiced by these CCAA proceedings.

UPDATED FACTS FROM THE INITIAL CERVI AFFIDAVIT

A. Updates Regarding Assets

47. At paragraph 114 of the Initial Cervi Affidavit, I noted that on July 26, 2023, Atlas announced a collaboration with Snoop Dogg and the launch of a new brand, “D*gg lbs”. Atlas owns the licence agreement with Snoop Dogg. GreenSeal does not own the licence, but it operates under the licence as a subsidiary of Atlas. GreenSeal’s main source of revenue is D*gg lbs.

48. I note that Habitat for Humanity continues to lease industrial space at the Chatham Facility and requested an extension through September.

B. Phase II Environmental Site Assessment

49. At paragraph 34 of the Initial Cervi Affidavit, I stated that “AgMedica has not conducted a Phase II ESA at the Chatham Site due to lack of liquidity.”

50. At the time of swearing the Initial Cervi Affidavit, I did not know that AgMedica had conducted a Phase II Environmental Site Assessment (“**ESA**”) at the Chatham Facility and prepared a draft report. This Phase II ESA was conducted before the Atlas Group was formed and before I joined Atlas. I first learned about the draft Phase II ESA when a representative of Hillmount informed the Monitor that there was a draft Phase II ESA report. The Monitor told me and Mr. Yeung, and Mr. Yeung then located the draft Phase II ESA Report and provided it to the Monitor. Neither Mr. Yeung nor I have located a Phase II ESA Report in final form.

51. According to the draft Phase II ESA Report by JFM Environmental Limited (“**JFM**”) dated August 12, 2022 (“**Phase II ESA Report**”), target areas at the Chatham Facility were investigated by soil borings and groundwater monitoring wells to assess the environmental condition of the soil

and groundwater. The targets were selected by JFM based on the conclusions and recommendations presented in the previously completed Phase I ESA.

52. The Phase II ESA Report found, *inter alia*, that all soil samples obtained on site had all chemical compounds investigated at concentrations *less than the applicable standards*[1] except for petroleum hydrocarbons (PHCs) fraction F3 found in one sample. Additionally, suspect odours and a visible sheen were observed on one sample and considered contaminated. Moreover, the groundwater did not meet the applicable groundwater standards.[2] Hydrocarbon impacts were found at three sampling locations, though the full extent of the groundwater impacts was not determined. The groundwater sample results corresponded with field observations made during the sampling events. Suspect odours and free product were also observed during the groundwater sampling events at the three locations.

53. The draft Phase II ESA Report recommended that further soil investigation, including additional borehole drilling and soil sampling, to delineate the reported soil contamination, was warranted. Additionally, it recommended that further groundwater investigation, including additional monitoring well drilling and groundwater sampling to delineate the impacts was warranted. These recommendations have not been implemented.

[1] Full Depth Generic Site Condition Standards in a Non-Potable Ground Water Condition (Industrial/Commercial/ Community Property Use, coarse texture soil) made under Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the *Ontario Environmental Protection Act* (Ministry of the Environment, April 15, 2011).

[2] Full Depth Generic Site Condition Standards in a Non-Potable Ground Water Condition (Residential/Parkland/Institutional/Industrial/Commercial/Community Property Use) made under Soil, Ground Water and Sediment Standards for Use Under Part XV.1 of the *Ontario Environmental Protection Act* (Ministry of the Environment, April 15, 2011) (MECP Standards).

54. I am informed by Bernie Yeung and believe that, like me, he was not aware of the draft Phase II ESA Report.

C. Directors and Officers

55. Further to my statement at paragraph 19 of the Initial Cervi Affidavit, I update the date on which Mr. Van Mol was appointed a director and add Ms. Douglas as Atlas' Corporate Secretary:

Full Name	Designation	Date Appointed
Elan MacDonald	Director	December 30, 2022
Trevor Henry	Director	December 30, 2022
Peter Van Mol	Director	~~December 30, 2002~~ January 10, 2023
Natalie Douglas	*Corporate Secretary*	*January 10, 2023*
Bernard Yeung	CEO	January 31, 2023
Jason Cervi	CFO	January 31, 2023

56. Further to my statement at paragraph 39 of the Initial Cervi Affidavit, I note that the directors and officers of the AgMedica subsidiaries changed on May 31, 2023, with all prior directors and officers resigning and Mr. Yeung and me being appointed as directors on May 31, 2023.

57. Further to my statement at paragraph 51 of the Initial Cervi Affidavit, I note that Peter Reeves is not a director or officer of GreenSeal.

58. Further to my statement at paragraph 57 of the Initial Cervi Affidavit, I note that the correct date of appointment of directors of GreenSeal Nursery was April 28, 2023, not May 31, 2023.

RELIEF SOUGHT AT THE COMEBACK HEARING

59. In addition to the information contained in the Initial Cervi Affidavit, I provide the following information to support the relief sought in the Comeback Hearing.

A. Extension of the Stay of Proceedings

60. The Applicants seek to extend the Initial Stay Period up to and including July 26, 2024. The extension of the Stay of Proceedings is necessary and appropriate in the circumstances to provide the Applicants with continued breathing space while they attempt to maximize value for the benefit of their stakeholders through the CCAA proceedings and during restructuring.

61. In the five days since the Initial Order was granted the Applicants have:

(a) Arranged for a DIP Loan to finance the remainder of this CCAA Proceeding for the benefit of all stakeholders; and

(b) Reached an agreement with the CRA to resolve the CRA Requirements and permit the Applicants to purchase excise stamps. As a result, the Applicants anticipate being able to continue to sell their products to generate receipts for the benefit of Stoke or YNCU, as the case may be, and the business as a whole.

62. I understand that the Monitor has concluded that the Cash Flow Forecast prepared by the Applicants with the assistance of the Monitor provides sufficient liquidity during the Stay Extension to fund the Applicant’s obligations and the costs of the CCAA proceedings.

63. During the requested Stay Extension, the Applicants intend to:

(a) Continue to pursue solutions to resolve the objections of their creditors; and

(b) Work with the Monitor to design a sale and investment solicitation process that will permit the Applicants to restructure as a going concern, preserving the value within the Atlas Group, and maximizing the recovery of creditors.

64. I believe that the Applicants have acted, and are acting, in good faith and with due diligence to, among other things, operate in the ordinary course and communicate with stakeholders.

65. I do not believe any creditor will suffer material prejudice due to the Stay Extension. The Applicants' stakeholders will benefit from the Stay Extension, and the Monitor is supportive of this relief.

B. Dip Loan and DIP Lender's Charge

66. On June 26, 2024 the following parties entered into the DIP Term Sheet in respect of the DIP Facility:

(a) Applicants, as the borrowers; and

(b) Shalcor Management Inc., as the DIP Lender.

67. A copy of the DIP Term Sheet is attached as **Exhibit "D"**.

68. The DIP Term Sheet provides for a non-revolving credit facility of up to $7,000,000. The DIP Facility shall be advanced in multiple draws upon the receipt of a written draw request by the DIP Lender from the Borrowers, provided that each draw request shall not be less than $1,000,000 (the "**Advances**").

69. The amounts drawn and outstanding under the DIP Facility will bear interest at 13% per annum. Interest on the outstanding principal balance owing under the DIP facility shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined below).

70. The DIP Facility includes a commitment fee of $210,000 (the "**Commitment Fee**"), representing 3% of the aggregate availability under the DIP Facility. The Commitment Fee was

fully earned upon execution of the Term Sheet, shall be secured by the DIP Lender's Charge, and shall be paid as follows:

(a) $70,000, being 1% of the aggregate availability under the DIP Facility, shall be paid from the first Advance under the DIP Facility; and

(b) $140,000, being 2% of the aggregate availability under the DIP Facility, shall be paid on the Maturity Date.

71. The DIP Facility is conditional, among other things, upon granting of the DIP Lender's Charge in an amount sufficient to secure all Advances. The DIP Lender's Charge secures:

(a) all debts, liabilities and obligations of the Applicants (subject to the limitations in paragraph 72 herein) to the DIP Lender under or in connection with the DIP Facility ((including, without limitation, Interest, Recoverable Expenses (as defined in the DIP Term Sheet) and the Commitment Fee)), the Term Sheet and any other documents executed in connection therewith;

(b) all present and future properties, assets, and undertakings of the Applicants (subject to the limitations in paragraph 72 herein), real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (which for greater certainty includes the Chatham Facility and Stratford Facility), subject only to the Administration Charge in the maximum aggregate principal amount of $650,000 under the ARIO.

72. In respect of GreenSeal's preset and future properties, assets, and undertakings, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof, the DIP Lender's Charge is limited to the principal amount of $3,000,000.

73. In accordance with the DIP Term Sheet, the DIP Facility is to be used during these CCAA proceedings to fund:

(a) working capital needs of the Applicants, including servicing ordinary course payments of principal and interest to certain secured creditors;

(b) professional fees and expenses incurred by the Applicants and the Monitor in respect of these CCAA Proceedings, in each case in accordance with the cash flow projections approved by the Monitor and the DIP Lender (the "**Cash Flow Projections**");

(c) the Recoverable Expenses (as defined in the DIP Term Sheet); and

(d) such other costs and expenses of the Applicants as may be agreed to by the Lender and the Monitor, in writing.

74. The amount and purpose of the DIP Facility may be amended by the Applicants and the Lender, with the consent of the Monitor, in writing, and further order of the Court. The Applicants may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Applicants, except in accordance with the Cash Flow Projections or with the prior written consent of the DIP Lender and the Monitor.

75. The DIP Facility is subject to customary covenants and funding conditions. The DIP Facility must be repaid in full by the date that is the earlier of the following (the "**Maturity Date**"):

(a) March 30, 2025;

(b) the closing of a sale or investment transaction, including a sale of any of the Chatham Facility or Stratford Facility, resulting from the SISP (as defined in the DIP Term Sheet) or otherwise, which transaction has been approved by an order of the Court;

(c) the implementation of a plan of compromise or arrangement within the CCAA proceedings, which has been approved by the requisite majority of the Applicants' creditors, and by an order of the Court;

(d) the date on which the CCAA proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3; and

(e) the occurrence of an Event of Default (as defined in the DIP Term Sheet), subject to a cure period of three (3) days, beginning on the date of the occurrence of such Event of Default.

76. The DIP Facility may be prepaid at any time without penalty (provided all accrued and unpaid Interest and Recoverable Expenses are paid in full).

C. Authority to Incur No Further Costs in Connection with Securities Filings and Extension of Time Limit to Hold AGM

77. The Applicants seek (a) to incur no further expenses in relation to the Securities Filings; (b) a declaration that none of the directors, officers, employees and other representatives of the Applicants or the Monitor shall have any personal liability for failure by the Applicants to make any Securities Filings that may be required by the Securities Provisions; and (c) to extend the time limit to call and hold the AGM.

78. Atlas has not complied with the requirements of the British Columbia Business Corporations Act, its governing corporate legislation, to hold an annual meeting of securityholders on or before October 28, 2023 (being 15 months after the date of its shareholder meeting on July 28, 2022 and after giving effect to a six-months extension granted by the Registrar of Companies for British Columbia) (the "**2023 AGM**"). Atlas had scheduled the 2023 AGM for July 19, 2024, however subsequently cancelled it on June 21, 2024, upon the commencement of these proceedings.

79. In the circumstances, the Applicants have determined that incurring further expenses to maintain the currency of the Atlas's Securities Filings on the CSE, and holding the AGM is not appropriate at this juncture. The Applicants' resources and time should be focused on their restructuring efforts for the benefit of all stakeholders. There is no prejudice to stakeholders given that detailed financial information and other information regarding the Atlas Group will continue to be made publicly available through the materials filed in these CCAA proceedings.

80. The language in the proposed ARIO does not prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described

in section 11.1(2) of the CCAA as a consequence of the Applicants failing to make any Securities Filings required by the relevant securities provisions.

D. Increase to the Charges and Priming

81. Pursuant to the Initial Order, Charges were granted in the following amounts, with priming to be revisited at the Comeback Hearing:

(a) Administration Charge: $400,000;

(b) Directors’ Charge: $500,000; and

(c) Intercompany Charge: $150,000.

82. The Administration Charge and Directors’ Charge were required to ensure the participation of the Applicants’ counsel, financial advisors, and directors and officers in the ongoing CCAA proceedings. The Intercompany Charge preserved the existing practices of the Atlas Group by allowing an Intercompany Lender to make a payment to or on behalf of, or incur any obligation on behalf of, or discharge any obligation of a Debtor Applicant or otherwise transfer value to or for the benefit of one or more Applicants.

83. In the Initial Order, the Charges were each limited to only what was reasonably necessary during the initial Stay of Proceedings. Pursuant to the ARIO, the Applicants now seek to increase the quantum of the Administration Charge and the Directors’ Charge up to a maximum of $600,000 and $1,400,000, respectively, in line with the Cash Flow Forecast prepared by the Applicants with the assistance of the Monitor.

84. The proposed increase in these Charges is necessary to assure the ongoing stability of the Atlas Ontario Group’s business during the Stay Extension.

85. The Intercompany Charge is proposed to be deleted. During the Initial Stay Period, I expect that $80,000 will flow from AgMedica to GreenSeal, reducing the outstanding intercompany debt. As a result, no Intercompany Charge is required for the Initial Stay Period. Furthermore, the DIP Term Sheet contemplates funding the AgMedica subsidiaries separately from the GreenSeal subsidiaries. As a result, no Intercompany Charge is required going forward.

86. The proposed Charges in the ARIO rank ahead of all Encumbrances (as defined in the ARIO) with one exception described below. As among them, the Charges shall be in the following order:

(a) First – the Administration Charge in the amount of $600,000;

(b) Second – the DIP Lender's Charge in the amount of $7,000,000;

(c) Third – the Directors' Charge in the amount of $1,400,000.

87. I am advised by the Applicants' counsel that all secured parties who may be affected by the Charges will be given notice. I understand that the Monitor is supportive of this relief.

E. Conclusion

88. For the reasons set out herein, the Atlas Ontario Group respectfully requests that this Court grant the ARIO.

89. I swear this Affidavit in support of an application for the relief set out above, and for no improper purpose.

AFFIRMED BEFORE ME over videoconference in accordance with the Administering Oath or Declaration Remotely Regulation, O.Reg. 431/20, on June 26, 2024, while I was located in the City of Toronto, in the Province of Ontario and the affiant was located in the City of Burlington, in the Province of Ontario.

Jennifer Bieman

Commissioner for Taking Affidavits

Jason Cervi

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

TAB A

This is Exhibit "A" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 26, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No. CV-24-00722386-00CL

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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

Applicants

AFFIDAVIT OF JASON CERVI
(Sworn June 19, 2024)

I, Jason Cervi, of the City of Burlington, in the Province of Ontario, MAKE OATH AND SAY:

I. INTRODUCTION AND OVERVIEW

1. I am the Chief Financial Officer ("**CFO**") of Atlas Global Brands Inc. ("**Atlas**", together with its Ontario Subsidiaries (as defined below), the "**Applicants**" or the "**Atlas Ontario Group**").

2. GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**GreenSeal Nursery**"), AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp. ("**Wellworth**"), 5047346 Ontario Inc. ("**5047 Ontario**"), 8050678 Canada Inc. ("**8050 Canada**") and Tavivat Naturals Inc. ("**Tavivat**") are subsidiaries of Atlas (together, the "**Ontario Subsidiaries**"; the Applicants, together with all Atlas subsidiaries, is the "**Atlas Group**").

3. I have been the CFO of Atlas since January 31, 2023. I joined Atlas on December 30, 2022, as Global Head of Finance and Administration and Group Controller. I was appointed as Director

of GreenSeal and GreenSeal Nursery on April 28, 2023 and Director of AgMedica on May 31, 2023. I have personal knowledge of the matters to which I depose in this Affidavit except where I have obtained information from others. 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.

4. This affidavit is in support of an Application by the Applicants for an Order (the "**Initial Order**") pursuant to *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the "**CCAA**"), *inter alia*:

(a) abridging the time for service of the Application and the materials filed in support thereof, and dispensing with further service thereof;

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

(c) appointing Ernst & Young Inc. ("**EY**" or the "**Proposed Monitor**") as an officer of the Court to monitor the assets, business, and affairs of the Applicant (once appointed in such capacity, the "**Monitor**");

(d) staying, for an initial period of not more than ten (10) days, all proceedings and remedies taken or that might be taken in respect of the Applicants, the Monitor, their directors and officers, or affecting the Applicants' business or the Property (as defined in the Initial Order), except as otherwise set forth in the Initial Order or as otherwise permitted by law (the "**Stay of Proceedings**");

(e) granting the following charges (collectively, the "**Charges**") over the Property:

(i) a charge in favour of the Monitor, counsel to the Monitor, and counsel to the Applicant in the maximum amount of $400,000 (the "**Administration Charge**");

(ii) a charge in favour of the directors and officers of the Applicant in the maximum amount of $920,000 (the "**D&O Charge**"); and

(iii) a charge in favour of any Applicant (an "**Intercompany Lender**") who, after the date of the Initial Order, makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) or otherwise transfers value to or for the benefit of one or more Applicants (the "**Intercompany Charge**");

(f) authorizing Atlas and the Ontario Subsidiaries to continue using their Cash Management System (term as defined below); and

(g) granting such further and other relief as this Court may deem just and equitable.

5. If the Initial Order is granted, the Applicants intend to return to Court within ten (10) days (the "**Comeback Hearing**") to seek approval of an Amended and Restated Initial Order ("**ARIO**"), inter alia:

(a) extending the Stay of Proceedings;

(b) approving the Applicants' ability to borrow under a debtor-in-possession credit facility (the "**DIP Facility**") to finance its working capital requirements and other general corporate purposes, post-filing expenses and costs;

(c) granting the Applicants the authority to file a plan of compromise or arrangement; or approving a sale investment solicitation process ("**SISP**");

(d) granting and/or amending the following charges over the property of the Applicants:

(i) increasing the Administration Charge to $650,000;

(ii) increasing the Directors' Charge to $1,420,000; and

(iii) granting a charge in favour of the DIP Lender (the "**DIP Lender's Charge**");

(e) confirming that any collection actions, including garnishment and requirements to pay under section 289 of the *Excise Act, 2001* (collectively "**Garnishments**"), previously taken or taken on or after the date of this Order by or on behalf of the Canada Revenue Agency ("**CRA**") to collect Excise Tax which became payable before or after the granting of this Order ("**Pre-filing Excise Tax**"), are stayed and suspended, and no recipient of a Garnishment in connection with such Pre-filing Excise Tax shall become liable to pay to His Majesty an amount equal to any amount paid to the Applicants during the Stay Period or have any liability under the provisions of section 289 of the *Excise Act, 2001* or any other similar Act;

(f) confirming that the Canada Revenue Agency is stayed from refusing to supply, cancelling or directing the return or destruction of cannabis excise stamps from the Applicants in accordance with any applicable legislation, including the *Excise Act, 2001* or otherwise, by reason only of the issuance of the Initial Order or ARIO or the failure by any of the Applicants to pay Excise Tax which became payable prior to the date of the Initial Order;

(g) authorizing the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases;

(h) relieving Atlas of any obligation to call and hold its annual general meeting of shareholders until further Order of this Court; and

(i) granting such other relief as may be required to advance the Applicants' restructuring efforts.

6. All references to currency in this affidavit are in Canadian dollars unless noted otherwise. Capitalized terms used within this Affidavit are as defined later herein.

II. THE URGENT NEED FOR RELIEF

7. The Applicants face a liquidity crisis and are unable to meet their obligations as they become due. During the three and nine months ended December 31, 2023, the Atlas Group had net loss of $5,018,910 and $2,373,722, respectively. As at December 31, 2023, the Atlas Group had a cumulative deficit of $18,881,703 and its current liabilities exceeded current assets by $26,079,900.[1]

8. Atlas was formed on December 30, 2022. The principal business activity of the Atlas Group is the production, distribution, and sale of cannabis internationally and in Canada. Originally, Atlas' business plan was to generate higher margin international sales of medical cannabis by leveraging a unique combination of (1) the production capacity and EU-GMP certification (explained below) of the AgMedica cannabis facility in Chatham, Ontario; (2) the production capacities of the Atlas Alberta Subsidiaries (as defined below); and (3) the industry

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[1] Management's Discussion & Analysis, *For the three and nine - month period ended December 31, 2023*, dated June 4, 2024, at p. 8.

knowledge and network of the Cambrosia (as defined below) principals to increase sales channels in Israel.

