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
(APPROVAL AND REVERSE VESTING ORDER RETURNABLE OCTOBER 4, 2024)

September 29, 2024

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TO: **THE SERVICE LIST**

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APPLICANTS

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(As September 19, 2024)

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Applicants

NOTICE OF MOTION
(returnable October 4, 2024)

The Applicants, Atlas Global Brands Inc. ("**Atlas**") as well as the "**Ontario Subsidiaries**", namely, GreenSeal Cannabis Company, Ltd. ("**GreenSeal**"), GreenSeal Nursery, Ltd. ("**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 Black of the Ontario Superior Court of Justice (Commercial List) on October 4, 2024 at 11:00 am, 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/68763445471?pwd=c212MHFNenltVXZrS0NYTkZXWUdQQT09#success

Meeting ID: 687 6344 5471
Passcode: 530196

THIS MOTION IS FOR:

1. An Approval and Reverse Vesting Order ("**ARVO**") substantially in the form attached hereto, *inter alia*:

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

(b) approving the binding letter of intent dated September 18, 2024 (the "**Binding LOI**") from Shalcor Management Inc. on behalf of Callisto Capital Corp. (the "**LP Purchaser**") and 2596690 Ontario Inc., on behalf of a corporation to be incorporated by it (the "**Facility Purchaser**", and together with the LP Purchaser, "**Purchasers**") wherein the proposed Purchasers agreed to acquire, directly or indirectly, Atlas, Nursery, AgMedica, 5047 Ontario ("**FacilityCo**"), 8050 Canada, and Tavivat collectively, the "**Purchased Entities**");

(c) approving a form of purchase agreement between Atlas Global and the Purchasers (the "**Purchase Agreement**") for the acquisition of the Purchased Entities on substantially the terms of the Binding LOI, (together with all other corporate proceedings and transactions set forth therein, the "**Transactions**"), and authorizing and directing the Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Transactions;

(d) adding 2650751 Alberta Ltd. (“**ResidualCo**”) as an Applicant to these CCAA Proceedings;

(e) approving the fees and disbursements of the Monitor and its counsel, and approving the Monitor’s Reports (as hereinafter defined) and the activities and conduct of the Monitor referred therein;

(f) extending the Stay Period (as defined in the TARIO);

(g) approving the Releases (as defined below); and

(h) approving the sealing of the fourth confidential affidavit of Jason Cervi to be affirmed (“**Fourth Confidential Cervi Affidavit**”);

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

3. Capitalized terms not otherwise defined herein have meanings ascribed to them as in the ARVO unless otherwise defined;

4. 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 Affidavit of Jason Cervi affirmed June 29, 2024 (the “**Second Cervi Affidavit**”), the Affidavit of Jason Cervi affirmed June 30, 2024 (the “**Third Cervi Affidavit**”), the Affidavit of Jason Cervi affirmed on July 4, 2024 (the “**Fourth Cervi Affidavit**”), the Affidavit of Jason Cervi affirmed on July 8, 2024

(the "**Fifth Cervi Affidavit**"), the Affidavit of Jason Cervi affirmed on July 9, 2024 (the "**Sixth Cervi Affidavit**"), the Affidavit of Jason Cervi affirmed on July 24, 2024 (the "**Seventh Cervi Affidavit**"), the affidavit of Jason Cervi affirmed on July 26, 2024 ("**Eighth Cervi Affidavit**"), and the affidavit of Jason Cervi affirmed on September 29, 2024 ("**Ninth Cervi Affidavit**");

THE GROUNDS FOR THE MOTION ARE:

Background

5. 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;

6. 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 subject to a cease trade order ("**Cease Trade Order**") issued on August 8, 2023 by the Ontario Securities Commission ("**OSC**") for failure to file the following: (a) audited annual financial statements for the year ended March 31, 2023 as required by the National Instrument 51-102 Continuous Disclosure Obligations; (b) management's discussion and analysis related to the audited annual financial statements for the year ended March 31, 2023; and (c) certification of the foregoing filings as required by *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the "**Annual Filings**");

7. The Cease Trade Order prohibits trading, whether directly or indirectly, in respect of any securities of Atlas. Atlas has been advised by the OSC, through counsel, that “trading” includes acts in furtherance of a trade in Atlas’s securities and that the execution of the Purchase Agreement without a partial or full revocation of the Cease Trade Order would constitute an act in furtherance of a trade, and by extension, a breach of the Cease Trade Order. As a result, as of today, the Transactions documentation consists of a binding letter of intent (the Binding LOI) submitted by the Purchasers and form of purchase agreement based on the terms of the Binding LOI;

8. Atlas will apply to the OSC for an order (the “**Partial Revocation Order**”) pursuant to s. 144 of the *Securities Act*[1] and s. 34 of the *National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* permitting trades in Atlas’s shares solely for the purpose of completing the Transactions;

9. 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**” and such proceedings, the “**CCAA Proceedings**”);

10. On July 2, 2024, the Honourable Justice Penny granted an Amended and Restated Initial Order (the “**ARIO**”) which, among other things, granted approval for the Bridge Term Sheet and

[1] R.S.O. 1990, c. S.5.

authorized the Applicants other than GreelSeal to borrow under the facility provided under the Bridge Term Sheet, in the maximum amount of $3,750,000, to pay out Hillmount;

11. On July 5, 2024, the Honourable Justice Penny granted a Second Amended and Restated Initial Order (the "**SARIO**") which, among other things, granted requested amendments to the DIP Term Sheet, Bridge Term Sheet and the ARIO with respect to the Applicants other than GreenSeal;

12. On July 9, 2024, the Honourable Justice Penny granted a Third Amended and Restated Initial Order (the "**TARIO**") which, among other things, granted permission for GreenSeal to continue in the CCAA Proceedings and an adjournment of YNCU and Stoke receivership applications;

13. On July 26, 2024, the Honourable Justice Penny granted a SISP Approval Order (the "**SISP Approval Order**") authorizing the Monitor to undertake a sale and investment solicitation process ("**SISP**") for the sale of the Applicants' property, assets and undertakings (the "**Property**") and/or its business (the "**Business**"). The Monitor undertook all reasonable and necessary steps to advance the SISP and solicit interest from Potential Bidders in the Property;

Conduct of the SISP

14. Since the date of the SISP Approval Order, the Applicants and the Monitor have worked extremely hard and broadly canvassed the market to find parties interested in the Applicants' business and assets.

15. The SISP was intended to solicit interest for the sale of all or part of the Applicants' Business and/or Property. The SISP provided the Applicants with the latitude to pursue both asset

and share transactions. Further, it preserved the option of marketing AgMedica and GreenSeal as opportunities to be considered both separately or *en banc*;

16. The Applicants and Monitor canvassed the market and made the best efforts to obtain potential bids for all or part of the Applicants' Property, undertaking the following activities:

(a) sent the Teaser Letter to over one hundred Known Potential Bidders and other parties;

(b) received executed NDAs from fifteen Potential Bidders and provided each of these parties with access to the virtual data room facilitated by the Monitor for purposes of the SISP;

(c) engaged in phone calls and meetings almost daily to answer questions or engage in negotiations with Potential Bidders; and

(d) conducted tours with five parties at the Chatham and Stratford facilities;

17. The Applicants received four non-binding Letters of Intent ("**Non-binding LOI**") by the LOI Deadline of September 6, 2024;