9. Shortly after formation, Atlas acquired GreenSeal and GreenSeal Nursery. GreenSeal owned a GACP (good agricultural and collecting practices) certified cannabis facility in Stratford, Ontario. Atlas shut down the Atlas Alberta Subsidiaries (as defined below). The Atlas Group also entered into several agreements to acquire pharmacies and a distributor in Israel, including proposing to acquire a majority interest in a private limited liability company ("**Harmony**"). Domestically, Atlas announced a collaboration with world-renowned entertainer, Calvin Broadus Jr. a.k.a Snoop Dogg and the launch of a new brand, "D*gg lbs". In the first quarter of 2024, the Atlas Group had revenues of $6,439,689 generated through sales within the Canadian retail cannabis market, international sales including pharmaceutical sales in Israel, and business to business sales within Canada.

10. The liquidity crisis was precipitated by four events that eroded the Atlas Group's ability to raise capital and its receipt of cash:

(a) On August 8, 2023, the Ontario Securities Commission (the "**OSC**") issued the Cease-Trade Order (defined below). The complexities flowing from how the Atlas Group was formed and a lack of capital and staff resulted in Atlas being unable to finalize audited financial statements for the period ending March 31, 2023. A Cease-Trade Order, which is still in place, prevented Atlas from issuing securities (including convertible debt) to raise capital, which precluded Atlas from securing working capital when matters became urgent and also prevented Atlas from expanding its Chatham Facility.

(b) For several reasons, including hostilities in the region, revenue from Israel remains materially below projections. In addition, Harmony sold product for which it collected but did not remit proceeds owing to Atlas' Israeli subsidiary. Ultimately, each of the proposed acquisitions, including the Harmony transaction was terminated, and Harmony failed to repay a loan of approximately CAD $530,000. Atlas sued Harmony and others in Israel to recover approximately CAD $1.4 million, and those proceedings are pending. This development materially and negatively impacted the Atlas Group's cash position.

(c) The Canadian federal excise tax regime has severely and negatively impacted the cannabis industry as a whole because excise tax is predominantly computed as a fixed price on grams sold rather than as a percentage of the selling price. Given price compression in the Canadian market, excise tax has grown to become a larger component of net revenue. It has been reported that as of March 1, 2024, the Canadian cannabis industry owed approximately $221 million to the CRA in cannabis duties, and more than twenty cannabis companies have filed for insolvency protection in the last two years. In February 2024, the CRA began to take enforcement steps, including garnishing 50% of the Atlas subsidiary, GreenSeal's, receivables, which materially and negatively impacted the Atlas Group's cash position. The CRA is also refusing to supply excise stamps to GreenSeal, which will prevent GreenSeal from selling its product, and is threatening to suspend or not renew GreenSeal's licence (explained below).

(d) GreenSeal had entered into a factoring relationship with Stoke Canada Finance Corp. ("**Stoke**") based on certain Eligible Receivables. As a result of the CRA's garnishments of Eligible Receivables, Stoke sent a demand letter to GreenSeal dated May 27, 2024, demanding payment of more than $1.8 million and providing a section 244 notice of its intention to enforce security. On June 13, 2024, Stoke issued a notice of application asking the Court to appoint PricewaterhouseCoopers Inc. ("**PwC**") as receiver of certain assets of GreenSeal.

11. The Atlas Ontario Group has opportunities for improved profitability and growth if it can weather the current liquidity crisis. The Atlas Ontario Group's licences; certifications; relationships with international markets, including Australia and Germany; and relationships domestically, including the collaboration with Snoop Dogg, provide a foundation for increased revenues.

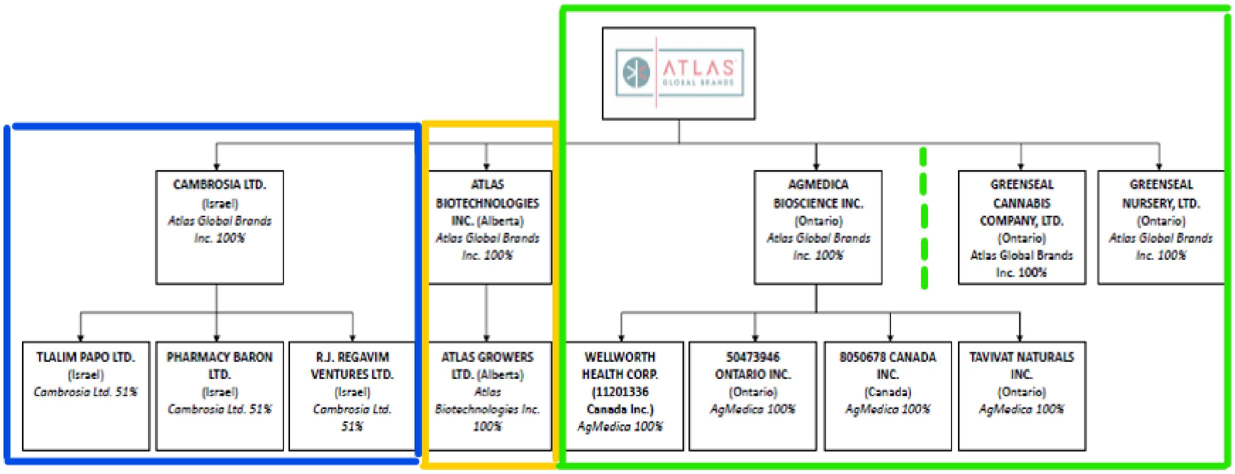
12. The Applicants require an urgent stay of proceedings and related relief under the CCAA to ensure that the Atlas Group can continue going concern operations, negotiate solutions with its creditors, and preserve the opportunities developed by the Atlas Group for the benefit of the Atlas Group's stakeholders. On June 10, 2024, the members of the boards of directors of each of the Applicants passed a joint resolution, resolving to make an application under the CCAA to the Ontario Superior Court of Justice (Commercial List) and seek protection from its creditors.

III. CORPORATE STRUCTURE AND BUSINESS OPERATIONS

A. Parent and Subsidiaries

13. The principal business activity of the Atlas Group is the production, distribution, and sale of cannabis internationally and in Canada. Atlas Group medical cannabis is sold and distributed in Canada, Australia, Germany, Israel, Denmark, Norway, Spain, and United Kingdom. The Atlas Group also sells a small amount of cannabis for the adult recreational market in Canada.

14. A copy of the Atlas Group's current corporate chart is attached hereto as **Exhibit "A"** and is reproduced below for ease of reference:



Atlas Global Brands Inc.

15. The parent corporation, Atlas, was originally incorporated as Silver Phoenix Resources Inc. on February 14, 2003, under the laws of British Columbia. On December 30, 2022, Silver Phoenix and each of Atlas Biotechnologies Inc. ("**Atlas Biotech**"), AgMedica and Cambrosia Ltd. ("**Cambrosia**") completed a complex multi-jurisdictional business combination pursuant to which, concurrently: (i) the shareholders of each of Atlas Biotech, AgMedica and Cambrosia effectively exchanged their shares of those entities for shares of Atlas; (ii) Cambrosia completed a private placement of ordinary shares for aggregate gross proceeds of approximately $3,000,000; and (iii) Cambrosia acquired a 51% interest in each of Tlalim Pappo Ltd., Pharmacy Baron Ltd., and R.J. Regavim Ventures Ltd., privately held operating cannabis pharmacies in Israel (together the "**Israel Pharmacies**" and (i), (ii) and (iii) are collectively, the "**RTO Transaction**"). Each of the Israel Pharmacies is an independent and privately held pharmacy in Israel.

16. When the RTO Transaction closed, Silver Phoenix's common shares were listed for trading on the Canadian Securities Exchange (the "**CSE**"), and it was a reporting issuer in British Columbia, Alberta, Manitoba and Ontario. Upon completion of the RTO Transaction, Silver Phoenix changed its name to "Atlas Global Brands Inc." and on January 13, 2023, Atlas' common shares commenced trading on the CSE under the ticker symbol "ATL". Atlas continues to be a reporting issuer in British Columbia, Alberta, Manitoba and Ontario.

17. As of June 4, 2024, Atlas has 158,679,139 shares issued and outstanding, 11,381,326 stock options and 300,000 restricted share units.[2]

18. Atlas' registered office is at 1055 Dunsmuir Street, Suite 3000, Vancouver, British Columbia, V7X 1K8, Canada. Atlas' principal place of business is at 566 Riverview Drive, Unit 104, Chatham, Ontario, N7M 0N2. All members of the Applicants' management report to me or Mr. Bernie Yeung, Atlas' CEO, and both of us reside in Ontario. Leadership for the Applicants, including strategy, development, implementation, and people management, is performed by employees of Atlas, as well as AgMedica and GreenSeal, the majority of whom are based in Chatham, Ontario, and Stratford, Ontario, respectively. A copy of Atlas' corporate profile search is attached hereto and marked as **Exhibit "B".**

19. The directors and officers of Atlas are as follows:

Full Name	Designation	Date Appointed
Elan MacDonald	Director	December 30, 2022
Trevor Henry	Director	December 30, 2022
Peter Van Mol	Director	December 30, 2022
Bernard Yeung	CEO	January 31, 2023

[2] Management's Discussion & Analysis, *For the three and nine - month period ended December 31, 2023*, dated June 4, 2024, at p. 22.

Full Name	Designation	Date Appointed
Jason Cervi	CFO	January 31, 2023

20. Atlas is, and has been since completion of the RTO Transaction, a holding company providing management services to the Ontario Subsidiaries and strategic direction to the Atlas Group. Atlas' operations are substantially conducted through its Ontario Subsidiaries, which it controls.

21. Atlas has 29 employees, five of whom reside in Alberta, one of whom resides in British Colombia, and the rest of whom are in Ontario. None of Atlas nor the Ontario Subsidiaries sponsors, administers or otherwise has a registered or unregistered pension plan for employees.

22. Atlas' fiscal year end is March 31. Atlas' most recent audited consolidated financial statements for the year ending March 31, 2023 are attached hereto and marked as **Exhibit "C"**. In addition, Atlas' management discussion and analysis for the three and nine months ended December 31, 2023 dated June 4, 2024 (the "**June 2024 MD&A**"), and for the financial year ended March 30, 2023, dated April 9, 2024 (the "**April 2024 MD&A**") are attached hereto and marked as **Exhibit "D"** and **Exhibit "E"** respectively.

AgMedica Bioscience Inc.

23. AgMedica is a direct, wholly owned subsidiary of Atlas. AgMedica was federally incorporated on November 22, 2013, under the *Canada Business Corporations Act* ("**CBCA**"), and maintains its registered office at Suite 200, 111 Heritage Road, Chatham-Kent, Ontario. A copy of AgMedica's corporate profile search is attached hereto and marked as **Exhibit "F"**.

24. AgMedica's primary activities are production, distribution, and sale of cannabis products. AgMedica holds a cannabis licence (the "**AgMedica Cannabis Licence**") from Health Canada pursuant to the *Cannabis Act*[3] and the *Cannabis Regulations*[4], in respect of its indoor production and distribution facility at 510 and 566 Riverview Drive, Chatham-Kent, Ontario (the "**Chatham Facility**"). A copy of the AgMedica Cannabis Licence, renewed effective April 4, 2024, and set to expire on April 4, 2025, is attached hereto and marked as **Exhibit "G"**.

25. The AgMedica Cannabis Licence permits AgMedica to undertake the following activities:

(a) Standard cultivation and sale of cannabis in accordance with subsection 11(5) of the *Cannabis Regulations*;

(b) Standard processing and sale of cannabis in accordance with subsection 17(5) of the *Cannabis Regulations*; and

(c) Possess and sell cannabis for medical purposes pursuant to section 27 and Part 14, Division 1 of the *Cannabis Regulations.*

26. In addition, AgMedica holds an excise licence issued by the CRA (the "**AgMedica Excise Licence**"). The AgMedica Excise Licence permits AgMedica to stamp its products and collect excise taxes on behalf of the government. A copy of the AgMedica Excise Licence, effective April 30, 2021, renewed as of June 9, 2024, and set to expire on July 8, 2024, is attached hereto and marked as **Exhibit "H"**.

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3 S.C. 2018, c. 16.

4 SOR/2018-144.

27. The Chatham Facility consists of an approximately 215,000 square foot industrial building, approximately half of which is occupied by AgMedica. AgMedica, as landlord, leases the remaining industrial space to third-party tenants to generate non-core cash flow of approximately $46,000 per month. Currently, AgMedica has rental agreements with UPS, Habitat for Humanity and DIY Pallets.

28. The Chatham Facility is an industrial building in which AgMedica built a 110,000 square foot cannabis facility, with six active three-tiered grow rooms and five active larger scale four-tiered grow rooms. The tiered system allows precise control growing conditions for each plant group and maximizes production per square foot within each grow room, which offers the ability to cultivate year-round, resulting in slightly more than five flowering room turns per year.

29. The Chatham Facility is GACP, IMC-GAP (Israeli Medical Cannabis Standard, Good Agricultural Standard) and EU-GMP (European Union Good Manufacturing Practices) certified for flower and oil. A GACP certification covers a facility's agricultural practices up to the harvest. The EU-GMP certification covers a facility's manufacturing practices. The IMC-GAP certification allows AgMedica to access Israeli sales channels.

30. The EU-GMP certification is recognized as the highest certification available to companies in the pharmaceutical space and encompasses the production, handling, storage, and packaging of plant materials. It is considered a requirement for exporting medical cannabis to countries in the EU and Australia. It takes several years to obtain an EU-GMP certification. Atlas uses this fully integrated and GACP, IMC-GAP and EU-GMP certified growing facility in Chatham for cultivation, packaging, and processing and as its hub for exports to international markets.

31. The Chatham Facility has a growing capacity of approximately 6,500 kg per year. In addition, the Chatham Facility has six more larger scale four-tiered grow rooms, which are ready to start production once the relevant infrastructure, cooling, ventilation, and humidity systems are installed (the "**Chatham Expansion**"). It is estimated that the Chatham Expansion could increase capacity by an additional 6,000 kgs annually.

32. AgMedica received a Phase I Environmental Site Assessment ("**ESA**") report by JFM Environmental Limited ("**JFM**") dated March 1, 2022, which detailed an investigation of the Chatham Facility. JFM concluded that, based on site operations and its investigation, potentially contaminating activities (PCAs) were suspected to have occurred at the Facility and at properties within the surrounding area, and areas of potential environmental concern (APECs) were interpreted to exist. JFM concluded that further work, namely a Phase II ESA, to assess the environmental condition of the site was warranted.

33. JFM also noted that, given the age of the site building, it is possible that historically used hazardous building materials such as asbestos and lead-based paints may be found at the site. JFM recommended the performance of an asbestos-containing material (ACM) survey and, if required, an ACM management plan, and that a designated substances survey be undertaken prior to any renovation or demolition activities.

34. AgMedica has not conducted a Phase II ESA at the Chatham Site due to lack of liquidity.

35. AgMedica has approximately 74 full-time employees and uses approximately 20 part-time seasonal workers through an agency, most of whom are located in Chatham. AgMedica is an important employer in the Chatham-Kent region. None of the Atlas Group's employees are unionized or otherwise party to a collective agreement in connection with their employment.

36. AgMedica's directors are listed below:

Full Name	Designation	Date Appointed
Bernard Yeung	Director	May 31, 2023
Jason Cervi	Director	May 31, 2023

37. AgMedica wholly owns and controls four subsidiaries:

(a) ***5047 Ontario*** was incorporated in Ontario pursuant to the *Business Corporations Act* ("**OBCA**"). 5047 Ontario owns the Chatham Facility and, as is described below, is liable under the mortgages on the property.

(b) ***Tavivat*** was incorporated pursuant to the OBCA. It has no employees or liabilities. It was acquired along with 8050 Canada to become the operating company for the contemplated infused beverage business.

(c) ***8050 Canada*** is a subsidiary of Tavivat that was incorporated pursuant to the CBCA. It is a dormant subsidiary with no employees, assets, or liabilities. Its only asset is intellectual property related to a specialized bottle cap that can be used to infuse the beverage with cannabis.

(d) ***Unique Beverages (USA) Inc.*** is a subsidiary of Tavivat that is domiciled in the United States and governed by the Delaware General Corporation Law. It is a dormant corporation with no operations presently.

38. In addition, AgMedica controls a fifth subsidiary, ***Wellworth Health Corp.***, which was incorporated pursuant to the CBCA. It has no operations, employees, or liabilities. It was acquired to facilitate access to the Canadian medical cannabis market prior to legalization of recreational

use. Wellworth is not wholly owned by AgMedica: 11213091 Canada Inc. owns the remaining 20% of Wellworth in the form of 20 Class “B” Non-Voting Voting Shares.

39. The directors of the subsidiaries are as follows:

Subsidiary	Full Name	Designation	Date Appointed
5047 Ontario	Trevor Henry Peter Van Mol	Director/President Officer	Before 2019 Before 2019
Wellworth Health Corp.	Trevor Henry	Director	Before 2019
Tavivat	Trevor Henry	Director	Before 2019
8050 Canada	Trevor Henry	Director	Before 2019

40. On December 2, 2019, pursuant to an application under the CCAA by AgMedica and some of its subsidiaries (the “**AgMedica Applicants**”), the Ontario Superior Court of Justice granted an initial order, among other things, appointing EY as the monitor of the AgMedica Applicants. On diverse dates in 2019 and 2020, the Court granted additional orders, which, among other things, approved the AgMedica Applicants’ sale and investment solicitation process, approved the claims process, granted an approval and vesting order with respect to the sale of certain property, and granted a distribution order regarding certain distributions of the proceeds from the sale of that property. The Court also granted a meeting order regarding the AgMedica Applicants’ proposed Plan of Compromise and Arrangement (as amended, the “**Plan**”). The Plan was approved by a majority (94.8%) of affected creditors and was sanctioned by the Court on September 11, 2020. Following the Plan implementation date, EY filed a monitor’s certificate on April 23, 2021, noting that the CCAA proceedings had terminated.

41. In conjunction with AgMedica’s exit from the CCAA proceedings, as part of Plan implementation, it issued 4,999,933 Class B Preferred Shares, which are entitled to receive a *pro rata* annual cumulative dividend in an amount equal to 10% of AgMedica’s free cash flow. These

shares are redeemable by AgMedica on the date on which the principal amount of $4,999,933 has been returned to the holders of such shares. AgMedica treats this dividend as a debt obligation in its financial statements. AgMedica has not yet made payments or issued dividends.

42. As the CRA could not hold shares, the CRA and AgMedica entered into an agreement (the "**CRA AgMedica Agreement**") stipulating that the CRA's distribution in respect of its proven claim would mirror the distribution it would otherwise have been entitled to under the Class B Preferred Shares. The parties agreed that the distribution would be made "as a promise to pay and CRA shall not hold or be deemed to hold any Class B Preferred Shares, directly or indirectly."

43. Pursuant to the CRA AgMedica Agreement, until the CRA distribution is satisfied, AgMedica will pay CRA on an annual basis, an amount equal to CRA's *pro rata* portion of 10% of AgMedica's free cash flow during the preceding year. The CRA's payment is intended to be given priority of an "equity claim" in any subsequent CCAA proceedings commenced respecting AgMedica. The CRA AgMedica Agreement dated October 8, 2020 is attached hereto and marked as **Exhibit "I"**.

GreenSeal Cannabis Company, Ltd.

44. GreenSeal was acquired by Atlas on April 28, 2023 (a few months after the RTO Transaction was completed) pursuant to a share purchase agreement with the former shareholders of GreenSeal. The purchase price was paid with common shares of Atlas.

45. GreenSeal is a licensed producer of cannabis based in Stratford, Ontario.[5] GreenSeal holds a cannabis licence (the "**GreenSeal Cannabis Licence**") from Health Canada pursuant to the *Cannabis Act* and the *Cannabis Regulations* in respect of its facility located at 530 Wright Boulevard, Stratford, Ontario (the "**Stratford Facility**"). A copy of the GreenSeal Licence, effective November 8, 2023, is attached hereto and marked as **Exhibit "J"**.