18. The Applicants then received a Qualified Bid (the Binding LOI) dated September 18, 2024 from Shalcor (the DIP Lender) and AgriRoots (the LP Purchaser and the Facility Purchaser, respectively, and together the Purchasers). The proposed Purchasers agreed to acquire, directly or indirectly, Atlas, Nursery, AgMedica, 5047 Ontario (FacilityCo), 8050 Canada, and Tavivat collectively, the Purchased Entities) by way of a Court-approved reverse-vesting transaction whereby the Purchased Shares will be vested in the Proposed Purchaser free and clear of

encumbrances. The Qualified Bid would not acquire GreenSeal, Atlas Biotechnologies or Cambrosia or any of their respective assets or subsidiaries;

19. The Qualified Bid was the only bid received for AgMedica, Atlas and the AgMedica subsidiaries. The Monitor, in consultation with the Applicants, determined that this bid was the Successful Bid;

20. The proposed Purchasers and the Applicants have prepared the Purchase Agreement on substantially the terms of the Binding LOI for the acquisition of the Purchased Entities. Pursuant to the Purchase Agreement, the LP Purchaser will acquire all of the shares of Atlas (and indirectly, Nursery, AgMedica and AgMedica's subsidiaries: 8050 Canada and Tavivat) and the Facility Purchaser will acquire all of the shares of FacilityCo;

21. The Binding LOI and the Purchase Agreement represent the best possible outcome for the Applicants, its creditors, and other stakeholders in the circumstances. They also represent the culmination of extensive solicitation efforts on the part of the Applicants and the Monitor;

Granting Approval of the Binding LOI and Purchase Agreement

22. The Transactions contemplated in the Purchase Agreement have been structured in the form of "reverse vesting" transactions. The LP Purchaser will acquire all of the shares of Atlas (and indirectly, Nursery, AgMedica and AgMedica's subsidiaries: 8050 Canada and Tavivat) and the Facility Purchaser will acquire all of the shares of FacilityCo, by way of the following corporate procedures:

(a) transferring and vesting all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Purchase Agreement) to and in ResidualCo;

(b) authorizing and directing Atlas to issue the Purchased Company Shares (as defined in the Purchase Agreement), and vesting in and to the LP Purchaser all right, title and interest in and to the Purchased Company Shares, free and clear of any Claims and Encumbrances (in each case, as hereinafter defined);

(c) authorizing and directing AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares (as defined in the Purchase Agreement), and vesting in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances (as hereinafter defined);

(d) authorizing and directing AgMedica to issue the New AgMedica Shares (as defined in the Purchase Agreement) to Atlas; and

(e) terminating and cancelling all of the Existing Shares (as defined in the Purchase Agreement) of each of the Company and AgMedica, other than the Company Purchased Shares and the New AgMedica Purchased Shares, respectively, for no consideration;

23. The benefits of a reverse vesting structure to the Applicants and their stakeholders include, among others:

(a) allowing the Applicants, who operate in a highly regulated environment, to maintain their licenses and permits without the additional delays, costs, and uncertainty associated with getting same transferred to a third party;

(b) maintaining various contracts with certain provincially operated cannabis distributors, licensed cannabis producers, suppliers of strategic data sources, and certain service providers whose services are required to maintain the applicable licenses and permits under applicable cannabis laws, without the uncertainty of needing consents to assign, re-establish, or enter into new arrangements; and

(c) permitting the maintenance of the Applicants' tax attributes, which includes the Applicants' operating losses;

24. The benefits of the Transactions include the following, among others:

(a) the Applicants will maintain their licenses, intellectual property, and contracts with government entities and strategic suppliers;

(b) the Applicants will continue operations as a going concern, resulting in:

(i) **Employees** – the potential for many of the Applicants' approximately 140 employees to preserve their employment;

(ii) **Vendors** – a substantial number of the Applicants' suppliers of goods and services being able to maintain their business relationships with the Applicants; and

(iii) **Customers** – continuity of supply in provinces where the Applicants have distribution operations which play a critical part in the provincial supply chain;

Approval of Releases

25. The Applicants seek the issuance of Releases in favour of:

(a) the Released Parties (being the current directors, officers, employees, consultants, legal counsel and advisors of the Applicants; the current directors, officers, employees, consultants legal counsel and advisors to ResidualCo; and the Monitor and its legal counsel and their respective current directors, officers, partners, employees, consultants and advisors) from the Released Claims;

(b) the Other Released Parties (being Shalcor Management Inc., in its capacity as the DIP Lender, and the Purchasers, in their capacity as Successful Bidders) from the Released Purchased Entities' Claims; and

(c) the Released D&Os (being the current and former directors and officers of the Purchased Entities) from the D&O Released Claims;

26. The Releases are being sought to achieve certainty and finality for the Released Parties, Other Released Parties and Released D&Os in the most efficient and appropriate manner given the circumstances;

27. The Releases sought are appropriate, given the significant and material contributions of the Released Parties, Other Released Parties and Released D&Os in connection with the CCAA Proceedings and Transactions, which will allow the Applicants to continue their operations as a going concern;

28. The D&O Released Claims include:

(a) Releases of Directors and Officers from claims arising from or in connection with AgMedica's excise tax arrears. The Successful Bid does not provide sufficient consideration to pay out excise tax arrears; and

(b) Releases from claims arising from or in connection with the Source Deductions Liability (being AgMedica's unpaid source deductions of $2,106,881.02 as of September 19, 2024). The Successful Bid does not provide sufficient consideration to pay out the Source Deductions Liability;

29. The Directors and Officers are insured under two insurance policies. Thus, the Source Deductions Liability and the Excise Tax liability may be pursed as an Insured Claim;

30. The D&O Released Claims do not provide a release of claims (a) any gross negligence or willful misconduct on the part of any of the Released D&Os; (b) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) any action, application or other proceeding in respect of any claim or liability which is an insured claim;

ResidualCo Should be Added as an Applicant

31. To complete the Transactions, all Excluded Contracts, Excluded Assets, and Excluded Liabilities with respect to the Applicants will be transferred and "vested out" to the ResidualCo to be incorporated by the Applicants in advance of the Closing Date to allow the Purchasers to indirectly acquire the Applicants' business and assets on a "free and clear" basis;

32. The CCAA applies to a "debtor company" or affiliated debtor companies where the total claims against the debtor or affiliated debtors exceed $5 million. Upon the transfer of all the Excluded Contracts, Excluded Assets, and Excluded Liabilities to the ResidualCo, the realizable value of their assets will be insufficient to satisfy all their obligations. They will therefore become "insolvent" and face an imminent liquidity crisis, making them debtor companies to which the CCAA applies;

33. The ResidualCo should therefore be added as an Applicant in these CCAA Proceedings and the style of cause should be amended accordingly;

Extending the Stay Period

34. The current Stay Period expires on September 30, 2024;

35. The Applicants require an extension of the Stay Period to October 31, 2024, to provide stability for its effective restructuring, including the closing of the Transactions. The Stay Extension is necessary and appropriate because:

(a) the date of the Stay Extension falls on the Outside Date, which is on October 31, 2024;

(b) it affords the Monitor, in consultation with the Applicants and Consultation Parties, time and breathing space to properly and diligently work to close the Transactions and attend to administrative matters including the winding-up and/or dissolution of the Applicants, including ResidualCos;

(c) the Applicants have been acting and continue to act in good faith and with due diligence and it is just and convenient in the interests of the Applicants and their stakeholders to grant the Stay Extension;

(d) the Applicants will have sufficient liquidity to fund its operations through the Stay Extension; and

(e) the Cash Flow Forecast and GreenSeal Cash Flow Forecast show that the Stay Extension will not prejudice or adversely affect the Applicants' creditors.

Approval of the Monitor's Fees and Reports

36. The Monitor seeks approval of the fees and disbursements incurred for the period from commencement of the CCAA Proceedings to October 4, 2024, as set out in the Third Report of the Monitor.