46. The GreenSeal Cannabis Licence permits GreenSeal to undertake the following activities:

(a) Standard cultivation and sale of cannabis in accordance with subsection 11(5) of the *Cannabis Regulations*;

(b) Standard processing and sale of cannabis in accordance with subsection 17(5) of the *Cannabis Regulations*; and

(c) Possess and sell cannabis for medical purposes pursuant to section 27 and Part 14, Division 1 of the *Cannabis Regulations.*

47. In addition, GreenSeal holds an excise licence issued by the CRA (the "**GreenSeal Excise Licence**"). The GreenSeal Excise Licence permits GreenSeal to stamp its products and collect excise taxes on behalf of the government. A copy of the GreenSeal Excise Licence Renewal Letter, renewing the Excise License effective October 17, 2022 and set to expire on October 16, 2024, is attached hereto and marked as **Exhibit "K"**.

48. The Stratford Facility is 30,000 square feet. Like the Chatham Facility, the Stratford Facility is structured as a multi-tier vertical grow facility, growing flower, and drying it indoors.

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5 Management's Discussion & Analysis, *For the fifteen-month period ended March 31, 2023*, dated April 9, 2024, at. p. 9.

This Facility produces over 3,500 kg of cannabis flower annually, allowing the Atlas Group to fulfill certain international demand but primarily to satisfy demand in the Canadian market.

49. Like the Chatham Facility, the Stratford Facility is GACP certified. The Stratford Facility does not hold the more exclusive, EU-GMP or IMC-GAP certifications.

50. On August 14, 2015, NA Engineering Associates Inc. produced a report of a Phase 1 Environmental Site Assessment conducted to identify and assess the potential for contaminants of concern, if any, at the Stratford Facility. The Assessment found that the historical records review of the Facility did not reveal previous uses of the subject site that would suggest an environmental concern. There were also no waste, garbage or other materials that would suggest misuse of the property or unapproved uses. The assessment concluded that it was unlikely that the Facility has been contaminated due to current or past uses, and that no further investigation was warranted.

51. GreenSeal has 57 employees. Its directors and officers are listed below:

Full Name	Designation	Date Appointed
Bernard Yeung	Director	May 31, 2023
Jason Cervi	Director	May 31, 2023
Corey Hamilton	President	January 22, 2016
Peter Reeves	General Manager	January 1, 2022

GreenSeal Nursery Ltd.

52. GreenSeal Nursery was acquired by Atlas on April 28, 2023 (a few months after the RTO Transaction was completed) pursuant to a share purchase agreement with the former shareholders of GreenSeal Nursery. The purchase price was paid with common shares of Atlas.

53. GreenSeal Nursery is a licensed cannabis nursery in Stratford, Ontario. It owns and manages over 1,000 cannabis plants' genetics. GreenSeal Nursery owns the intellectual property with respect to some of the most unique genetic strains of cannabis, allowing the Atlas Group to cultivate and provide the market with the most optimal product mix, and thus uniquely positioning the Group within the cannabis market.

54. GreenSeal Nursery holds a cannabis nursery licence (the "**GreenSeal Nursery Licence**") from Health Canada pursuant to the *Cannabis Act* and the *Cannabis Regulations* in respect of its facility located at 8 Hahn Court, Stratford, Ontario. A copy of the GreenSeal Nursery Licence, effective February 4, 2022, is attached hereto and marked as **Exhibit "L"**.

55. The GreenSeal Nursery Licence permits GreenSeal Nursery to run a cannabis nursery and sell cannabis in accordance with subsection 14(5) of the *Cannabis Regulations*.

56. In addition, GreenSeal Nursery holds an excise licence issued by the CRA (the "**GreenSeal Nursery Excise Licence**"). A copy of the GreenSeal Nursery Excise Licence Renewal Letter, renewing the Excise Licence effective September 1, 2022 and set to expire on August 31, 2024, is attached hereto and marked as **Exhibit "M".**

57. GreenSeal Nursery is managed by GreenSeal. GreenSeal Nursery does not have any employees. Its directors are listed below:

Full Name	Designation	Date Appointed
Bernard Yeung	Director	May 31, 2023
Jason Cervi	Director	May 31, 2023

58. GreenSeal Nursery leases its facility. The lessor is 218217 Ontario Inc of 356 Ontario Street, Suite 255 Stratford, Ontario N5A 7X6. The lessee is GreenSeal Nursery Ltd of 530 Wright

Blvd, Stratford Ontario, N4Z 1H3. The lease is dated September 1, 2022. The premises is to be used only for the cultivation, research, preparation, sale, distribution and warehousing of Cannabis and cannabis-related products. The term of the lease commenced on September 1, 2022, and ends on August 31, 2025. The lessee agreed to pay gross rent of $3,390 per month, inclusive of HST without set-off or abatement to the lessor.

The Atlas Alberta Subsidiaries

59. As shown in the corporate chart at paragraph 14 above, as a result of the RTO Transaction Atlas also owns all of the shares of Atlas Biotech, which in turn wholly owns Atlas Growers Ltd. (“**Atlas Growers**” and together with Atlas Biotech, the “**Atlas Alberta Subsidiaries**”). Each of Atlas Biotech and Atlas Growers were incorporated under the laws of the Province of Aberta.

60. At the time of its acquisition by Atlas, the Atlas Alberta Subsidiaries produced cannabis concentrates for use in vaping products, cannabis infused beverages and other concentrate products. The Atlas Alberta Subsidiaries operated a 38,000 square foot indoor growing facility located in Gunn, Alberta, and had a leased business office in Edmonton, Alberta.

61. On June 2, 2023, Atlas announced its decision to cease operations at the Gunn facility and liquidate the assets of the Atlas Alberta Subsidiaries.[6] On June 19, 2023, the Agriculture Financial Services Corporation, which was the senior lender to the Atlas Alberta Subsidiaries, brought an application to appoint EY as receiver and manager of the Atlas Alberta Subsidiaries.

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[6] Management’s Discussion & Analysis, *For the three and nine - month period ended December 31, 2023*, dated June 4, 2024, at p. 8; Management’s Discussion & Analysis, *For the fifteen-month period ended March 31, 2023*, dated April 9, 2024, at. p. 9.

62. On June 26, 2023, pursuant to the receivership application, the Court of King's Bench of Alberta granted an Order (the "**Receivership Order**") appointing EY as the receiver and manager over certain current and future assets, undertakings, and properties of the Atlas Alberta Subsidiaries. The receivership process is currently underway, including a sales process commenced by EY as the receiver.

The Israeli Subsidiaries

63. As is described above, Atlas has a wholly owned subsidiary incorporated in Israel named Cambrosia. As part of the RTO Transaction, Atlas acquired Cambrosia, and Cambrosia acquired a 51% interest in each of the three Israel Pharmacies.

64. The Atlas Group sells medical cannabis products through the Israel Pharmacies directly to patients. By having a controlling interest in these Pharmacies, Atlas is assured increased shelf space, premium product placement and availability in these locations.

65. No relief is sought in respect of the Israeli subsidiaries.

B. Products

66. Through its licensed subsidiaries, the Atlas Group has approximately 50 distinct products available for sale across Canada varying in availability province to province. The Atlas Group has direct supply agreements in place with the British Columbia Liquor Distribution Branch; the Alberta Gaming, Liquor and Cannabis Commission; the Ontario Cannabis Stores; and the Yukon Liquor Corporation; and sells directly to Manitoba Liquor & Lotteries; the Northwest Territories Liquor, Cannabis Commission; and the PEI Cannabis Management Corporation. The Atlas Group

also has agreements with distributors in Saskatchewan who distribute Atlas' products to certain provincial distributors and retailers.

67. The Atlas Group's primary products domestically are:

Canadian Adult-Use Market Brands

Brand	Description	Market Segment (economy, value, core, premium or premium +)
D*gg lbs	Nurtured and curated using old school techniques of hang drying, hand trimming and cured to perfection.	PREMIUM+
GREENSEAL CANNABIS CO.	Standard approach, consistent craft experience with a genetic forward focus..	PREMIUM
Electric Lettuce	Accessible and convenient, with fun and unique flavours and products.. Offering a rotation of products featuring single strain, premium quality flower. Cultivated indoors with precision: hang dried, hand trimmed, and cured for weeks to ensure full flavour and potency.	VALUE
BONFIRE	Craft cannabis, grown in small batches, harvested at peak ripeness, hang dried, and hand trimmed without the use of machines. Bonfire product is all grown indoors using exclusive genetics sourced from our in-house nursery.	CORE

68. Internationally, the Atlas Group predominantly sells white label medical cannabis, although D*gg Lbs is sold in Israel and Australia and will soon be sold in Germany.

C. Banking Arrangements and Cash Management System

69. The Atlas Ontario Group uses a cash management system (the “**Cash Management System**”) to, among other things, collect funds and pay expenses associated with its operations. This Cash Management System allows the Atlas Ontario Group to efficiently and accurately track and control corporate funds and to ensure cash availability.

70. The current Cash Management System is as follows:

(a) ***Royal Bank of Canada***: AgMedica holds two accounts with RBC – an operating account and a payroll servicing account. Most of AgMedica’s funds, including receivables and payments, flow through the operating account. Any expenses incurred by Atlas are satisfied by AgMedica through the operating account and recorded as intercompany balances. The payroll account is currently used internally to segregate funds required for near-term large lump sum payments;

(b) ***Libro Credit Union***: there are two accounts with Libro Credit Union – one is used by AgMedica to make payments for export permits; the other is an operating account used by 5047 Ontario to collect lease payments and pay utility costs for the rented facilities; and

(c) ***Alterna Savings***: GreenSeal has two accounts with Alterna Savings – a main operating account, and an account used to manage customer receipts. GreenSeal also uses these accounts to make payments on behalf of GreenSeal Nursery.

D. Payroll and Withholding Arrears

71. With respect to payroll, Atlas Group and AgMedica retained ADP Canada, a payroll service provider. The Atlas Group provides ADP with the information necessary to calculate payroll, such as salary, hours, and other data points, and ADP calculates the payroll, bi-weekly. The Atlas Group funds ADP from its RBC operating account, and ADP disburses the funds to the employees. The Atlas Group self-remits withholdings. Given the intensifying liquidity issues experienced by the Atlas Group, AgMedica has not remitted approximately $1.5 million in payroll withholdings and taxes.

72. Similarly, GreenSeal retained Ceridian, a different payroll service provider. Payroll is processed and funded in a similar manner. GreenSeal is current on its payroll withholdings and taxes remittances.

IV. FINANCIAL CIRCUMSTANCE AND CASH FLOW FORECAST

A. Assets

73. As of December 31, 2023, the unaudited interim condensed consolidated financial statements of Atlas (the "**Financial Statements**") provide that Atlas' assets have a book value of approximately $65,244,203 and consist of the following:

Type of Asset	Amount
Cash	$362,981
Short-term investments	$36,419
Trade and other receivables	$4,462,335
Biological assets	$2,960,640
Inventories	$15,108,985
Deposits and prepaid assets	$1,617,919
Current Assets: $24,549,279	

Property, plant, and equipment	$38,383,999
Right-of-use assets	$1,279,671
Intangible assets	$602,064
Goodwill	$419,892
Deferred tax assets	$7,199
Other non-current assets	$2,099
Non-Current Assets: $40,694,924	
Total Assets: $65,244,203	

B. Liabilities

74. The Financial Statements also provide that Atlas' liabilities have a book value of approximately $55,133,479 and consist of the following

Type of Liability	Amount
Trade and other payables	$27,888,067
Current portion of term debt	$21,107,107
Current portion of lease liabilities	$348,664
Income taxes payable	$100,616
Deferred revenue	$37,400
Contingent consideration	$176,637
Contingent liabilities	$957,285
Other current liabilities	$13,403
Current Liabilities: $50,629,179	
Term debt	$14,354
Lease liabilities	$1,004,453
Class B preferred shares	$965,389
Shareholder loans	$696,640
Put option liability	$1,823,464
Non-Current Liabilities: $4,504,300	
Total Liabilities: $55,133,479	

C. Equity

75. The Financial Statements also provide that Atlas' equity has a book value of approximately $10,110,724 and consist of the following:

Type of Liability	Amount
Share capital	$27,919,778
Shares to be issued	$790,757
Contributed surplus	$582,789
Accumulated other comprehensive income	($300,897)
Retained earnings (deficit)	$18,881,703
Total Equity: $10,110,724	
Total Liabilities and Equity: $65,244,203	

76. After removing intangible assets and goodwill, Atlas' liabilities and equity exceed its assets. Atlas' financial position has deteriorated since the preparation of these financial statements.

D. Secured Indebtedness

Mortgages – Chatham Facility

77. On September 30, 2020, during the prior CCAA proceedings of AgMedica et. al., a Secured Exit Facility Agreement was entered into between Hillmount Capital Inc. (the "**Hillmount**") and AgMedica, 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc., Wellworth Health Corp., 8050678 Canada Inc., 8326851 Canada Inc., Tavivat, World Wide Beverage Innovations Inc., Unique Beverages (USA) Inc. and Eseela Inc. (the "**Borrower**") in the amount of $3 million (the "**First Mortgage Loan**") as mortgage financing for 566 Riverview Drive, Chatham (the "**Original Mortgage Agreement**"). Many of these borrower entities have been wound up. The

Original Mortgage Agreement was due to mature on September 30, 2021. A copy of the Original Mortgage Agreement is attached hereto and marked as **Exhibit "N"**.

78. Following the amalgamation of some of the Borrowers and transfer of the Chatham Facility to 5047 Ontario, the parties entered into a Mortgage Renewal on November 1, 2021 to memorialize the amalgamation and transfer of the Chatham Facility, amend the interest rate and extend the maturity date of the First Mortgage Loan to November 1, 2022 (the "**First Mortgage Renewal**"). The maturity date on the First Mortgage Loan was further extended pursuant to the Mortgage Renewal dated November 7, 2022 (the "**Second Mortgage Renewal**") which extended the maturity date to November 1, 2024. The Second Mortgage Renewal further amended the interest rate on the First Mortgage Loan to the greater of 9.50% per annum or the RBC Prime Lending Rate plus 4.25% to be calculated and compounded monthly. A copy of the First Mortgage Renewal is attached hereto and marked as **Exhibit "O"**; the Second Mortgage Renewal is attached hereto and marked as **Exhibit "P"**.

79. As security for the payment and performance of the Borrower's obligations under the Original Mortgage Agreement, the Borrowers granted, among other things, a continuing security interest in all of its present and after-acquired personal property. Hillmount currently has a registered security interest in respect of the First Mortgage Loan pursuant to the *Personal Property and Security Act* (Ontario) (the "**PPSA**") against Tavivat, Wellworth, AgMedica, and 8057 Canada.

80. In addition to the First Mortgage Loan, AgMedica entered into a Mortgage Commitment with 2596690 Ontario Inc. ("**AgriRoots**") on November 1, 2020 (the "**Original AgriRoots Mortgage**") as guaranteed by 2472602 Ontario Inc., 2642466 Ontario Inc., 8895309 Canada Inc.,

Wellworth, 8050 Canada, 8326851 Canada Inc., Unique Beverages (USA) Inc., Worldwide Beverages Innovations Inc, and Tavivat (collectively with AgMedica, the "**Obligors**") in the amount of $7 million (the "**Second Mortgage Loan**") for 566 Riverview Drive, Chatham. The Original AgriRoots Mortgage was due to mature on November 1, 2021. A copy of the Original AgriRoots Mortgage is attached hereto and marked as **Exhibit "Q"**.

81. As security for the payment and performance of the Obligors under the Original AgriRoots Mortgage, among other things, AgriRoots was granted a charge over the Chatham Facility and AgriRoots was granted a charge in respect of the Obligors for up to $12 million (the "**Original AgriRoots Security**").

82. On November 21, 2022, the Original AgriRoots Mortgage was amended to, among other things, add four additional tranches to the Second Mortgage Loan which increased the Second Mortgage Loan to $11,350,000 (the "**Amendment**"). The Amendment also extended the maturity date of the Second Mortgage Loan, as amended, to September 1, 2024. Each of the tranches under the amended Second Mortgage Loan have an interest of 15% per annum. A copy of the Amendment is attached hereto and marked as **Exhibit "R"**.

83. In addition, on November 29, 2022 the Obligors entered into promissory note in the amount of $750,000 with AgriRoots, which increased the total amount loaned by AgriRoots to $12.1 million.

84. The Amendment also amended the Original AgriRoots Security to grant a charge in favour of AgriRoots over all the present and after acquired property of AgMedica and increase charge from $12 million to $16 million. AgriRoots currently has a registered security interest in respect

of the First Mortgage Loan pursuant to the PPSA against AgMedica, Tavivat, Wellworth, 5047 Ontario and 8050 Canada.

Mortgage – Stratford Facility and Line of Credit

85. On July 4, 2022, GreenSeal entered into a Commitment Letter with Your Neighbourhood Credit Union Limited ("**YNCU**") whereby YNCU agreed to provide to GreenSeal three credit facilities in the aggregate amount of $5,346,485 (the "**Commitment Letter**"). The tranches included, a commercial mortgage in the amount of $4,371,000, an additional commercial mortgage facility in the amount of $675,000 (collectively, the "**Commercial Mortgages**") and a line of credit in the amount of $300,000 (the "**Line of Credit**").

86. The obligations under the Commitment Letter were guaranteed by a former shareholder of GreenSeal, RCL Venture Holdings, Inc., (the "**Former Shareholder**") and former principals, Peter Reeves, Corey Hamilton and Chad Morphy (collectively, the "**Former Principals**"). A copy of the Commitment Letter is attached hereto and marked as **Exhibit "S"**.

87. The Commercial Mortgages were used to fund the acquisition of the Stratford Facility and the Line of Credit was given for GreenSeal's operations. The Commercial Mortgages have a maturity date of March 9, 2026, and the Line of Credit matured on July 4, 2023. The unpaid balance is approximately $230,000, in respect of which GreenSeal has been making regular payments.

88. As security for the payment and performance of GreenSeal's obligations under the Commitment Letter, among other things, GreenSeal granted a charge in the amount of $5.4 million over the Stratford Facility to YNCU and a fixed and floating charge over the Real Property (as defined in the Commitment Letter) and its associated assets and a subordinate fixed and floating

charge over all of the assets and undertakings of GreenSeal subsequent only to existing charges. In addition, personal guarantees were given by the Former Principals and a corporate guarantee from the Former Shareholder. YNCU currently has a registered security interest in respect of the Commercial Mortgages pursuant to the PPSA against GreenSeal.

Receivables Purchase Agreements

89. On June 7, 2023, Stoke and GreenSeal entered into the Receivables Purchase Agreement (as amended, restated, supplemented or otherwise modified from time to time, collectively the "**GreenSeal RPA**") which describes GreenSeal agreeing to sell and Stoke agreeing to buy from time to time certain Eligible Receivables of GreenSeal. A copy of the GreenSeal RPA is attached hereto and marked as **Exhibit "T"**. This factoring arrangement provided short-term liquidity to GreenSeal. GreenSeal also borrowed under the Additional Facility Supplement #1 to the RPA to stabilize its short-term liquidity position.

90. As security for the payment and performance of GreenSeal's obligations, the GreenSeal RPA describes GreenSeal granting a continuing security interest, in the moneys and other sums payable to or receivable by GreenSeal under or pursuant to the provisions of the Eligible Receivables, the Reserve Amount and the Dilution Reserve as defined in the GreenSeal RPA, the books and records related to the foregoing, and all additions, substitutions and replacements for each of the foregoing. On March 20, 2024, Stoke filed a registration pursuant to the PPSA against GreenSeal in order to perfect its security interest granted pursuant to the GreenSeal RPA.

91. In addition, Atlas granted a Corporate Guarantee dated June 7, 2023, to Stoke to guarantee GreenSeal's obligations under the GreenSeal RPA (the "**GreenSeal Guarantee**"). The GreenSeal Guarantee is attached hereto and marked as **Exhibit "U"**. Atlas unconditionally and irrevocably

guaranteed, without security, the payment of all present and future obligations of GreenSeal to Stoke arising pursuant to and/or on account of the provisions in Transaction Documents (as defined in the GreenSeal Guarantee), including, without limitation, all of the Obligations (as defined in the GreenSeal RPA).

92. On September 9, 2023, GreenSeal and Stoke amended the GreenSeal RPA through an Amendment and Supplement to the GreenSeal RPA (the "**Amended GreenSeal RPA**"). As envisioned in the Amended GreenSeal RPA, the parties entered into an Additional Facility Supplement #1 of September 9, 2023 (the "**Additional Facility Supplement**").