Sealing the Fourth Confidential Cervi Affidavit

37. Pursuant to s. 137(2) of the *Courts of Justice Act*, R.S.O. c. C.43, the Applicants request that the Fourth Confidential Cervi Affidavit be treated as confidential and sealed, and not form part of the public record;

38. The test for a sealing order was established by the Supreme Court in *Sierra Club*, and subsequently recast in *Sherman Estate v Donovan*, 2021 SCC 25 at para 38. The test is met because:

(a) **Public Interest**: The court has found that there is a public interest both in maximizing recovery in an insolvency and protecting the integrity of a sale process *(Danier Leather Inc., Re*, 2016 ONSC 1044 at paras 82 and 84). The Fourth Confidential Cervi Affidavit contains commercially sensitive information. Disclosure of this information could taint the sale process.

(b) **Lack of a Reasonable Alternative**: There is no reasonable alternative to the sealing order which would protect the confidentiality of the materials that are sought to be kept confidential in the Fourth Confidential Cervi Affidavit.

(c) **Proportionality**: CCAA courts have approved sealing orders where the information over which confidentiality is sought to be maintained is "discrete, proportional, and limited" (*Original Traders Energy Ltd. and 2496750 Ontario Inc. (Re)*, 2023 ONSC 753, at para 63). The proposed sealing order fulfils these criteria, as it applies only to the limited materials identified above. The benefits of the proposed sealing order in protecting the SISP outweigh any negative effects.

STATUTORY REGIME

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

40. The Ontario *Rules of Civil Procedure,* R.R.O. 1990, Reg. 194, as amended;

41. The *Courts of Justice Act*, R.S.O. c. C.43;

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

DOCUMENTARY EVIDENCE

43. The Ninth Affidavit of Jason Cervi affirmed September 29, 2024, and the exhibits attached thereto;

44. The Fourth Confidential Cervi Affidavit to be filed and the exhibits attached thereto;

45. The Tenth Cervi Affidavit to be filed and the exhibits attached thereto;

46. The affidavit of Karen Fung to be affirmed and the exhibits attached thereto;

47. The affidavit of Trevor Courtis to be affirmed and the exhibits attached thereto;

48. The Third Report, to be filed; and

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

September 29, 2024

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Lawyers for the Applicant

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.

Applicants

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

NOTICE OF MOTION

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TAB 2

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
(Affirmed September 29, 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. ("**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 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 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**"). All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise noted.

5. This affidavit is made in support of a motion for an approval and reverse vesting order ("**ARVO**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**" and such proceedings, the "**CCAA Proceedings**"), *inter alia*:

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

(b) approving the binding letter of intent dated September 18, 2024 (the "**Binding LOI**") from Shalcor Management Inc. on behalf of Callisto Capital Corp. (the "**LP Purchaser**") and 2596690 Ontario Inc., on behalf of a corporation to be incorporated by it (the "**Facility Purchaser**", respectively, and together with the LP Purchaser, "**Purchasers**") wherein the proposed Purchasers agreed to acquire, directly or indirectly, Atlas, Nursery, AgMedica, 5047 Ontario ("**FacilityCo**"), 8050 Canada, and Tavivat (collectively, the "**Purchased Entities**");

(c) approving a form of purchase agreement between Atlas and the Purchasers (the "**Purchase Agreement**") for the acquisition of the Purchased Entities on substantially the terms of the Binding LOI, (together with all other corporate proceedings and transactions set forth therein, the "**Transactions**"), and authorizing and directing the Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Transactions;

(d) adding 2650751 Alberta Ltd. ("**ResidualCo**") as an Applicant to these CCAA proceedings;

(e) approving the fees and disbursements of the Monitor and its counsel, and approving the Monitor's Reports (as hereinafter defined) and the activities and conduct of the Monitor referred therein;

(f) extending the Stay Period (as defined in the TARIO);

(g) approving the Releases (as defined below); and

(h) approving the sealing of the fourth confidential affidavit of Jason Cervi to be affirmed ("**Fourth Confidential Cervi Affidavit**").

6. The following affidavits contain additional background about the Atlas Group, the events leading up to these CCAA proceedings, and the relief granted under the Initial Order, the Amended and Restated Initial Order ("**ARIO**"), the Second Amended and Restated Initial Order ("**SARIO**"), the Third Amended and Restated Initial Order ("**TARIO**") and the Sale and Investment Solicitation Process Approval Order (the "**SISP Approval Order**"):

(a) The Initial Cervi Affidavit;

(b) Confidential affidavit of Jason Cervi affirmed on June 26, 2024 ("**First Cervi Confidential Affidavit**");

(c) Affidavit of Jason Cervi affirmed on June 28, 2024 ("**Second Cervi Affidavit**");

(d) Affidavit of Jason Cervi affirmed on June 30, 2024 ("**Third Cervi Affidavit**");

(e) Affidavit of Jason Cervi affirmed on July 4, 2024 ("**Fourth Cervi Affidavit**");

(f) Affidavit of Jason Cervi affirmed on July 8, 2024 ("**Fifth Cervi Affidavit**");

(g) Second confidential affidavit of Jason Cervi affirmed on July 8, 2024 ("**Second Cervi Confidential Affidavit**");

(h) Affidavit of Jason Cervi affirmed on July 9, 2024 ("**Sixth Cervi Affidavit**");

(i) Affidavit of Jason Cervi affirmed on July 24, 2024 ("**Seventh Cervi Affidavit**");

(j) Third confidential affidavit of Jason Cervi affirmed on July 24, 2024 ("**Third Cervi Confidential Affidavit**"); and

(k) Affidavit of Jason Cervi affirmed on July 26, 2024 ("**Eighth Cervi Affidavit**").

BACKGROUND AND STATUS OF THE CCAA PROCEEDINGS

A. Background of the Atlas Group

7. 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; and (3) the industry knowledge and network of the Cambrosia (as defined below) principals to increase sales channels in Israel.

8. Atlas then acquired GreenSeal and Nursery. GreenSeal owned a GACP (good agricultural and collecting practices) certified cannabis facility in Stratford, Ontario. After Atlas acquired these subsidiaries, Atlas shut down the Atlas Alberta Subsidiaries, which are both currently in receivership proceedings under the supervision of the Alberta Court of King's Bench.

9. 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**").

10. In addition, Atlas announced a global collaboration with world-renowned entertainer, Calvin Broadus Jr. a.k.a Snoop Dogg and the launch of a new brand, "D*gg lbs".

11. 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.

12. When these CCAA Proceedings commenced, the Atlas Group had three licenced facilities:

(a) AgMedica is a licensed producer of cannabis and owns a production and distribution facility in Chatham (the "**Chatham Facility**"). 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. AgMedica principally operates in the international market.

(b) GreenSeal is a licensed producer of cannabis operating out of a facility owned in Stratford, Ontario (the "**Stratford Facility**"). The Stratford Facility is GACP certified. It does not hold the more exclusive, EU-GMP or IMC-GAP certifications. The Stratford Facility primarily focuses on the Canadian market and business to business sales including to AgMedica.

(c) Nursery is a licensed cannabis nursery in Stratford, Ontario. It owns and manages over 1,000 cannabis plants' genetics. 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.

The Applicants' Liquidity Crisis

13. The Applicants' CCAA filing was the result of a liquidity crisis caused not only by industry factors but also other unique factors, which led to the inability to meet the Applicants' obligations as they became due. As set out in the Initial Cervi Affidavit, during the three and nine months ended December 31, 2023, the Atlas Group had net losses of $5,018,910 and $2,373,722, respectively. As of December 31, 2023, the Atlas Group had a cumulative deficit of $18,881,703 and its then current liabilities exceeded current assets by $26,079,900.