93. The Amended GreenSeal RPA created an "**Additional Facility**". Under the Additional Facility Supplement, GreenSeal could request an advance of credit ("**Advance Amount**") from Stoke against Eligible Purchase Orders (rather than Eligible Receivables), subject to GreenSeal fulfilling certain conditions precedent. The Advance Amount had a limit of $1,000,000, at any time, equal to 33% of the total advances against Receivables outstanding. On a specific date, known as the "**Conversion Date**", the outstanding Advance Amount would automatically convert and be deemed a portion of the advanced amount under the GreenSeal RPA.

94. As security for GreenSeal's obligations in connection with the Additional Facility Supplement, the Additional Facility Supplement contemplates GreenSeal granting Stoke "a first priority security interest in, all of [GreenSeal's] right, title and interest in and to" the Eligible Purchase Order, goods and inventory held for the purpose of filling the Eligible Purchase Order, and related documents, books and records, among other things.

95. Like the arrangement between Stoke and GreenSeal, AgMedica entered into a Receivables Purchase Agreement with Stoke on July 3, 2023 (the "**AgMedica RPA**") in respect of AgMedica's Eligible Receivables. A copy of the AgMedica RPA is attached as **Exhibit "V"** hereto.

96. As security for the payment and performance of AgMedica's obligations under the AgMedica RPA, the RPA contemplates AgMedica granting a continuing security interest, the moneys and other sums payable to or receivable by AgMedica under or pursuant to the provisions of the Eligible Receivables, the Reserve Amount and the Dilution Reserve as defined in the AgMedica RPA, the books and records related to the foregoing, and all additions, substitutions and replacements for each of the foregoing. On July 11, 2023, Stoke filed a registration pursuant to the PPSA against AgMedica in order to perfect its security interest granted pursuant to the AgMedica RPA.

97. In addition, Atlas granted a Corporate Guarantee dated July 3, 2023, to Stoke to guarantee AgMedica's obligations under the AgMedica RPA (the "**AgMedica Guarantee**"). The AgMedica Guarantee is attached hereto and marked as **Exhibit "W"**. Atlas unconditionally and irrevocably guaranteed, without security, the payment of all present and future obligations of AgMedica to Stoke arising pursuant to and/or on account of the provisions in Transaction Documents (as defined in the AgMedica Guarantee), including, without limitation, all of the Obligations (as defined in the AgMedica RPA).

98. In addition, pursuant to the Cross-Corporate Guarantee dated October 19, 2023 between GreenSeal and Stoke (the "**Cross-Guarantee**"), GreenSeal unconditionally and irrevocably guaranteed, without security, the payment of all present and future obligations of AgMedica to Stoke arising pursuant to and/or on account of the provisions in Transaction Documents (as defined

in the Cross-Guarantee), including, without limitation, all of the Obligations (as defined in the AgMedica RPA). A copy of the Cross-Guarantee is attached as **Exhibit "X"** hereto.

E. Notable Unsecured Liabilities

99. *Intercompany debt:* In the ordinary course of their operations, AgMedica, GreenSeal and GreenSeal Nursery loan each other funds to fund operating costs and other working capital obligations. There is no formal loan agreement between AgMedica, GreenSeal, or GreenSeal Nursery in respect of the above loans.

100. As of April 30, 2024, netting out the various intercompany transactions, GreenSeal had loaned AgMedica approximately $3,038,478.71 to fund operating costs and other working capital obligations.

101. *Property taxes:* As of April 15, 2024, 5047 Ontario owed property taxes in respect of the Chatham Facility in the amount of $336,267. GreenSeal is current on its property taxes in respect of the Stratford Facility.

102. The Applicants currently owed their legal counsel, Osler, Hoskin and Court LLP, fees and costs in the amount of approximately $950,000.

F. Litigation

103. Certain members of the Atlas Group are defendants in actions or applications as follows:

(a) *McPhee Investments Ltd. v. AgMedica Bioscience Inc., Trevor Henry, Peter Van Mol and Trent Henry:* On December 2, 2019, AgMedica brought an application in Ontario to restructure its business under the CCAA. On the same date, the Ontario Superior Court of Justice granted an initial order appointing EY as the monitor in the CCAA proceedings. By statement of claim issued July 28, 2022, McPhee claims that in connection with this restructuring, it lost the value of its initial $12,500,000 investment in AgMedica and that it is entitled to an award of damages that includes the value of its undiluted equity position in AgMedica prior to the CCAA proceedings, plus further damages, interest and costs. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "Y"**.

(b) *Hillcrest Merchant Partners Inc. v. Atlas Global Brands Inc. and GreenSeal Cannabis Company Ltd.:* By statement of claim issued April 17, 2023 in Ontario, Hillcrest claims payment from GreenSeal and Atlas of $667,889.55 for breach of contract and $250,000 for loss of a chance damages, plus interest and costs. Hillcrest, an investment and financial advisory firm makes this claim pursuant to an engagement letter dated May 18, 2022. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "Z".**

(c) *Agriculture Financial Services Corporation v. Atlas Global Brands Inc., Atlas Growers Ltd., Atlas Biotechnologies Inc., Jeffrey Robert Gossain and Sheldon Francis Croome:* The Agriculture Financial Services Corporation through its statement of claim filed in Alberta seeks judgment against Atlas in respect of a $1,400,000 limited parental guarantee granted by Atlas to the Agriculture Financial Services Corporation in respect of the indebtedness of Atlas Biotech to the Agriculture Financial Services Corporation.

(d) *Rage Studios Inc. operating as Vimark Solutions v. Atlas Growers Ltd. and Atlas Global Brands Inc.*: By statement of claim filed on June 27, 2023 in Alberta, against both Atlas Growers and Atlas, Rage claims payment for an unpaid invoice for marketing services and promotional materials valued at $15,582, plus interest and costs. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "AA"**.

(e) *1402171 Alberta Inc. v. Atlas Global Brands Inc.:* Jeffrey Gossain, providing services through 1402171 Alberta Inc. ("**Gossain**") was employed by Atlas as Chief Operating Officer until his termination for cause in June 2023. By statement of claim issued January 9, 2024 in Alberta, Gossain claims damages for termination of his Consulting Agreement in the amount of $438,955.14, plus amounts for aggravated and punitive damages, and remedies with respect to his stock options. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "BB"**. Further, by Notice of Application dated January 23, 2024 filed in Ontario, Gossain sought declarations that, among others, he is entitled to exercise 1,753,433 options to purchase the common shares of Atlas. The Notice of Application is attached hereto and marked as **Exhibit "CC".**

(f) *Alacer et al. v. Atlas Global Brands Inc.:* By statement of claim issued February 28, 2024 in Ontario, Alacer and others claim from Atlas payment of principal and interest totaling $417,000 as of January 31, 2024, plus ongoing interest at a rate of 15% per annum. The plaintiffs hold convertible debentures in Atlas Biotech and allege that Atlas assumed liability for amounts owing under the convertible debentures. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "DD".**

(g) *Atlas Growers Ltd., By Its Court Appointed Receiver And Manager Ernst & Young Inc. v. GreenSeal Cannabis:* By statement of claim issued April 22, 2024 in Alberta, EY as the receiver of Atlas Growers claims against GreenSeal $351,712.50 for an unpaid invoice respect of GreenSeal's purchase of certain cannabis products from Atlas Growers. A copy of the Statement of Claim is attached hereto and marked as **Exhibit "EE"**.

G. Demands from Creditors

104. Atlas and GreenSeal received a demand from EY in its capacity as Court-appointed receiver of the Atlas Alberta Subsidiaries, pursuant to an order from the Court of King's Bench of Alberta on June 26, 2023, requesting that (i) GreenSeal make full and unconditional payment of $351,712.50 (or such other amount that EY may agree to in writing); and (ii) Atlas and GreenSeal make full and unconditional payment of $13,000 to EY (or such other amount that EY may agree to in writing) ($8,000 of which was paid on March 26, 2024), in each case, in respect of assets purchased by Atlas and GreenSeal from EY.

105. AgMedica has received two demand letters from Hillmount. In the first demand letter, dated June 11, 2024, Hillmount stated that AgMedica and its subsidiaries were in arrears under their mortgage at 566 Riverview Drive, Chatham-Kent, Ontario and demanded payments of the arrears, taxes and legal costs $44,390.13. The letter also attached Tax Certificates dated June 5, 2024 showing property tax arrears owing in the amount of $355,100.40 for both 510 and 566 Riverview Drive, Chatham and seeking evidence of payment of those tax arrears. A copy of the Demand Letter dated June 11, 2024 is attached hereto and marked as **Exhibit "FF"**.

106. In the second demand letter, dated June 18, 2024, Hillmount asserted that AgMedica is indebted to Hillmount as evidenced by a Promissory Note dated October 5, 2020 and secured by the mortgage provided by Hillmount to AgMedica. It stated that AgMedica is in default of its obligations and covenants with Hillmount and demanded repayment in full of the debt totaling $3,392,722.30 with respect to the facilities, plus all legal fees and disbursements incurred by Hillmount due to the said default, up to and including the date of payment. Hillmount reiterated that there are tax arrears of $355,100.40 as of June 5, 2024, with penalty and interest accruing thereof. A copy of the Demand Letter dated June 18, 2024, is attached hereto and marked as **Exhibit "GG".** Hillmount also sent a Notice of Intention to Enforce Security with respect to the

mortgage. The Notice of Intention to Enforce Security dated June 18, 2024, is attached hereto and marked as **Exhibit “HH”**.

V. CHALLENGES AND LIQUIDITY ISSUES FACED BY THE APPLICANTS

A. The 2023 Strategic Plan

107. The strategic plan for Atlas and business rationale for the RTO Transaction was to leverage a unique combination of: (i) the production capacity and EU-GMP certification of AgMedica; (ii) the production capacity of the Atlas Alberta Subsidiaries; and (iii) the industry knowledge and network of the Cambrosia principals to increase sales channels in Israel, then regarded as a potential high growth international market for medical cannabis, all to increase higher margin international sales of medical cannabis.

108. Shortly after the RTO Transaction, Atlas appointed a new CEO and CFO, neither of whom had any prior involvement with the Atlas Group, to execute this business plan.

109. None of the constituent operating entities involved in the RTO Transaction had previously been publicly traded companies, and so the newly formed Atlas Group did not have the requisite policies, practices, procedures, internal controls or experienced staff for the financial reporting obligations of a publicly traded company. To compound matters, the financial reporting and accounting for the RTO Transaction was extremely complex and a new audit firm was appointed in February 2023.

110. For the first quarter after completion of the RTO Transaction, management primarily focused on (i) integrating the operations of the acquired entities, assessing cash flow and liquidity requirements, implementing changes to address urgent liquidity issues, harmonizing the consolidated cost structure to improve cash flow; (ii) establishing corporate support, including

engaging an auditor and financial professionals to prepare the first audited financial statements for the consolidated entity; and (iii) identifying acquisition opportunities to increase sales internationally, particularly in Israel.

111. This work led to the acquisition of GreenSeal and GreenSeal Nursery, as well as the execution of several purchase and sale agreements for a controlling interest in privately owned pharmacies in Israel, including Harmony discussed below. It also led to the decision to cease operations at and liquidate the assets of Atlas Alberta Subsidiaries, which were incurring negative cash flow of approximately $300,000 each month.

112. As is described above, the Atlas Group's strategic plan focused on international sales of medical cannabis, particularly in Israel. To that end, between, Cambrosia entered into agreements to acquire several cannabis pharmacies and one trading house in Israel, including the proposed acquisition by Cambrosia of a 51% controlling interest in a private limited liability company ("**Harmony**") operating two medical cannabis pharmacies, one in Tel-Aviv and one in Jerusalem, and a 51% interest in an Israeli licensed cannabis "Trading House" intended to serve as the Company's hub for imports to and distribution within Israel.

113. Separate and apart from these potential acquisitions, sales in Israel did not materialize as quickly as projected when the RTO Transaction was completed. The first material shipment occurred in July 2023, with the second material shipment occurring in December 2023. Originally, the Atlas Group had forecast shipments of at least 250 kg per month in the second half of 2023. Management therefore began to focus on developing a unique value proposition to (i) leverage AgMedica's EU-GMP certified Chatham Facility (including completion of the Chatham Expansion) to penetrate the higher margin international cannabis markets, other than Israel, and

(ii) increasing domestic sales with strategic collaborations, while concurrently seeking third party financing of between $3 million and $5 million. The Chatham Expansion required a capital investment of $3 million and the balance of the funds sought was to manage the Company's negative cash flow until the capacity came online.

114. On July 26, 2023, Atlas announced a collaboration with Snoop Dogg and the launch of a new brand, "D*gg lbs".

115. For the three-month period ended March 31, 2024, domestic sales increased by 23% to $2.6 million as compared to the same period in the prior year, and the Atlas Group identified new opportunities for international sales (leveraging AgMedica's EU-GMP certification), including the production of high margin vapes, all of which combined to form the basis for a business plan for the Chatham Expansion that, if completed, management believes would have generated the cash flow necessary to service the Company's consolidated debt.

B. The Cease-Trade Order

116. As described above, however due to the combination of the complex accounting and financial reporting of the RTO Transaction and a lean financial group, the Atlas Group was not able to finalize audited financial statements for the period ending March 31, 2023, when due on July 31, 2023. On August 8, 2023, the OSC issued a failure-to-file cease-trade order (the "**Cease-Trade Order**"). The Cease-Trade Order remains in place although Atlas has made all required filings and on May 23, 2024, made application for a full revocation of the Cease-Trade Order.

117. The delay in completing its audited financial statements and the consequential Cease-Trade Order has impacted Atlas' ability to raise capital in at least two ways. First, the Cease-Trade Order has prevented Atlas from issuing securities (i.e., raising capital). Second, lenders generally require

audited financial statements as part of their due diligence process. As Atlas' audited financial statements were delayed, Atlas has struggled to raise capital through debt or equity financing.

118. This limitation on the ability to raise capital materially and negatively impacted the Atlas Group's cash position and liquidity and, specifically its ability to increase capacity and revenue to leverage domestic and international sales opportunities, service its considerable debt, and supplement working capital needs upon the commencement of CRA Garnishments (discussed below).

C. Difficulties in Israel

119. Due in part to the hostilities in the region, revenue from Israel remain materially below that projected at the time of the RTO Transaction.

120. In addition, shortly after the Cease-Trade Order, the transaction with Harmony was terminated. The Atlas Group, through Cambrosia had lent the Trading House approximately $525,000, which debt is guaranteed by the Harmony vendors, to be repaid immediately in the event the transaction did not close. The Atlas Group also entered into revenue transactions with the vendors and provided product for sale. Harmony sold product for which it collected but did not remit proceeds owing to Atlas' Israeli subsidiary.

121. On December 20, 2023, Cambrosia filed a lawsuit against the principals of Harmony (as defined below) in the District Court of Tel Aviv, seeking various remedies including repayment of approximately $1.4 million. As part of the claim, the Company asked the court for a lien on the bank accounts of Harmony and its four founders. On December 21, 2023 the court approved the Company's request and issued a lien on those accounts in an amount of NIS 2,137,226 (approx. $783,293), on each of the accounts of all six defendants. Following a request by the Company, on

December 25, 2023, the court issued new liens on the accounts of all defendants, revising the amount of the liens to NIS 3,291,764 (approx. $1,206,431) in each account. The claim is yet to be resolved.

D. The CRA's Enforcement Actions and the Impact of Excise Taxes and Price Compression on the Atlas Group's Liquidity

122. Throughout 2023 and into 2024, the Canadian cannabis market continued to experience price compression in the market, when compared to the prior fiscal year. Price compression is driven predominantly by competition from the illicit market, where sellers operate outside restrictions imposed in the legal market. Price compression has been exacerbated over the preceding two years, by inflationary pressure on input costs.

123. Given the impacts of price compression, excise tax has grown to become a larger component of net revenue as it is predominantly computed as a fixed price on grams sold rather than as a percentage of the selling price. Put simply, pursuant to the *Excise Act, 2001*, all packaged cannabis products removed from the premises of a cannabis licensee to enter the Canadian duty-paid market for retail sale are required to have a cannabis excise stamp. Generally, the Cannabis licensee who packaged the cannabis product is required to determine the appropriate cannabis excise stamp, and to apply such stamp before the product enters into the duty-paid market. Cannabis licensees are liable for the cannabis duties payable on cannabis products which they stamp, generally at the time of delivery to a purchaser, and must file a monthly Information return to calculate and remit any cannabis duty payable in that monthly period.

124. In late February 2024, the House of Commons Standing Committee on Finance issued a report outlining several recommendations regarding the adult use cannabis industry. One such recommendation was a request to "make adjustments to the excise duty formula for cannabis so

that it is limited to a 10% ad valorem rate and a requirement to apply an excise stamp on cannabis products". If this change were implemented – changing the calculation of excise tax from a fixed amount per gram to a percentage – it would materially improve the Atlas Group's ability to maintain a stable liquidity profile.

125. Meanwhile, excise tax arrears in the Canadian cannabis industry have been growing. It has been reported that as of as of March 1, 2024, the Canadian cannabis industry owed approximately $221 million to the Canada Revenue Agency (the "**CRA**") in cannabis duties.

126. As at May 20, 2024, GreenSeal had approximately $2,919,273.95 in excise tax arrears. These arrears prompted the CRA to issue garnishment notices (each a "**CRA Requirement**") to various provincial wholesalers, for non-payment of excise taxes. I understand that the CRA issued CRA Requirements in respect of multiple cannabis companies.

127. In February 2024, the CRA issued CRA Requirements to provincial wholesaler account debtors of GreenSeal directing payment to the Receiver General of 50% of the receivables owed to GreenSeal. Copies of the CRA Requirements are attached hereto and marked as **Exhibit "II"**.

128. To date, the CRA has garnished a total of appropriately $854,719 of GreenSeal's receivables and has provided notice of its intention to garnish an additional $1,259,480. This unanticipated garnishment materially impacted GreenSeal's cash flow.

129. As of the date hereof, AgMedica had $3,842,970 in excise tax arrears. The CRA has issued a garnishment notice to Ontario Cannabis Store ("**OCS**") for 50% of AgMedica's receivables. AgMedica's receivables with OCS are minimal as AgMedica primarily focuses on international exports.

130. I understand that the CRA has agreed to cancel CRA Requirements permitting customers to pay cannabis companies if they are in a CCAA proceeding. For example, in the Heritage Cannabis Holding Corp. ("**Heritage**") CCAA proceeding (initial order granted April 2, 2024), Heritage owed more than $11 million to the CRA on account of unremitted excise tax arrears.[7] The Monitor reported that the CRA then cancelled CRA Requirements issued in respect of Heritage.[8] It is my hope that the CRA will take the same approach to the Atlas Group, which would permit the Atlas Group to have more liquidity and the ability to find stable footing.

131. On May 30, 2024, the CRA sent GreenSeal a legal warning about GreenSeal's outstanding excise tax arrears. The CRA asserts that GreenSeal has an outstanding excise tax arrears of more than $2.9 million. A copy of the CRA legal warning letter dated May 30, 2024, is attached hereto and marked as **Exhibit "JJ"**.

132. In addition to the CRA Requirements, the CRA has been taking other enforcement steps to collect the excise tax arrears, including threatening not to renew the required licences and refusing to supply excise stamps unless the excise tax arrears are paid. These steps jeopardize the Atlas Group's ability to generate revenue, which would make it impossible for the Atlas Group to repay the excise tax arrears.

133. For example, starting in January 2024, the CRA renewed the AgMedica Cannabis Licence monthly rather than for longer periods. The CRA's only stated reason for failing to renew the AgMedica Cannabis Licence for a longer period was the outstanding excise tax arrears. To obtain a longer renewal period, the CRA stated that AgMedica must (1) comply with an April payment

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[7] Heritage Initial Order factum, para 5.

[8] Heritage Monitor's First Report, para 18.

arrangement made with the CRA's collection branch, and (2) pay monthly all newly incurred excise tax. If AgMedica failed to pay the CRA's unsecured excise tax arrears, the CRA explained that the AgMedica Cannabis Licence would become ineligible for renewal and could be grounds for the CRA to suspend or cancel the AgMedica Cannabis Licence. A copy of the CRA's letter renewing the AgMedica Cannabis Licence dated June 6, 2024, is attached hereto as Exhibit "H".

134. In another example of the CRA taking steps that prevent the Atlas Group from earning revenue, starting in May 2024, the CRA refused to issue excise stamps to GreenSeal. A copy of GreenSeal's May 9, 2024, order for excise stamps is attached hereto as **Exhibit "KK"**. A copy of the CRA's May 10, 2024, email rejecting GreenSeal's purchase order for excise stamps is attached hereto as **Exhibit "LL"**. On May 10, 2024, I spoke with the CRA representative, Amanda Harris, and was informed that the CRA rejected GreenSeal's order for additional excise stamps due to GreenSeal's excise tax arrears.

135. GreenSeal has sufficient excise stamps to support the receipts projected in the Cash Flow Forecast up to the date of the Comeback Hearing. However, the CRA's refusal to provide excise stamps to GreenSeal may impact the timing of receivables after the Comeback Hearing.

136. I am informed by Justin Kanji, of Osler, Hoskin & Harcourt LLP, that the CRA's ability to cancel licences and refuse to issue excise stamps can be curtailed in insolvency proceedings. For example, in the Tantalus Labs Ltd. bankruptcy, the Court ordered the CRA to maintain the status quo in respect of the cannabis excise licence, including staying the CRA from "taking any actions against Tantalus with respect to the cannabis stamps and cannabis inventory" and permitting Tantalus "to continue selling its cannabis inventory in the ordinary course under the Excise

Licence".[9] The Court made this status quo order to "preserve the substantial value in Tantalus' remaining inventory for the benefit of all stakeholders, including the CRA".[10] It is my hope that the CRA will work with the Atlas Group to preserve the substantial value of its inventory and opportunities for the benefit of all stakeholders.

137. Earlier in 2024, AgMedica and GreenSeal had entered into Distribution Agreements pursuant to which AgMedica could provide various services, including excise stamping, to GreenSeal and vice versa. AgMedica and GreenSeal filed these agreements with Health Canada and the CRA in [February 2024] and was waiting for Health Canada approval.

138. The Atlas Group believed that GreenSeal could continue to generate revenue by selling its products with AgMedica providing the excise stamping services for those products under the service agreement. However, on June 10, 2024, the CRA refused authorization for the Distribution Agreement between AgMedica and GreenSeal, listing a series of alleged deficiencies in the drafting of the Agreement itself. The CRA advised that the Atlas Group could reapply with a written application for authorization of a service agreement. A copy of the CRA's letter is attached hereto as **Exhibit "MM"**.

139. AgMedica and GreenSeal are taking steps to revise the Distribution Agreement to address the CRA's questions, but the CRA's refusal to supply excise stamps to GreenSeal combined with its refusal to approve the Distribution Agreement between AgMedica and GreenSeal is jeopardizing GreenSeal's ability to meet its future orders and generate revenue.

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9 Tantalus Labs Order.

10 Tantalus reasons, para 26.

E. The Factoring Arrangement with Stoke and Stoke's Demands

140. The CRA's enforcement efforts impacted GreenSeal's relationship with Stoke. As of June 6, 2024, GreenSeal owed Stoke $1,854,319.54, including interest, pursuant to the GreenSeal RPA. As is described in paragraph 90, above, the GreenSeal RPA contemplates that Stoke will have a security interest in the amounts receivable by GreenSeal in respect of the Eligible Receivables, among other things. The CRA, through its CRA Requirements, garnished Eligible Receivables.

141. As a result of garnishments of Eligible Receivables, Stoke sent a demand letter to GreenSeal dated May 27, 2024, demanding payment of more than $1.8 million and providing a section 244 notice of its intention to enforce security. A copy of Stoke's demand and section 244 notice is attached hereto as **Exhibit "NN"**.

142. On the same date, Stoke also sent a letter to GreenSeal's directors making various allegations including asserting that these directors owed a fiduciary duty to act in the best interest of Stoke. A copy of Stoke's letter to GreenSeal's directors is attached hereto as **Exhibit "OO"**.

143. On Sunday, June 9, 2024, Stoke sent to GreenSeal's counsel an unissued notice of application asking this Court (1) to appoint PwC as receiver of certain assets of GreenSeal and (2) to grant judgment against Atlas for $1,854,319.54 based on the GreenSeal Guarantee. Stoke also provided the supporting application record associated with the unissued notice of application.

144. On June 13, 2024, this Court issued the Notice of Application, which is attached hereto and marked as **Exhibit "PP"**.

F. Opportunities for Improved Profitability and Growth

145. As described above, the Atlas Group (as the consolidated entity that emerged from the RTO Transaction), began with substantial debt servicing obligations and a business plan based on generating higher-margin sales from Israel that would generate the net revenue to service the debt, complete the Chatham Expansion and ultimately extinguish the debt, thereby creating shareholder value not possible for any of the entities as stand-alone enterprises.

146. When sales to Israel failed to be realized on a material scale, Atlas successfully redirected it efforts to (i) increase sales to other International markets, particularly Australia and Germany (the "**International Strategy**"); and (ii) re-sizing its domestic product offerings and launching new products, such as Dogg Lbs in collaboration with Snoop Dogg (the "**Domestic Strategy**").

147. Foundational to the International Strategy, was the fact that (i) sales by Canadian licensed producers internationally are not subject to the excise tax that erodes the margin available on domestic sales; (ii) its Chatham Facility EU-GMP certified, making it a preferred supplier, at premium prices; and (iii) the cannabis industry in Europe is in its early stages of development, and countries within Europe are at different stages of legalization of medical and adult-use cannabis where some countries have expressed a clear political ambition to legalize adult-use cannabis, some are engaging in an experiment for adult-use, and some are debating regulations for cannabinoid-based medicine.

148. For example, on March 22, 2024, it was announced that cannabis possession and home cultivation will be decriminalized in Germany from April 1, 2024. The decriminalization legislation is what is known as the "first pillar" in a two-step plan to legalize cannabis in the

country. The “second pillar” is expected after the decriminalization bill and would set up municipal five-year pilot programs for state-controlled cannabis to be sold in licensed shops.

149. The International Strategy resulted in (i) new and enhanced relationships with substantial distributers that shifted international revenue to account for 80% of Atlas’ consolidated sales; and (ii) created opportunities for high-margin co-packing agreements for both flower and cannabis accessories such as vape. By way of illustration, co-packing offers margin of 30 to 50% for dried flower and 50% to 70% for extracts.

150. The potential of Alas’ International Strategy is compelling when considered in conjunction with the expansion potential of the Chatham Facility, after a capital expenditure of between $2 to $3 million and the anticipated growth of the cannabis market in Europe.

151. Despite the challenge of completing uniquely complex audited financial statements with a skeletal finance team and servicing considerable debt, the Atlas Group substantially increased its revenue. The Group earned 58% more revenue in the quarter ended December 31, 2023, than it had earned three quarters earlier, in January to March 2023. The revenue generated in the quarter ended December 31, 2023, reached a record annualized gross revenue of approximately $40 million. I believe these financial results are a compelling proof concept of both the International Strategy and Domestic Strategy.

152. Due to a unique set of unfortunate set of circumstances, including hostilities in the Middle East, the unanticipated complexity of its financial reporting obligations resulting the Cease-Trade Order, the bad faith of counterparties to failed acquisitions Israel, and an unexpected shift in the Canada Revenue Agency’s approach to an industry-wide issue (excise tax arrears), Atlas had insufficient capital to fully enact its International Strategy and Domestic Strategy.

VI. CCAA PROCEEDINGS AND RELIEF SOUGHT

153. In light of the above, the Applicants are seeking protection under the CCAA to, among other things, obtain additional financing in order to continue operations and to takes steps that would see the Applicants restructured.

A. Cash Flow Forecast

154. The Applicants, with the assistance of the Proposed Monitor, have prepared consolidated 3-week cash flow projections. A copy of the cash flow projections with underlying assumptions is attached to my affidavit as **Exhibit "QQ"** (the "**Cash Flow Forecast**").

155. The Cash Flow Forecast shows that the Applicants will require access to additional funding during these proceedings less than 10 days after the Comeback Hearing, which is scheduled for June 27, should the Court grant an Initial Order to the Applicants on or around June 20, 2024. The Applicants intend to seek approval for a DIP Facility at the Comeback Hearing. As the Applicants are working with several parties interested in providing a DIP Facility, but have not yet finalized the terms of such Facility, the Applicants have departed from the usual custom of providing a 13-week cash flow. The Applicants will provide a 13-week cash flow in the materials to support the request for the ARIO at the Comeback Hearing.

156. The Cash Flow Forecast shows that before the Comeback Hearing, the Applicants have three sources of receipts: domestic sales, business to business sales ("**B2B**"), and international sales. With respect to these receipts, the Cash Flow Forecast assumes that:

(a) the Wholesalers who are subject to CRA Garnishments will not remit to the Applicants the portion of the receipts subject to those Garnishments, despite the Stay of Proceedings; and

(b) the domestic receipts in respect of which Stoke asserts an interest are not included in the Cash Flow Forecast as receipts until the question of to whom those receipts belong (the CRA, YNCU, or Stoke) is resolved.

157. The Applicants' principal use of cash during the Initial Stay Period is payroll, vendor payments, and utilities. In addition to these normal course operating expenditures, the Applicants will also incur professional fees and disbursements associated with these CCAA proceedings.

B. Appointment of Monitor

158. EY has consented to act as the Court-appointed Monitor of the Applicants, subject to Court approval. A copy of EY's consent is attached hereto as **Exhibit "RR"**. I am advised by external counsel that EY is a trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, 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.

C. Stay of Proceedings

159. As demonstrated above, the Applicants will run out funds and be unable to meet their obligations as they become due in the very short term. The Atlas Ontario Group therefore urgently requires a stay of proceedings to maintain the *status quo* and to give the Applicants the breathing space they require to develop a restructuring plan in consultation with their advisors and the Monitor.

160. The proposed Initial Order contemplates a stay of proceedings for a period of 10 days, which I understand is the maximum that can be authorized by a court at the initial application under the CCAA.

161. As set out in the Cash Flow Forecast attached at Exhibit “RR”, the Applicants expect to have sufficient funds to operate until the Comeback Hearing. If the stay is granted, the Applicants will subsequently request an extension of the Stay of Proceedings at the Comeback Hearing and approval of debtor-in-possession financing.

162. The Applicants also seek a stay of any proceedings against the directors and officers of the Atlas Ontario Group to ensure that they can focus their efforts on the Applicants’ restructuring efforts and to prevent creditors and others from seeking to do indirectly what they cannot do directly by asserting claims or other relief relating to the debts and obligations of the Applicants against the directors and officers.

D. Administration Charge

163. The Applicants seek an Administration Charge on its Property in the maximum amount of $400,000 as part of the proposed Initial Order, to secure the fees and disbursements incurred in connection with services rendered to the Applicants in favour of the Monitor, counsel to the Monitor, and the Applicants’ counsel. The Administration Charge is proposed to have first priority over all other charges.

164. The Applicants will seek to amend the Administration Charge to $650,000 under the proposed Amended and Restated Initial Order.

165. It is contemplated that each of the aforementioned parties: (i) will have extensive involvement during the CCAA proceedings; (ii) have contributed and will continue to contribute to the restructuring of the Applicants; and (iii) will ensure there is no unnecessary duplication of roles among the parties. The Applicants require the expertise, knowledge, and continued

participation of the proposed beneficiaries of the Administration Charge during these CCAA proceedings in order to complete a successful restructuring.

166. I am advised by legal counsel that the Proposed Monitor believes that the proposed quantum of the Administration Charge is reasonable and appropriate in light of the Applicants' CCAA proceedings and the services provided and to be provided by the beneficiaries of the Administration Charge.

E. Directors' Charge

167. The proposed Initial Order contemplates the establishment of a super-priority charge on the Property in the amount of $920,000 (the "**Directors' Charge**") to protect the directors and officers against obligations and liabilities they may incur as directors and officers of the Applicants after the commencement of the CCAA proceedings, except to the extent that the obligation or liability is incurred as a result of the director's or officer's gross negligence or wilful misconduct. The Applicants will seek to amend the Directors' Charge to $1,420,000 under the proposed ARIO.

168. There is a concern that certain directors and officers of the Applicants may discontinue their services during this restructuring unless the Initial Order grants the Directors' Charge to secure the Applicants' indemnity obligations to the directors and officers that may arise post-filing in respect of potential personal statutory liabilities.

169. I understand that the Applicants' present and former directors and officers are among the potential beneficiaries under various liability insurance policies. However, these policies may have various exceptions, exclusions and carve-outs, and may not provide sufficient coverage against potential liability that may be incurred during potential CCAA proceedings.

170. The Director's Charge is therefore crucial to ensure the continued participation of the directors and officers who manage the business and commercial activities of the Applicants. This will assure the ongoing stability of the Atlas Ontario Group business during the CCAA proceedings. The directors and officers of the Applicants have considerable institutional knowledge and valuable experience.

171. The quantum of the Directors' Charge was developed with the assistance and support of the Proposed Monitor considering the anticipated payroll, sales tax and other exposures that give rise to director liability for the applicable period.

172. The Applicants are 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.

173. The Applicants, in consultation with the Monitor, and their respective advisors, will seek an increase to the Directors' Charge at the Comeback Hearing.

F. Approval of Cash Management System

174. Given the nature and scale of the Atlas Ontario Group's operations through the Cash Management System, the continued use of the existing Cash Management System is required and appropriate during these CCAA proceedings. I understand that the Proposed Monitor is also supportive of this relief.

VII. CONCLUSION

175. For the reasons set out herein, the Atlas Ontario Group respectfully requests this Court grant the Initial Order.

AFFIRMED BEFORE ME over videoconference in accordance with the Administering Oath or Declaration Remotely Regulation, O.Reg. 431/20, on June 19, 2024, while I was located in the City of Toronto, in the Province of Ontario and the affiant was located in the City of Burlington, in the Province of Ontario.	
Jennifer Bieman Commissioner for Taking Affidavits	Jason Cervi

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

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

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

APPLICATION OF ATLAS GLOBAL BRANDS INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF JASON CERVI
(SWORN JUNE 19, 2024)

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TAB B

This is Exhibit "B" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 26, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Court File No. CV-24-00722386-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 20th
	)	
JUSTICE PENNY	)	DAY OF JUNE, 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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

INITIAL ORDER

THIS APPLICATION, made by Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the affidavit of Jason Cervi sworn June 19, 2024 and the Exhibits thereto (the "**Cervi Affidavit**"), the pre-filing report of the proposed monitor, Ernst & Young Inc. ("**EY**"), dated June 20, 2024 (the "**Pre-Filing Report**"), and on being advised that Stoke Canada Finance Corp., Hillmount Capital Mortgage Holdings Inc., 2596690 Ontario Inc. (operating as AgriRoots Capital Management Inc.), Your Neighbourhood Credit Union Limited., and the remaining secured creditors were given abridged notice, in accordance with the affidavits of service to be filed, and on being advised that certain secured creditors contested the sufficiency of said notice, and on hearing the submissions of counsel for the Applicants, counsel for EY and those other parties listed on the Counsel Slip, and on reading the consent of EY to act as the monitor (the "**Monitor**"),

SERVICE

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

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

3. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licences, 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 businesses (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 the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

4. **THIS COURT ORDERS** that the Applicants shall be entitled to continue to utilize the central cash management system currently in place as described in the Cervi Affidavit or, subject to the consent of the Monitor, replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Applicants of funds

transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicants, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise or arrangement that may be filed with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

5. **THIS COURT ORDERS** that, subject to the consent of the Monitor, 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 benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses; and

(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.

6. **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, subject to the consent of the Monitor, 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.

7. **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, harmonized sales taxes 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;

(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 of the Applicants.

8. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

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

(a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $150,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they 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,

each of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business.

11. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in

accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

12. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

13. **THIS COURT ORDERS** that until and including June 27, 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 their respective employees and representatives acting in such capacities, 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

14. **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 their respective employees and representatives acting in such capacities, 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

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

CONTINUATION OF SERVICES

16. **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, 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

17. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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 the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

18. **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.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

19. **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.

20. **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 $500,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 32 and 34 herein.

21. **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 19 of this Order.

APPOINTMENT OF MONITOR

22. **THIS COURT ORDERS** that EY 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.

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

(a) monitor the Applicants' receipts and disbursements;

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

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

(d) 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

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

24. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, 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, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act*, *2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the British Columbia *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the British Columbia *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, or such other applicable federal or provincial legislation or regulations (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 within the meaning of any Cannabis Legislation or otherwise, 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.

25. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection* Act, 1999, S.C. 1999, c. 33, as amended, the *Fisheries Act*, R.S.C. 1985, c. F-14, the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the Ontario *Occupational Health and Safety*

Act, R.S.O. 1990, c. O.1, the British Columbia *Environmental Management Act*, S.B.C. 2003, c. 53, the British Columbia *Fish Protection Act*, S.B.C. 1997, c. 21 or the British Columbia *Riparian Areas Protection Act*, S.B.C. 1997, c. 21 and all regulations thereunder (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.

26. **THIS COURT ORDERS** 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 are 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.

27. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

28. **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 to the Monitor, and the Applicants' counsel on a weekly basis, along with retainers in the amounts of $50,000, $50,000, and $150,000,

respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. **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.

30. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants 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 $400,000 as security for their professional fees and disbursements incurred at their standard rates and charges, 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 32-34 herein.

INTERCOMPANY LENDING

31. **THIS COURT ORDERS** that to the extent that any Applicant (an "**Intercompany Lender**") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant), such Intercompany Lender is hereby granted a charge (each, an "**Intercompany Charge**") on all the Property of such Debtor Applicant in the amount of such payment, obligation or transfer, which charge shall not exceed an aggregate amount of $150,000. The Intercompany Charge shall have the priority set out in paragraphs 32-34 herein.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge (to the maximum amount of $400,000);

Second – Directors' Charge (to the maximum amount of $500,000); and

Third – Intercompany Charge (to the maximum amount of $150,000).

33. **THIS COURT ORDERS** that the filing, registration or perfection of the 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.

34. **THIS COURT ORDERS** that 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.

35. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges unless the Applicants also obtain the prior written consent of the Monitor and the other beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

36. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees 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 the 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 BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it 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 creation of the Charges; and

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

37. **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

38. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than $1,000 (excluding individual employees or former employees), 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.

39. **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/toronto/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/atlasglobal.

40. **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 Applicants 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.

41. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

42. **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to these proceedings. Notwithstanding the foregoing, the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

GENERAL

43. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the

discharge of its powers and duties under this Order or in the interpretation or application of this Order.

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

45. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

46. **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 EY 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.

47. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

48. **THIS COURT ORDERS** that the terms of this Order are expressly without prejudice to the rights of all parties to seek relief at the Comeback Hearing scheduled in this matter for June 27, 2024 at 2 pm, including as it relates to any termination of the CCAA proceeding and appointment of a Receiver or Receivers over the Applicants.

Penny J.

Court File No: CV-24-00722386-00CL

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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TAB C

This is Exhibit "C" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 26, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

Atlas Global Brands Is Granted CCAA Protection

CHATHAM, ONTARIO and **TEL-AVIV, ISRAEL** / Executive Business Services / June 21, 2024– Atlas Global Brands Inc. ("**Atlas Global**" or the "**Company**") (CSE: ATL), today announces that the Company and its subsidiaries: GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. Tavivat Naturals Inc. (together with the Company, collectively, the "**Atlas Group**") have been granted an initial order under the *Companies' Creditors Arrangement Act* (the "**CCAA**"), giving it an opportunity to restructure its business and financial affairs (the "**Order**").

The Atlas' Group's application under the CCAA was heard by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") yesteday. Following the hearing, the Court granted the Order, which, among other things: (i) granted a stay of proceedings in favour of the Atlas Group up to and including June 27, 2024; and (ii) appointed Ernst & Young Inc. as Court-appointed monitor of the Atlas Group (in such capacity, the "**Monitor**").

After extensive consultation with legal and financial advisors, and thorough consideration of all available alternatives, the directors of each member of the Atlas Group determined that it was in the best interests of the Atlas Group and its stakeholders to seek creditor protection under the CCAA.

The Atlas Group is scheduled to return to Court for a hearing on June 27, 2024 (the "**Comeback Hearing**") at which time it intends to seek, among other relief, an Amended and Restated Initial Order, an extension of the stay of proceedings, and interim financing that would allow the Atlas Group to stabilize its operations, consider possible transactions, and emerge from the CCAA Proceedings as a going concern.

One of the Company's creditors, Stoke Canada Finance Corp., has made an application to have a receiver appointed over the Company's receivables and related assets. Unless resolved, that application will be heard at the Comeback Hearing.

The Company however continues to believe that the protection afforded by the CCAA will allow the Atlas Group to stabilize operations in order to consider potential restructuring transactions that would benefit all stakeholders, including the sale of all or substantially all of the business or assets of the Atlas Group through a court-supervised sales process.

About Atlas Global Brands

Atlas Global is a global cannabis company operating in Canada and Israel with expertise across the cannabis value chain, including cultivation, manufacturing, marketing, and distribution. Atlas Global currently distributes to seven countries: Australia, Canada, Denmark, Germany, Israel, Norway, and the United Kingdom. In addition to a differentiated product mix, Atlas Global operates two licensed cannabis facilities: (1) an EU-GMP MC-GAP facility in Chatham, ON, and (2) a GACP facility in Stratford, ON. Atlas Global also has a majority interest in three medical pharmacies in Israel and entered into binding agreements to acquire a majority interest in a trading house and six additional medical cannabis pharmacies in Israel. Learn more by visiting: www.atlasglobalbrands.com.

Contacts

Bernie Yeung
Chief Executive Officer
1-844-415-6961
invest@atlasglobalbrands.com

For further information regarding the CCAA Proceedings of the Atlas Group:

A copy of the Initial Order, and other information relating to the CCAA Proceedings will be available on the Monitor's website at www.ey.com/ca/atlasglobal. Additional enquiries for the Monitor may be directed to Ernst & Young Inc., in its capacity as Court-appointed monitor of the Atlas Group.

Contact: Greg Adams
Telephone: 1-833-453-2983 or 416-943-8046
Email: Atlasglobal.Monitor@ca.ey.com

Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable securities laws. Any such forward-looking statements may be identified by words such as "expects", "anticipates", "intends", "contemplates", "believes", "projects", "plans" and similar expressions. Readers are cautioned not to place undue reliance on forward-looking statements. Forward-looking statements in this release include statements regarding Atlas Group's intention to complete proceedings under the CCAA, and that the protection afforded by the CCAA will allow the Atlas Group to address its liquidity issues and stabilize operations. These statements should not be read as guarantees of future performance or results. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance, or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that such forward-looking statements will occur as described herein. The Company assumes no responsibility to update or revise forward-looking information to reflect new events or circumstances or actual results unless required by applicable law. Readers are encouraged to refer to the Company's disclosure available on its SEDAR profile (at www.sedarplus.com) for information as to the risks and other factors which may affect the Company's business objectives and strategic plans.

Neither the Canadian Securities Exchange nor its Market Regulator (as defined in the CSE policies) accepts responsibility for the adequacy or accuracy of this release.

TAB D

This is Exhibit "D" referred to in the Affidavit of JASON CERVI affirmed by JASON CERVI of the City of Burlington, in the Regional Municipality of Halton, before me at the City of Toronto, in the Province of Ontario, on June 26, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Jennifer Bieman

Commissioner for Taking Affidavits (or as may be)

JENNIFER BIEMAN

Jennifer Colleen Bieman,
a Commissioner, etc., Province of Ontario,
while a Student-at-Law.
Expires May 30, 2027.

June 26, 2024

Atlas Global Brands Inc.
1055 Dunsmuir Street, Suite 3000
Vancouver, British Columbia V7X 1K8

Attention: Bernie Yeung, CEO

Re: Debtor-in-Possession Financing of Atlas Global Brands Inc. et al

A. Pursuant to the Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued June 20, 2024 (the "**Initial Order**"), Atlas Global Brands Inc. (the "**Company**"), GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc., and Tavivat Naturals Inc. (collectively, together with the Company, the "**Borrowers**") were granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**") and Ernst & Young Inc. was appointed as Monitor of the Borrowers (in such capacity, the "**Monitor**").

B. In connection with the proceedings initiated by the Initial Order (the "**CCAA Proceedings**"), the Borrowers intend to seek:

(i) an order amending and restating the Initial Order, *inter alia*, approving this term sheet (this "**Term Sheet**") and granting the DIP Lender's Charge (as defined herein) (as may be further amended and restated from time to time, the "**ARIO**"); and

(ii) an order approving, and authorizing the Monitor to conduct, a Court-supervised sale and investment solicitation process (the "**SISP**") (as may be amended and restated from time to time, the "**SISP Order**").

C. The Borrowers require funding to satisfy the cashflow requirements of the CCAA Proceedings and other short-term liquidity requirements. Shalcor Management Inc. (the "**Lender**") has agreed to establish a debtor-in-possession loan facility in the maximum aggregate principal amount of $7,000,000, subject to, and in accordance with, the terms and conditions of this Term Sheet.

NOW THEREFORE in consideration of the foregoing and the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

SUMMARY OF TERMS FOR DIP FACILITY

1. Borrowers:	Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc., and Tavivat Naturals Inc., on a joint and several basis.
2. Lender:	Shalcor Management Inc.
3. DIP Facility:	Non-revolving facility in the maximum aggregate principal amount of $7,000,000, plus applicable interest and costs (the "**DIP Facility**").

4. Purpose:	The DIP Facility shall be available to fund: (i) working capital needs of the Borrowers, including servicing ordinary course payments of principal and interest to certain secured creditors; (ii) professional fees and expenses incurred by the Borrowers and the Monitor in respect of the CCAA Proceedings, in each case in accordance with the cash flow projections approved by the Monitor and the Lender (the "**Cash Flow Projections**"); (iii) the Recoverable Expenses (as defined below); and (vi) such other costs and expenses of the Borrowers as may be agreed to by the Lender and the Monitor, in writing. The amount and purpose of the DIP Facility may be amended by the Borrowers and the Lender, with the consent of the Monitor, in writing, and further order of the Court. The Borrowers may not use the proceeds of the DIP Facility to pay any pre-filing obligations of the Borrowers, except in accordance with the Cash Flow Projections or with the prior written consent of the Lender and the Monitor.
5. Advances:	The DIP Facility shall be available to the Borrowers upon the satisfaction or waiver of the funding conditions set out in Section 12 of this Term Sheet. The DIP Facility shall be advanced in multiple draws upon the receipt of a written draw request by the Lender from the Borrowers, provided that each draw request shall not be less than $1,000,000. Nothing in this Term Sheet creates a legally binding obligation on the Lender to advance any amount under the DIP Facility at any time unless: (a) the Borrowers are in compliance with the provisions of this Term Sheet, the ARIO and the SISP Order; (b) the funding conditions set forth in Section 12 of this Term Sheet have been satisfied; and (c) the Borrowers are operating within the parameters of the Cash Flow Projections.
6. Interest:	Interest shall accrue on amounts Advanced under the DIP Facility at a rate equal to 13% per annum (the "**Interest**"). Interest shall be calculated on the daily outstanding principal balance owing under the DIP Facility, not in advance, and shall accrue and be paid or otherwise satisfied on the Maturity Date (as defined herein); provided, however, that the Lender shall be entitled to a minimum of 270 days of interest on all amounts drawn on the DIP Facility.
7. Recoverable Expenses:	The Borrowers shall pay all fees and expenses (collectively, the "**Recoverable Expenses**") incurred by the Lender in connection with the preparation, registration and ongoing administration of this Term Sheet, the DIP Facility, the Initial Order, the ARIO, the SISP Order, the DIP Lender's Charge and with the enforcement of the Lender's rights and remedies hereunder and thereunder, at law or in equity, including, without limitation all reasonable legal fees and disbursements incurred by the Lender. For greater certainty, "Recoverable Expenses" shall include all reasonable fees and expenses incurred by the Lender in connection with the CCAA Proceedings, all Court attendances in respect thereof, and preparation and negotiation of a stalking horse bid, if applicable. Recoverable Expenses shall be paid by the Borrowers from each Advance. If the Lender has paid any expenses for which the Lender is entitled to reimbursement from the

Borrowers, such expenses shall be added to the DIP Facility and shall accrue Interest at the rate set out above. All such fees and expenses and Interest thereon shall be secured by the DIP Lender's Charge whether or not any funds under the DIP Facility are advanced.

8. Commitment Fee: The Borrowers shall pay a commitment fee in the amount of $210,000 (the "**Commitment Fee**"), representing 3% of the aggregate availability under the DIP Facility. The Commitment Fee shall be fully earned upon the execution of this Term Sheet, shall be secured by the DIP Lender's Charge, and shall be paid as follows:

(a) $70,000, being 1% of the aggregate availability under the DIP Facility, shall be paid from the first Advance under the DIP Facility; and

(b) $140,000, being 2% of the aggregate availability under the DIP Facility, shall be paid on the Maturity Date.

9. Security: All debts, liabilities and obligations of the Borrowers to the Lender under or in connection with the DIP Facility (including, without limitation, Interest, Recoverable Expenses and the Commitment Fee), this Term Sheet and any other documents executed in connection therewith (the "**Obligations**") shall be secured by a Court-ordered priority charge (the "**DIP Lender's Charge**") granted to the Lender in and to all present and future properties, assets, and undertakings of the Borrowers, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof (the "**Property**"), subject only to an administration charge in the maximum aggregate principal amount of $650,000 under the ARIO, for the payment of the fees and expenses of the Monitor, counsel to the Borrowers and counsel to the Monitor (the "**Administration Charge**"). Notwithstanding the foregoing or anything else herein to the contrary, it is acknowledged and agreed by the Lender and the Borrowers that, solely with respect to GreenSeal Cannabis Company, Ltd.'s present and future properties, assets, and undertakings, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof, the DIP Lender's Charge shall be limited to the principal amount of $3,000,000.

For certainty, the Property includes the real property located at: (a) 510 and 566 Riverview Drive, Chatham-Kent, Ontario; and (b) 530 Wright Boulevard, Stratford, Ontario (collectively, the "**Real Property**").

10. Maturity Date: Unless otherwise agreed to by the Lender and the Borrowers in writing, the term of the DIP Facility shall expire, and the Borrowers shall repay the Obligations to the Lender, on the earliest of the following (the "**Maturity Date**"):

(a) March 30, 2025;

(b) the closing of a sale or investment transaction, including a sale of any of the Real Property, resulting from the SISP or otherwise, which transaction has been approved by an order of the Court;

(c) the implementation of a plan of compromise or arrangement within the CCAA Proceedings, which has been approved by the requisite majority of the Borrowers' creditors, and by an order of the Court;

(d) the date on which the CCAA Proceedings are terminated for any reason, including if the CCAA Proceedings are converted into a proceeding under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (the "**BIA**"); and

(e) the occurrence of an Event of Default (as defined herein), subject to a cure period of three (3) days, beginning on the date of the occurrence of such Event of Default (the "**Cure Period**").

11. Repayment: The Obligations shall become immediately due and payable on the Maturity Date. The DIP Facility may be prepaid at any time without penalty (provided all accrued and unpaid Interest and Recoverable Expenses are paid in full). If the Borrowers choose to prepay any amount owing under the Obligations, any such payment shall be applied: (i) first, to all accrued and unpaid Interest; (ii) second, to the Commitment Fee and Recoverable Expenses; and (iii) third, to any amount outstanding under the DIP Facility.

12. Funding Conditions: The DIP Facility shall be available to the Borrowers subject to, and conditional upon, the following conditions, which may be waived by the Lender in writing:

(a) the Court shall have issued the ARIO, in a form satisfactory to the Lender, including:

i. approving this Term Sheet and the DIP Facility;

ii. granting the DIP Lender's Charge in favour of the Lender in an amount sufficient to secure all Advances;

iii. authorizing the Lender to effect registrations, filings and recordings wherever in its discretion it deems appropriate regarding the DIP Lender's Charge;

iv. providing that the DIP Lender's Charge shall be valid and effective to secure all of the obligations of the Borrowers to the Lender hereunder, without the necessity of the making of any registrations or filings and whether or not any other documents have been executed by the Borrower;

v. declaring that the granting of the DIP Lender's Charge and all other documents executed and delivered to the Lender as contemplated herein, including, without limitation, all actions taken to perfect, record and register the DIP Lender's Charge, do not constitute conduct meriting an oppression remedy, settlement, fraudulent preference, fraudulent conveyance or other challengeable or reviewable transaction under any applicable federal or provincial legislation; and

vi. provisions restricting the granting of any additional liens or encumbrances on the assets of the Borrowers, other than as permitted herein and the DIP Lender's Charge.

(b) the Initial Order shall not have been vacated, stayed, appealed, subject to leave to appeal, or amended, or varied in a manner not acceptable to the Lender, acting reasonably; and

(c) the Lender shall have received and approved the Cash Flow Projections, and such Cash Flow Projections shall not have been varied or amended without the prior written consent of the Lender, and the Borrowers shall be in material compliance with respect to same;

(d) the Lender shall be satisfied that the Borrowers have complied with and are continuing to comply in all material respects with all applicable laws, regulations and orders of the Court in the CCAA Proceedings;

(e) no Event of Default shall have occurred or shall be reasonably expected to occur as a result of such Advance.

13. Covenants: Until such time as the Obligations have been repaid to the Lender in full, the Borrowers covenant and agree to:

(a) promptly on the receipt by the Borrowers of the same, give the Lender a copy of any Notice of Motion or Application to vary, supplement, revoke, terminate or discharge the Initial Order, the ARIO, the SISP Order, or any other Court Order issued in the CCAA Proceedings, including, without limitation, any application to the Court for the granting of new or additional security that will or may have priority over the DIP Lender's Charge, or otherwise for the variation of the priority of the DIP Lender's Charge;

(b) provide the Lender with drafts of all materials that the Borrowers intend to file in the CCAA Proceedings and provide the Lender and its counsel a reasonable amount of time to review same prior to service and filing;

(c) provide the Lender with any additional financial information reasonably requested by the Lender;

(d) use the Advances under the DIP Facility for the purposes for which they are being provided, as set out in Section 4 of this Term Sheet, or such other purposes as may be agreed to by the Lender and the Monitor, in writing.

(e) provide the Lender and the Monitor with prompt written notice of any event which constitutes, or which, with notice, lapse of time, or both, would constitute an Event of Default;

(f) keep and maintain books of account and other accounting records in accordance with generally accepted accounting principles;

(g) provide the Lender and its advisors, on reasonable written notice and during normal business hours, full access to the books and records of the Borrowers;

(h) pay all property taxes and other claims which, under law, may rank prior to or *pari passu* with the DIP Lender's Charge due and payable from and after the commencement of the CCAA Proceedings, as and when such amounts are due;

(i) pay all accrued Recoverable Expenses at the time of each Advance;

(j) not declare any dividend, or make any payment to any director, officer, investor or related party of the Borrowers (except salary and wages in the normal course) without the prior written consent of the Lender;

(k) keep the Borrowers' Property fully insured against such perils and in such manner as would be customarily insured by companies owning similar assets;

(l) conduct all business, operations and activities in compliance with the Cash Flow Projections;

(m) not, without the prior written consent of the Lender, incur any borrowings or other secured indebtedness, obligations or liabilities, other than the DIP Facility, or create or grant any security (other than the Administration Charge and the DIP Lender's Charge) over any of the Borrowers' Property, whether ranking in priority to, or subordinate to, the DIP Lender's Charge;

(n) other than the Monitor and the legal counsel of the Monitor, Borrowers and Lender engaged as of the date hereof, not pay, incur any obligation to pay, or establish any retainer with respect to, the fees, expenses or disbursements of a legal, financial or other advisor of any party, unless such fees, expenses or disbursements, as applicable, are reviewed and approved in advance by the Monitor and the Lender;

(o) comply with all orders of the Court in the CCAA Proceedings and all applicable laws; and

(p) provide, or cause to be provided to the Lender, on Friday of each week, in each case, in form and substance satisfactory to the

Lender: (i) a 13-week cash forecast of the Borrowers covering the following 13-weeks from the time of reporting such forecast, (ii) a cash flow variance analysis (as compared to the Cash Flow Projections) along with an explanation of any material variances; (iii) copies of all bank statements; (iv) an accounts receivable listing; and (v) any other documents the Lender may reasonably request, in its discretion.

14. Events of Default: The DIP Facility shall be subject to the following events of default (each, an "**Event of Default**"):

(a) any of the Borrowers' failure to pay any amount due hereunder when due and payable;

(b) the Borrower's failure to comply with or fulfill, to the satisfaction of the DIP Lender, any covenant, condition precedent, payment obligation, or other term or condition of this Term Sheet or any other document entered into in connection with this Term Sheet;

(c) the seeking or support by any Borrower of, or the issuance of, any Court order (in the CCAA Proceedings or otherwise) which is adverse to the interests of the Lender, including, for certainty but without limitation, any change to the DIP Facility or the DIP Lender's Charge (or the relative priority thereof);

(d) the failure of the Borrowers to obtain the issuance of the SISP Order on or before July 25, 2024;

(e) the failure of the Borrowers to comply with the terms of the sale process as approved by the SISP Order, including meeting any deadlines set forth therein;

(f) the failure of the Borrowers to comply with the ARIO, the SISP Order or any other Court order in the CCAA Proceedings. For certainty, any extension to the timelines in the SISP shall require the prior written consent of the Lender;

(g) the occurrence of an event that will, in the reasonable opinion of the Lender, materially impair the Borrowers' financial condition, operations or ability to perform under this Term Sheet or any order of the Court;

(h) the occurrence of any material adverse change in: (i) the business, operations, or financial condition of the Borrowers; (ii) the Property of the Borrowers; (iii) the DIP Lender's Charge, including its relative priority; (iv) the ability of the Borrowers to perform their obligations to the Lender or to any person under any material contract; (v) the Lender's ability to enforce any of its rights or remedies against the Borrowers' Property, or for the obligations of the Borrowers to be satisfied from the realization thereof;

(i) any of the Borrowers become bankrupt or subject to a proceeding under the BIA, or a receiver, interim receiver, receiver and manager, or trustee in bankruptcy is appointed in respect of any Borrower, or any Borrower's Property;

(j) the acceptance of any offer, or the filing of a motion seeking approval of the Court to accept any such offer, unless the total indebtedness owing by the Borrowers under the DIP Facility is to be paid in full in cash upon completion of the transaction resulting from such offer;

(k) the filing of any plan of reorganization, arrangement or liquidation to which the Lender does not consent;

(l) the sale, transfer, assignment, conveyance or lease of substantially all of the business or assets of the Borrowers, except pursuant to a transaction resulting from the SISP or as may be otherwise approved by the Lender in writing; or

(m) the commencement of any claim, action, proceeding, application, motion, defense or other contested matter the purpose of which is to seek, or the result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (i) invalidating, setting aside, avoiding, or subordinating the obligations of the Borrowers under the DIP Facility, the DIP Lender's Charge or its priority; (ii) for monetary, injunctive or other relief against the Lender or the Borrowers' Property; or (iii) preventing, hindering or otherwise delaying the exercise by the Lender of any of its rights and remedies hereunder, pursuant to the Initial Order, the ARIO, the SISP Order, or under applicable law, or the enforcement or realization by the Lender against any of its collateral.

15. Remedies and Enforcement:

Following the occurrence of an Event of Default, and the expiration of the Cure Period, upon written notice to the Borrowers and the Monitor, the Lender shall have the right, subject to the Lender obtaining an Order from the Court lifting the stay under the CCAA Proceedings, to:

(a) seek the appointment of a receiver, an interim receiver or a receiver and manager over the Property, or to seek the appointment of a trustee in bankruptcy of the Borrowers;

(b) enforce the DIP Lender's Charge and realize on the Property and any other collateral securing the Obligations;

(c) exercise the rights and powers of a secured lender and mortgagee pursuant to the *Personal Property Security Act* (Ontario), the *Mortgages Act* (Ontario) and any legislation of similar effect; and

(d) exercise all such other rights and remedies available to the Lender under this Term Sheet, the Initial Order or any other order of the Court or applicable law.

No failure or delay on the part of the Lender in exercising any of its rights and remedies shall be deemed to be a waiver of any kind.

16. Amendments; Waivers:	No amendment or waiver of any provision of this Term Sheet or consent to any departure by the Borrowers from any provision hereof is effective unless it is in writing and signed by the Lender. Such amendment, waiver or consent shall be effective only in the specific instance and for the specific purpose for which it is given.
17. Timing:	Time is of the essence in this Term Sheet and the DIP Facility and all transactions contemplated thereby.
18. Severability:	Each of the provisions contained in this Term Sheet is distinct and severable and a declaration of invalidity, illegality or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof.
19. Further Assurances:	The Borrowers will, at their own expense and promptly on demand by the Lender at any time, do such acts and things and execute and deliver such documents as the Lender may reasonably request to give effect to the provisions set out herein.
20. Assignment:	The Borrowers shall not assign their rights or obligations under this Term Sheet or any of the provisions set out herein without the prior written consent of the Lender. The Lender may assign or sell its rights or obligations under this Term Sheet to any person without the prior written consent of the Borrowers.
21. Governing Law:	This Term Sheet and the provisions set out herein shall be governed and construed in all respects in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
22. Currency:	All dollar amounts herein are in Canadian Dollars.
23. Counterparts:	This Term Sheet may be executed in any number of counterparts, each of which when taken together shall constitute one and the same instrument. Any counterpart of this Term Sheet can be executed and delivered by any manner of direct electronic transmission each of which shall be deemed to be an original hereof.
24. Acceptance:	This Term Sheet is open for acceptance until 9:00 p.m. (Toronto time) on June 26, 2024. The Borrowers may accept this Term Sheet by returning a countersigned copy of this Term Sheet to the Lender (by electronic transmission or personal delivery).

Dated as of the date first written above.

SHALCOR MANAGEMENT INC.

DocuSigned by:

Per: ______________________

63CE4BEB98204EF...

Name: Shawn Dym
Title: Authorized Signatory
I have authority to bind the corporation.

ACCEPTANCE

TO THE LENDER:

For good and valuable consideration received, Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd., GreenSeal Nursery, Ltd., AgMedica Bioscience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc., and Tavivat Naturals Inc., accept and agree to comply with the provisions of the Term Sheet set out above, on a joint and several basis.

Dated this ___ day of June, 2024.

ATLAS GLOBAL BRANDS INC.

DocuSigned by:

Per: Bernie Yeung

79141ADA32CA42D...

Name:

Title: Authorized Signatory

I have authority to bind the corporation.

GREENSEAL CANNABIS COMPANY LTD.

DocuSigned by:

Per: Bernie Yeung

79141ADA32CA42D...

Name:

Title: Authorized Signatory

I have authority to bind the corporation.

GREENSEAL NURSERY, LTD.

DocuSigned by:
Per: Bernie Yeung
79141ADA32CA42D...
Name:
Title: Authorized Signatory
I have authority to bind the corporation.

AGMEDICA BIOSCIENCE INC.

DocuSigned by:
Per: Bernie Yeung
79141ADA32CA42D...
Name:
Title: Authorized Signatory
I have authority to bind the corporation.

WELLWORTH HEALTH CORP.

DocuSigned by:
Per: Bernie Yeung
79141ADA32CA42D...
Name:
Title: Authorized Signatory
I have authority to bind the corporation.

5047346 ONTARIO INC.

DocuSigned by:
Per: Bernie Yeung
79141ADA32CA42D...
Name:
Title: Authorized Signatory
I have authority to bind the corporation.

8050678 CANADA INC.

DocuSigned by:
Per: Bernie Yeung
79141ADA32CA42D...
Name:
Title: Authorized Signatory
I have authority to bind the corporation.

TAVIVAT NATURALS INC.

DocuSigned by:

Per: Bernie Yeung

79141ADA32CA42D...

Name:

Title: Authorized Signatory

I have authority to bind the corporation.

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

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 50473946 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

APPLICATION OF ATLAS GLOBAL BRANDS INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF JASON CERVI
(AFFIRMED JUNE 26, 2024)

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TAB 3

Court File No. CV-24-00722386-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 27th
	)	
JUSTICE PENNY	)	DAY OF JUNE, 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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the affidavit of Jason Cervi sworn June 19, 2024 and the Exhibits thereto (the "**Initial Cervi Affidavit**"), the affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto, the confidential affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto (the "**First Cervi Confidential Affidavit**"), the pre-filing report of the proposed monitor, Ernst & Young Inc. ("**EY**"), dated June 20, 2024, and the first report of EY as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**") dated June ●, 2024, and on being advised that Stoke Canada Finance Corp., Hillmount Capital Inc. and Hillmount Capital Mortgage Holdings Inc. (collectively, "**Hillmount**"), 2596690 Ontario Inc. (operating as AgriRoots Capital Management Inc.), Your Neighbourhood Credit Union Limited. ("**YNCU**"), and the remaining secured creditors were given abridged notice, in accordance with the affidavits of service to be filed and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and those other parties listed on the Counsel Slip, and on reading the consent of EY to act as the Monitor,

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 Initial Cervi Affidavit.

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licences, 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 businesses (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 the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

6. **THIS COURT ORDERS** that, subject to the consent of the Monitor, 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 benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses; and

(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.

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

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

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

8. **THIS COURT ORDERS** that until further order of this Court, GreenSeal shall continue to remit to YNCU all interest payments that accrue and become due in accordance with the terms set forth in the Commitment Letter, pertaining to the obligations incurred by GreenSeal under the Commercial Mortgages and Line of Credit.

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, harmonized sales taxes 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 of the Applicants.

10. **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. **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

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

(a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $150,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they 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,

each of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business.

13. **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. **THIS COURT ORDERS** that until and including July 26, 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 their respective employees and representatives acting in such capacities, 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

16. **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 their respective employees and representatives acting in such capacities, 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

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

CONTINUATION OF SERVICES

18. **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, 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

19. **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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 the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. **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.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. **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.

22. **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 $1,400,000, as security for the indemnity provided

in paragraph 21 of this Order. The Directors' Charge, as increased by this Order and as may be increased by any future Order of this Court shall be subordinate to the claims of Hillmount and shall have the priority set out in paragraphs 38 and 40 herein.

23. **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 20 of this Order.

APPOINTMENT OF MONITOR

24. **THIS COURT ORDERS** that EY 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.

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

(a) monitor the Applicants' receipts and disbursements;

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

(c) assist the Applicants, to the extent required by the Applicants, in its dissemination, to Shalcor Management Inc. (the "**DIP Lender**") and its counsel on Friday of each week 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 a basis to be agreed with the DIP Lender;

(d) advise the Applicants in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than once per week, or as otherwise agreed to by the DIP Lender;

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

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

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

26. **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, 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, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act*, *2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the British Columbia *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the British Columbia *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, or such other applicable federal or provincial legislation or regulations (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 within the meaning of any Cannabis Legislation or otherwise, 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.

27. **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection* Act, 1999, S.C. 1999, c. 33, as amended, the *Fisheries Act*, R.S.C. 1985, c. F-14, the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the Ontario *Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, the British Columbia *Environmental Management Act*, S.B.C. 2003, c. 53, the British Columbia *Fish Protection Act*, S.B.C. 1997, c. 21 or the British Columbia *Riparian Areas Protection Act*, S.B.C. 1997, c. 21 and all regulations thereunder (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.

28. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender 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 are 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.

29. **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. **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 to the Monitor, and the Applicants' counsel on a weekly basis, along with retainers in the amounts of $50,000, $50,000, and $150,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

31. **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.

32. **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants 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 $600,000 as security for their professional fees and disbursements incurred at their standard rates and charges, 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 38-40 herein.

DIP FINANCING

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from 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 $7,000,000 unless permitted by further Order of this Court.

34. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of June 26, 2024 (the "**DIP Term Sheet**"), filed.

35. **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, 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 its 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.

36. **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not: (a) secure an obligation that exists before this Order is made; and (b) exceed $3,000,000 with respect to GreenSeal's present and future properties, assets, and undertakings, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof. The DIP Lender's Charge shall have the priority set out in paragraphs 38 and 40 hereof.

37. **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 three (3) days' 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 owning 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.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

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

First – Administration Charge (to the maximum amount of $600,000);

Second – DIP Lender's Charge (to the maximum amount of $7,000,000); and

Third – Directors' Charge (to the maximum amount of $1,400,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the 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 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 except that the Administration Charge shall rank in priority to Hillmount

to a maximum amount of $400,000 and the Director's Charge shall rank in priority to Hillmount to a maximum amount of $500,000.

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 other beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

42. **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees 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 the 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 BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it 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 creation of the Charges; and

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

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.

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and the rules, regulations and policies of the Canadian Securities Exchange and OTCQB® (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make Securities Filings required by the Securities Provisions.

45. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

SERVICE AND NOTICE

46. **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii)

within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than $1,000 (excluding individual employees or former employees), 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.

47. **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/toronto/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/atlasglobal.

48. **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 Applicants 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.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true

copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

50. **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to these proceedings. Notwithstanding the foregoing, the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

SEALING

51. **THIS COURT ORDERS** that the First Cervi Confidential Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

52. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation or application of this Order.

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

54. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

55. **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 EY 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.

56. **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.

57. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

58. **THIS COURT ORDERS** that the terms of this Order are expressly without prejudice to the rights of all parties to seek relief at the next hearing in the CCAA proceeding, including as it relates to any termination of the CCAA proceeding and appointment of a Receiver or Receivers over the Applicants.

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

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

AMENDED AND RESTATED INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TAB 4

Court File No. CV-~~24-007722386-00CL~~24-00722386-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE ~~20th~~27th
	)	
JUSTICE PENNY	)	DAY OF JUNE, 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 ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd.~~,~~ ("**GreenSeal**"), GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), was heard this day by judicial videoconference in Toronto, Ontario.

ON READING the affidavit of Jason Cervi sworn June 19, 2024 and the Exhibits thereto (the "**Initial Cervi Affidavit**"), the affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto, the confidential affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto (the "**First Cervi Confidential Affidavit**"), the pre-filing report of the proposed monitor, Ernst & Young Inc. ("**EY**"), dated June 20, 2024~~ (the "**Pre-Filing Report**")~~, and the first report of EY as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**") dated June ●, 2024, and on being advised that Stoke Canada Finance Corp., Hillmount Capital Inc. and Hillmount Capital Mortgage Holdings Inc. (collectively, "**Hillmount**"), 2596690 Ontario Inc.

(operating as AgriRoots Capital Management Inc.), Your Neighbourhood Credit Union Limited. (**"YNCU"**), and the remaining secured creditors were given abridged notice, in accordance with the affidavits of service to be filed~~, and on being advised that certain secured creditors contested the sufficiency of said notice,~~ and on hearing the submissions of counsel for the Applicants, counsel for ~~EY~~the Monitor and those other parties listed on the Counsel Slip, and on reading the consent of EY to act as the ~~monitor (the "~~Monitor~~")~~,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application, the Application Record and the Pre-Filing Report~~Motion and the Motion Record is hereby abridged and validated so that this ~~Application~~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 Initial Cervi Affidavit.

APPLICATION

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

POSSESSION OF PROPERTY AND OPERATIONS

4. ~~3.~~ **THIS COURT ORDERS** that the Applicants shall remain in possession and control of their current and future assets, licences, 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 businesses (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 the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

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

6. ~~5.~~ **THIS COURT ORDERS** that, subject to the consent of the Monitor, 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 benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of the Business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses; and

(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.

7. ~~6.~~ **THIS COURT ORDERS** that, except as otherwise provided to the contrary herein, subject to the consent of the Monitor, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary

course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

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

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

8. **THIS COURT ORDERS** that until further order of this Court, GreenSeal shall continue to remit to YNCU all interest payments that accrue and become due in accordance with the terms set forth in the Commitment Letter, pertaining to the obligations incurred by GreenSeal under the Commercial Mortgages and Line of Credit.

9. ~~7.~~ **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, harmonized sales taxes 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 of the Applicants.

10. ~~8.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. ~~9.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

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

(a) permanently or temporarily cease, downsize or shut down any of its Business or operations, and to dispose of redundant or non-material assets not exceeding $50,000 in any one transaction or $150,000 in the aggregate;

(b) terminate the employment of such of their employees or temporarily lay off such of their employees as they 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,

each of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business.

13. ~~11.~~ **THIS COURT ORDERS** that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.

14. ~~12.~~ **THIS COURT ORDERS** that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

15. ~~13.~~ **THIS COURT ORDERS** that until and including ~~June 27~~July 26, 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 their respective employees and representatives acting in such capacities, 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

16. ~~14.~~ **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 their respective employees and representatives acting in such capacities, 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

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

CONTINUATION OF SERVICES

18. ~~16.~~ **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, 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

19. ~~17.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased 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 the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

20. ~~18.~~ **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.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. ~~19.~~ **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.

22. ~~20.~~ **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 $~~500,000~~1,400,000, as security for the indemnity provided in paragraph ~~19~~21 of this Order. The Directors' Charge, as increased by this Order and as may be increased by any future Order of this Court shall be subordinate to the claims of Hillmount and shall have the priority set out in paragraphs ~~32~~38 and ~~34~~40 herein.

23. ~~21.~~ **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 ~~19~~20 of this Order.

APPOINTMENT OF MONITOR

24. ~~22.~~ **THIS COURT ORDERS** that EY 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.

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

(a) monitor the Applicants' receipts and disbursements;

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

(c) assist the Applicants, to the extent required by the Applicants, in its dissemination, to Shalcor Management Inc. (the "**DIP Lender**") and its counsel on Friday of each week 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 a basis to be agreed with the DIP Lender;

(d) advise the Applicants in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than once per week, or as otherwise agreed to by the DIP Lender;

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

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

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

26. ~~24.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, 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, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act*, *2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the British Columbia *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the British Columbia *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, or such other applicable federal or provincial legislation or regulations (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 within the meaning of any Cannabis Legislation or otherwise, 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.

27. ~~25.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection* Act, 1999, S.C. 1999, c. 33, as amended, the *Fisheries Act*, R.S.C. 1985, c. F-14, the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, the Ontario *Occupational Health and Safety*

Act, R.S.O. 1990, c. O.1, the British Columbia *Environmental Management Act*, S.B.C. 2003, c. 53, the British Columbia *Fish Protection Act*, S.B.C. 1997, c. 21 or the British Columbia *Riparian Areas Protection Act*, S.B.C. 1997, c. 21 and all regulations thereunder (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.

28. ~~26.~~ **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants and the DIP Lender 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 are 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.

29. ~~27.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting such capacities shall incur any liability or obligation as a result of the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. ~~28.~~ **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 to the Monitor, and the Applicants' counsel on a weekly basis, along with retainers in the amounts of $50,000, $50,000, and

$150,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

31. ~~29.~~ **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.

32. ~~30.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the Applicants 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 $~~400,000~~600,000 as security for their professional fees and disbursements incurred at their standard rates and charges, 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 ~~32-34~~ 38-40 herein.

~~INTERCOMPANY LENDING~~DIP FINANCING

33. **THIS COURT ORDERS** that the Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from 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 $7,000,000 unless permitted by further Order of this Court.

34. **THIS COURT ORDERS** that such credit facility shall be on the terms and subject to the conditions set forth in the DIP Term Sheet between the Applicants and the DIP Lender dated as of June 26, 2024 (the "**DIP Term Sheet**"), filed.

35. **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, 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 its 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.

36. ~~31.~~ **THIS COURT ORDERS** that ~~to the extent that any Applicant (an "**Intercompany Lender**") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, an Applicant (other than itself) (the "**Debtor Applicant**") or otherwise transfers value to or for the benefit of one or more Applicants (other than the Debtor Applicant), such Intercompany Lender~~the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (~~each, an "**Intercompany**~~the "**DIP Lender's Charge**") on ~~all~~ the Property~~ of such Debtor Applicant in the amount of such payment, obligation or transfer, which charge shall not exceed an aggregate amount of $150,000. The Intercompany~~, which DIP Lender's Charge shall not: (a) secure an obligation that exists before this Order is made; and (b) exceed $3,000,000 with respect to GreenSeal's present and future properties, assets, and undertakings, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof. The DIP Lender's Charge shall have the priority set out in paragraphs ~~32-34 herein~~38 and 40 hereof.

37. **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 three (3) days' 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 owning 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.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. ~~32.~~ **THIS COURT ORDERS** that the priorities of the Administration Charge, the ~~Directors'~~DIP Lender's Charge and the ~~Intercompany~~Directors' Charge (collectively, the "**Charges**") shall be as follows:

First – Administration Charge (to the maximum amount of $~~400,000~~600,000);

Second – ~~Directors'~~DIP Lender's Charge (to the maximum amount of $~~500,000~~7,000,000); and

Third – ~~Intercompany~~Directors' Charge (to the maximum amount of $~~150,000~~1,400,000).

39. ~~33.~~ **THIS COURT ORDERS** that the filing, registration or perfection of the 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. ~~34.~~ **THIS COURT ORDERS** that 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 except that the Administration Charge shall rank in

priority to Hillmount to a maximum amount of $400,000 and the Director's Charge shall rank in priority to Hillmount to a maximum amount of $500,000.

41. ~~35.~~ **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 other beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

42. ~~36.~~ **THIS COURT ORDERS** that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the Chargees 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 the 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 BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create or be deemed to constitute a breach by the Applicants of any Agreement to which it 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 creation of the Charges; and

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

43. ~~37.~~ **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.

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and the rules, regulations and policies of the Canadian Securities Exchange and OTCQB® (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make Securities Filings required by the Securities Provisions.

45. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

SERVICE AND NOTICE

46. ~~38.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the Applicants of more than $1,000 (excluding individual employees or former employees), 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.

47. ~~39.~~ **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/toronto/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/atlasglobal.

48. ~~40.~~ **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 Applicants 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.

49. ~~41.~~ **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

50. ~~42.~~ **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to these proceedings. Notwithstanding the foregoing, the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

SEALING

51. **THIS COURT ORDERS** that the First Cervi Confidential Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

52. ~~43.~~ **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation or application of this Order.

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

54. ~~45.~~ **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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.

55. ~~46.~~ **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 EY 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.

56. **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.

57. ~~47.~~ **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Toronto time on the date of this Order.

58. ~~48.~~ **THIS COURT ORDERS** that the terms of this Order are expressly without prejudice to the rights of all parties to seek relief at the ~~Comeback Hearing scheduled in this matter for June 27, 2024 at 2 pm~~next hearing in the CCAA proceeding, including as it relates to

any termination of the CCAA proceeding and appointment of a Receiver or Receivers over the Applicants.

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

~~Court File No: CV-24-007722386-00CL~~

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

AMENDED AND RESTATED INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

TAB 5

Court File No. CV-24-00722386-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	~~WEEKDAY~~THURSDAY, THE ~~#~~27th
	)	
JUSTICE PENNY	)	DAY OF ~~MONTH~~JUNE, ~~20YR~~2024

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ~~[APPLICANT'S NAME] (the "Applicant")~~ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by ~~the Applicant,~~ Atlas Global Brands Inc., GreenSeal Cannabis Company, Ltd. (“**GreenSeal**”), GreenSeal Nursery, Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc. (collectively, the “**Applicants**”) pursuant to the *Companies~~'~~’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the ~~"~~“**CCAA**~~"~~”), was heard this day ~~at 330 University Avenue,~~by judicial videoconference in Toronto, Ontario.

ON READING the affidavit of ~~[NAME]~~Jason Cervi sworn ~~[DATE]~~June 19, 2024 and the Exhibits thereto (the “**Initial Cervi Affidavit**”), the affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto, the confidential affidavit of Jason Cervi sworn June ●, 2024 and the Exhibits thereto (the “**First Cervi Confidential Affidavit**”), the pre-filing report of the proposed monitor, Ernst & Young Inc. (“**EY**”), dated June 20, 2024, and the first report of EY as the Court-appointed Monitor of the Applicants (in such capacity, the “**Monitor**”) dated June ●, 2024, and on being advised that ~~the~~ Stoke Canada Finance Corp., Hillmount Capital Inc. and

Hillmount Capital Mortgage Holdings Inc. (collectively, "**Hillmount**"), 2596690 Ontario Inc. (operating as AgriRoots Capital Management Inc.), Your Neighbourhood Credit Union Limited. ("**YNCU**"), and the remaining secured creditors ~~who are likely to be affected by the charges created herein~~ were given abridged notice, in accordance with the affidavits of service to be filed and on hearing the submissions of counsel for ~~[NAMES], no one appearing for [NAME][1]although duly served as appears from the affidavit of service of [NAME] sworn [DATE]~~ the Applicants, counsel for the Monitor and those other parties listed on the Counsel Slip, and on reading the consent of ~~[MONITOR'S NAME]~~EY to act as the Monitor,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of ~~Application~~Motion and the ~~Application~~Motion Record is hereby abridged and validated[2] so that this ~~Application~~Motion is properly returnable today and hereby dispenses with further service thereof.

~~APPLICATION~~DEFINITIONS

2. **THIS COURT ORDERS** ~~AND DECLARES that the Applicant is a company to which the CCAA applies~~that unless otherwise indicated or defined herein, capitalized terms have the meanings given to them in the Initial Cervi Affidavit.

~~PLAN OF ARRANGEMENT~~APPLICATION

3. **THIS COURT ORDERS** ~~that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement~~

~~[1] Include names of secured creditors or other persons who must be served before certain relief in this model Order may be granted. See, for example, CCAA Sections 11.2(1), 11.3(1), 11.4(1), 11.51(1), 11.52(1), 32(1), 32(3), 33(2) and 36(2).~~

~~[2] If service is effected in a manner other than as authorized by the Ontario *Rules of Civil Procedure*, an order validating irregular service is required pursuant to Rule 16.08 of the *Rules of Civil Procedure* and may be granted in appropriate circumstances.~~

~~(hereinafter referred to as the "Plan").~~**AND DECLARES** that the Applicants are companies to which the CCAA applies.

POSSESSION OF PROPERTY AND OPERATIONS

4. **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall remain in possession and control of ~~its~~their current and future assets, licences, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the ~~"~~“**Property**~~"~~”). Subject to further Order of this Court, the ~~Applicant~~Applicants shall continue to carry on business in a manner consistent with the preservation of ~~its business~~their businesses (the ~~"~~“**Business**~~"~~”) and Property. The ~~Applicant is~~Applicants are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively ~~"~~“**Assistants**~~"~~”) currently retained or employed by ~~it~~them, with liberty to retain such further Assistants as ~~it deems~~the Applicants deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. ~~[~~**THIS COURT ORDERS** that the ~~Applicant~~Applicants shall be entitled to continue to utilize the central cash management system~~[3]~~ currently in place as described in the Initial Cervi Affidavit ~~of [NAME] sworn [DATE] or~~ or, subject to the consent of the Monitor, replace it with another substantially similar central cash management system (the ~~"~~“**Cash Management System**~~"~~”) and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the ~~Applicant~~Applicants of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the ~~Applicant~~Applicants, pursuant to the terms of the documentation

~~[3] This provision should only be utilized where necessary, in view of the fact that central cash management systems often operate in a manner that consolidates the cash of applicant companies. Specific attention should be paid to cross-border and inter-company transfers of cash.~~

applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under ~~the Plan~~ any plan of compromise or arrangement that may be filed with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.~~]~~

6. **THIS COURT ORDERS** that ~~the Applicant~~, subject to the consent of the Monitor, 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 expenses payable on or after the date of this Order, in each case incurred in the ordinary course of ~~business~~the Business and consistent with existing compensation policies and arrangements, and all other payroll and benefits processing expenses; and

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

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

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

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

8. **THIS COURT ORDERS** that until further order of this Court, GreenSeal shall continue to remit to YNCU all interest payments that accrue and become due in accordance with the terms set forth in the Commitment Letter, pertaining to the obligations incurred by GreenSeal under the Commercial Mortgages and Line of Credit.

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

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

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

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

10. ~~9.~~ **THIS COURT ORDERS** that until a real property lease is disclaimed ~~[or resiliated]~~[4]in accordance with the CCAA, the ~~Applicant~~Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the ~~Applicant~~Applicants and the landlord from time to time (~~"~~"**Rent**~~"~~"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

11. ~~10.~~ **THIS COURT ORDERS** that, except as specifically permitted herein, the ~~Applicant is~~Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the ~~Applicant~~Applicants to any of ~~its~~their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of ~~its~~their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

12. ~~11.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall, subject to such requirements as are imposed by the CCAA ~~and such covenants as may be contained in the Definitive Documents (as hereinafter defined),~~ have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its ~~business~~Business or operations, ~~[~~and to dispose of redundant or non-material assets not exceeding $~~●~~50,000 in any one transaction or $~~●~~150,000 in the aggregate~~]~~[5];

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

~~[5] Section 36 of the amended CCAA does not seem to contemplate a pre-approved power to sell (see subsection 36(3)) and moreover requires notice (subsection 36(2)) and evidence (subsection 36(7)) that may not have occurred or be available at the initial CCAA hearing.~~

(b) ~~[~~terminate the employment of such of ~~its~~their employees or temporarily lay off such of ~~its~~their employees as ~~it deems~~they deem appropriate~~]~~; and

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

~~all~~each of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business~~ (the "Restructuring")~~.

13. ~~12.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall provide each of the relevant landlords with notice of the ~~Applicant's~~Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the ~~Applicant's~~Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the ~~Applicant~~Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the ~~Applicant disclaims [or resiliates]~~Applicants disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer ~~[or resiliation]~~ of the lease shall be without prejudice to the ~~Applicant's~~Applicants' claim to the fixtures in dispute.

14. ~~13.~~ **THIS COURT ORDERS** that if a notice of disclaimer ~~[or resiliation]~~ is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer~~ [or resiliation]~~, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the ~~Applicant~~Applicants and the Monitor 24 hours~~'~~' prior written notice, and (b) at the effective time of the disclaimer~~ [or resiliation]~~, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the ~~Applicant~~Applicants in respect of such lease or leased premises, provided that nothing herein

shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE ~~APPLICANT~~APPLICANTS OR THE PROPERTY

15. ~~14.~~ **THIS COURT ORDERS** that until and including ~~[DATE – MAX. 30 DAYS]~~July 26, 2024, or such later date as this Court may order (the ~~"~~“**Stay Period**~~"~~”), no proceeding or enforcement process in any court or tribunal (each, a ~~"~~“**Proceeding**~~"~~”) shall be commenced or continued against or in respect of the ~~Applicant~~Applicants or the Monitor or their respective employees and representatives acting in such capacities, or affecting the Business or the Property, except with the written consent of the ~~Applicant~~Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the ~~Applicant~~Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

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

NO INTERFERENCE WITH RIGHTS

17. ~~16.~~ **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal

right, contract, agreement, lease, sublease, licence or permit in favour of or held by the ~~Applicant,~~Applicants except with the written consent of the ~~Applicant~~Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

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

NON-DEROGATION OF RIGHTS

19. ~~18.~~ **THIS COURT ORDERS** that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of ~~lease~~leased 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 the ~~Applicant~~Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.[6]

~~[6] This non-derogation provision has acquired more significance due to the recent amendments to the CCAA, since a number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example,~~

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

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

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

21. ~~20.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants shall indemnify ~~its~~their directors and officers against obligations and liabilities that they may incur as directors or officers of the ~~Applicant~~Applicants after the commencement of the within proceedings,[7] except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the ~~director's or officer's~~director's or officer's gross negligence or wilful misconduct.

22. ~~21.~~ **THIS COURT ORDERS** that the directors and officers of the ~~Applicant~~Applicants shall be entitled to the benefit of and are hereby granted a charge (the ~~"~~"**Directors' Charge**~~"~~")[8] on the Property, which charge shall not exceed an aggregate amount of $~~●~~1,400,000, as security

~~number of actions or steps cannot be stayed, or the stay is subject to certain limits and restrictions. See, for example, CCAA Sections 11.01, 11.04, 11.06, 11.07, 11.08, 11.1(2) and 11.5(1).~~

~~[7] The broad indemnity language from Section 11.51 of the CCAA has been imported into this paragraph. The granting of the indemnity (whether or not secured by a Directors' Charge), and the scope of the indemnity, are discretionary matters that should be addressed with the Court.~~

~~[8] Section 11.51(3) provides that the Court may not make this security/charging order if in the Court's opinion the Applicant could obtain adequate indemnification insurance for the director or officer at a reasonable cost.~~

for the indemnity provided in paragraph ~~[20]~~21 of this Order. The Directors' Charge, as increased by this Order and as may be increased by any future Order of this Court shall be subordinate to the claims of Hillmount and shall have the priority set out in paragraphs ~~[38]~~38 and ~~[40]~~40 herein.

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

APPOINTMENT OF MONITOR

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

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

(a) monitor the ~~Applicant's~~Applicants' receipts and disbursements;

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

(c) assist the ~~Applicant~~Applicants, to the extent required by the ~~Applicant~~Applicants, in its dissemination, to Shalcor Management Inc. (the "**DIP Lender**") and its counsel on ~~a [TIME INTERVAL] basis~~Friday of each week of financial and other information as agreed to between the ~~Applicant~~Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) advise the ~~Applicant~~Applicants in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, but not less than ~~[TIME INTERVAL]~~once per week, or as otherwise agreed to by the DIP Lender;

~~(e) advise the Applicant in its development of the Plan and any amendments to the Plan;~~

~~(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;~~

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

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

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

26. ~~25.~~ **THIS COURT ORDERS** that the Monitor shall not take possession of the Property or be deemed to take possession of the Property, 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, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the Ontario *Cannabis Licence Act, 2018*, S.O. 2018, c. 12, Sched. 2, as amended, the Ontario *Cannabis Control Act, 2017*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act, 2017*, S.O. 2017, c. 26, Sched. 2, as amended, the British Columbia *Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, as amended, the British Columbia *Cannabis Distribution Act*, S.B.C. 2018, c. 28, as amended, or such other applicable federal or provincial legislation or regulations (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~~.~~ within the meaning of any Cannabis Legislation or otherwise, 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.

27. ~~26.~~ **THIS COURT ORDERS** that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, ~~"~~"**Possession**~~"~~") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection* Act, 1999, S.C. 1999, c. 33, as amended, the *Fisheries Act*, R.S.C. 1985, c. F-14, the Ontario *Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Ontario Water Resources Act*, ~~or~~R.S.O. 1990, c. O.40, the Ontario *Occupational Health and Safety Act* ~~and~~ , R.S.O. 1990, c. O.1, the British Columbia *Environmental Management Act*, S.B.C. 2003, c. 53, the British Columbia *Fish Protection Act*, S.B.C. 1997, c. 21 or the British Columbia *Riparian Areas Protection Act*, S.B.C. 1997, c. 21 and all regulations thereunder (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~~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.

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

29. ~~28.~~ **THIS COURT ORDERS** that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, neither the Monitor nor its respective employees and representatives acting such capacities shall incur ~~no~~any liability or obligation as a result of ~~its~~the appointment of the Monitor or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, 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.

30. ~~29.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, and counsel to the ~~Applicant~~Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, ~~by the Applicant~~ 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 ~~Applicant is~~Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel ~~for the Monitor and counsel for the Applicant on a [TIME INTERVAL] basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel~~ to the Monitor, and the Applicants’ counsel ~~to the Applicant,~~on a weekly basis, along with retainers in the ~~amount[s]~~amounts of $~~● [~~50,000, $50,000, and $150,000, respectively,~~]~~ to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

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

32. ~~31.~~ **THIS COURT ORDERS** that the Monitor, counsel to the Monitor, ~~if any,~~ and ~~the Applicant's~~ counsel to the Applicants 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 $~~●,~~ 600,000 as security for their professional fees and disbursements incurred at ~~the~~their 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~~38-40 herein.

DIP FINANCING

33. ~~32.~~ **THIS COURT ORDERS** that the ~~Applicant is~~Applicants are hereby authorized and empowered to obtain and borrow under a credit facility from ~~[DIP LENDER'S NAME] (~~the ~~"~~DIP Lender~~")~~ in order to finance the ~~Applicant's~~Applicants' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed $~~●~~7,000,000 unless permitted by further Order of this Court.

34. ~~33.~~ **THIS COURT ORDERS** ~~THAT~~that such credit facility shall be on the terms and subject to the conditions set forth in the ~~commitment letter~~DIP Term Sheet between the ~~Applicant~~Applicants and the DIP Lender dated as of ~~[DATE]~~June 26, 2024 (the ~~"Commitment Letter"~~"**DIP Term Sheet**"), filed.

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

~~Commitment Letter~~DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

36. ~~35.~~ **THIS COURT ORDERS** that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the ~~"~~"**DIP Lender's Charge**~~"~~") on the Property, which DIP ~~Lender's~~Lender's Charge shall not: (a) secure an obligation that exists before this Order is made; and (b) exceed $3,000,000 with respect to GreenSeal's present and future properties, assets, and undertakings, real and personal, tangible and intangible, whether now owned or hereafter acquired, and the proceeds thereof. The DIP Lender's Charge shall have the priority set out in paragraphs ~~[38]~~38 and ~~[40]~~40 hereof.

37. ~~36.~~ **THIS COURT ORDERS** that, notwithstanding any other provision of this Order:

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

(b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon ~~●~~three (3) days' notice to the ~~Applicant~~Applicants and the Monitor, may exercise any and all of its rights and remedies against the ~~Applicant~~Applicants or the Property under or pursuant to the ~~Commitment Letter~~DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the ~~Applicant~~Applicants and set off and/or consolidate any amounts ~~owing~~owning by the DIP Lender to the ~~Applicant~~Applicants against the obligations of the ~~Applicant~~Applicants to the DIP Lender under the ~~Commitment Letter~~DIP Term Sheet, the Definitive Documents or the DIP Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the ~~Applicant~~Applicants and for the appointment of a trustee in bankruptcy of the ~~Applicant~~Applicants; and

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

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

VALIDITY AND PRIORITY OF ~~CHARGES CREATED BY THIS ORDER~~CHARGES CREATED BY THIS ORDER

38. **THIS COURT ORDERS** that the priorities of the ~~Directors' Charge, the~~ Administration Charge ~~and~~, the DIP Lender's Charge~~, as among them,~~ and the Directors' Charge (collectively, the "**Charges**") shall be as follows[9]:

First – Administration Charge (to the maximum amount of $600,000);

Second – DIP Lender's Charge (to the maximum amount of $7,000,000); and

Third – Directors' Charge (to the maximum amount of $1,400,000).

39. **THIS COURT ORDERS** that the filing, registration or perfection of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "~~Charges~~")~~ 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

~~[9] The ranking of these Charges is for illustration purposes only, and is not meant to be determinative. This ranking may be subject to negotiation, and should be tailored to the circumstances of the case before the Court. Similarly, the quantum and caps applicable to the Charges should be considered in each case. Please also note that the CCAA now permits Charges in favour of critical suppliers and others, which should also be incorporated into this Order (and the rankings, above), where appropriate.~~

to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. **THIS COURT ORDERS** that ~~each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall~~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 except that the Administration Charge shall rank in priority to Hillmount to a maximum amount of $400,000 and the Director's Charge shall rank in priority to Hillmount to a maximum amount of $500,000.

41. **THIS COURT ORDERS** that except as otherwise expressly provided for herein, or as may be approved by this Court, the ~~Applicant~~Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the ~~Directors' Charge, the Administration Charge or the DIP Lender's Charge,~~Charges unless the ~~Applicant~~Applicants also ~~obtains~~obtain the prior written consent of the Monitor, the DIP Lender and the other beneficiaries of the ~~Directors' Charge and the Administration Charge~~Charges affected thereby (collectively, the “**Chargees**”), or further Order of this Court.

42. **THIS COURT ORDERS** that the ~~Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge~~Charges 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 the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to ~~the~~ BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively,

an ~~"~~“**Agreement**~~"~~”) which binds the ~~Applicant~~Applicants, and notwithstanding any provision to the contrary in any Agreement:

(a) ~~neither~~ the creation of the Charges ~~nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the Definitive Documents shall~~shall not create or be deemed to constitute a breach by the ~~Applicant~~Applicants of any Agreement to which it is a party;

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

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

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

RELIEF FROM REPORTING OBLIGATIONS

44. **THIS COURT ORDERS** that the decision by the Applicants to incur no further expenses for the duration of the Stay Period in relation to any filings (including financial statements), disclosures, core or non-core documents, and press releases (collectively, the "**Securities Filings**") that may be required by any federal, provincial or other law respecting securities or capital markets in Canada, or by the rules and regulations of a stock exchange, including, without limitation, the *Securities Act* (Ontario), R.S.O., c. S.5 and comparable statutes enacted by other provinces of Canada, the CSE Policies 1-10 and the rules, regulations and policies of the Canadian Securities Exchange and OTCQB® (collectively, the "**Securities Provisions**"), is hereby authorized, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have of a nature described in Section 11.1(2) of the CCAA as a consequence of the Applicants failing to make Securities Filings required by the Securities Provisions.

45. **THIS COURT ORDERS** that none of the directors, officers, employees, and other representatives of the Applicants, nor the Monitor shall have any personal liability for any failure by the Applicants to make any Securities Filings required by the Securities Legislation during the Stay Period, provided that nothing in this paragraph shall prohibit any securities regulator or stock exchange from taking any action or exercising any discretion that it may have against the directors, officers, employees and other representatives of the Applicants of a nature described in section 11.1(2) of the CCAA as a consequence of such failure by the Applicants. For greater certainty, nothing in this Order is intended to or shall encroach on the jurisdiction of any securities regulatory authorities (the "**Regulators**") in the matter of regulating the conduct of market participants and to issue or maintain cease trader orders if and when required pursuant to applicable securities law. Further, nothing in this Order shall constitute or be construed as an admission by the Regulators that the Court has jurisdiction over matters that are within the exclusive jurisdiction of the Regulators under the Securities Legislation.

SERVICE AND NOTICE

46. ~~44.~~ **THIS COURT ORDERS** that the Monitor shall (i) without delay, publish in ~~[newspapers specified by the Court]~~The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, or cause to be sent, in the prescribed manner or by electronic message to the e-mail addresses as last shown on the records of the Applicants, a notice to every known creditor who has a claim against the ~~Applicant~~Applicants of more than $~~1000~~1,000 (excluding individual employees or former employees), 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.

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

48. ~~46.~~ **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the ~~Applicant~~Applicants and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the ~~Applicant's~~Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the ~~Applicant~~Applicants 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.

49. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Applicants' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

50. **THIS COURT ORDERS** that the Monitor shall maintain and update as necessary a list of all Persons appearing in person or by counsel in these proceedings (the "**Service List**"). The Monitor shall post the Service List, as may be updated from time to time, on the case website as part of the public materials in relation to these proceedings. Notwithstanding the foregoing, the Monitor nor its counsel shall have any liability in respect of the accuracy of or the timeliness of making any changes to the Service List.

SEALING

51. **THIS COURT ORDERS** that the First Cervi Confidential Affidavit is hereby sealed pending further Order of the Court and shall not form part of the public record.

GENERAL

52. ~~47.~~ **THIS COURT ORDERS** that the ~~Applicant~~Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties ~~hereunder~~under this Order or in the interpretation or application of this Order.

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

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

55. ~~50.~~ **THIS COURT ORDERS** that each of the ~~Applicant~~Applicants and the Monitor be at liberty and ~~is~~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~~EY 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.

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

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

58. **THIS COURT ORDERS** that the terms of this Order are expressly without prejudice to the rights of all parties to seek relief at the next hearing in the CCAA proceeding, including as it

relates to any termination of the CCAA proceeding and appointment of a Receiver or Receivers over the Applicants.

~~Revised: January 21, 2014~~

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

Court File No: CV-24-00722386-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF ATLAS GLOBAL BRANDS INC., GREENSEAL CANNABIS COMPANY, LTD., GREENSEAL NURSERY, LTD., AGMEDICA BIOSCIENCE INC., WELLWORTH HEALTH CORP., 5047346 ONTARIO INC., 8050678 CANADA INC. AND TAVIVAT NATURALS INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

AMENDED AND RESTATED INITIAL ORDER

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com

Lawyers for the Applicants

[Different first page link-to-previous setting changed from off in original to on in modified.].

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

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APPLICATION OF ATLAS GLOBAL BRANDS INC. UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDING COMMENCED AT TORONTO

MOTION RECORD OF THE APPLICANTS
(COMEBACK HEARING RETURNABLE JUNE 27, 2024)

OSLER, HOSKIN & HARCOURT LLP
100 King Street West, 1 First Canadian Place
Suite 6200, P.O. Box 50
Toronto ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
Email: rvandemosselaer@osler.com

Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

Justin Kanji (LSO# 88178O)
Tel: 416.862.6642
Email: jkanji@osler.com
Lawyers for the Applicants