14. The Canadian federal excise tax regime has 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.

15. A briefing note to the Minister of Finance obtained through an access to information request, reported by various media sources, and posted on the Internet states: "Only 322 of 808 current cannabis excise license holders were active and remitting excise duties to the CRA as of September 2023". The briefing note also states: "it remains the case that after five years of legalization, there are no licensed producers of legal cannabis products that are consistently profitable." An attachment to the briefing note disclosed that, as of June 30, 2023, excise tax arrears in the industry amounted to more than $235 million and other CRA debt (corporate income tax, payroll deductions and GST/HST) amounted to almost $44 million. A copy of the briefing note is attached hereto as **Exhibit "A"**

16. Commencing February 2024, the CRA began to take enforcement steps, including garnishing 50% of GreenSeal's accounts receivable from various provincial wholesalers, which materially and negatively impacted the Atlas Group's cash position and also created significant difficulties with one of GreenSeal's secured creditors, Stoke Canada Finance Corp. ("**Stoke**") (as described further below). In addition, the CRA registered a lien against the Stratford Facility in the amount of approximately $1.1 million for unpaid excise tax.

17. Consistent with this industry trend, by the date of filing for the Initial Order, both AgMedica and GreenSeal accumulated excise tax arrears in the amounts of $3,842,970 and $2,919,273.95, respectively (net of amounts garnished by the CRA).

18. Furthermore, as noted above, the Atlas Group entered into agreements with pharmacies and a distributor in Israel. For several reasons, including hostilities in the region, revenue from Israel remains materially below projections. Moreover, Harmony (an Israeli distributor) received

and sold product purchased, through Atlas' Israeli's subsidiary, on credit from AgMedica ad GreenSeal, for which it collected, but did not remit payment 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 ongoing. This development materially and negatively impacted the Atlas Group's cash position.

B. Secured Indebtedness

19. The secured debts set out herein are described in more detail in my previous affidavits, particularly the Initial and Second Cervi Affidavits.

Mortgages – Chatham Facility

20. AgMedica, alongside other obligors, entered into a mortgage loan with 2596690 Ontario Inc. ("**AgriRoots**") in the amount of $7 million as financing for the Chatham Facility ("**AgriRoots Mortgage**"). Following subsequent amendments, the AgriRoots Mortgage was increased to $12.1 million. During this CCAA Proceeding, as is reflected in the earlier filed Court materials and Orders, AgriRoots advanced additional money to permit AgMedica to pay out a first position mortgagee such that the amount of the AgriRoots Mortgage is now $16.5 million**.**

21. As security for the payment and performance of the obligors under the AgriRoots Mortgage, among other things, AgriRoots has a charge over all the present and after acquired property of AgMedica, including the Chatham Facility, for up to $16.5 million plus interest**.** AgriRoots has a registered security interest in respect of the AgMedica Mortgage pursuant to the PPSA against AgMedica, Nursery, Tavivat, Wellworth, 5047 Ontario and 8050 Canada.

22. Based on the most recent payout statement dated August 8, 2024, AgMedica owes AgriRoots $16,416,416.20 in principal and $825,530.73 in interest, totaling up to $17,241,946.93. The AgriRoots Statement is attached hereto as **Exhibit "B"**.

23. In addition, the current interest arrears as of September 1, 2024 is $785,928.89. The Atlas Payment Schedule is attached hereto as **Exhibit "C"**.

Mortgages – Stratford Facility

24. 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 "**YNCU Loan**"). The YNCU Loan has been described in detail in prior affidavits filed in these CCAA Proceedings.

GreenSeal and Stoke Receivables Purchase Agreement

25. GreenSeal factored certain receivables pursuant to a factoring arrangement with Stoke, which was subsequently expanded to provide for Stoke providing advances to GreenSeal against certain purchase orders. The agreements governing this relationship have been described in prior affidavits filed in these CCAA Proceedings. Those agreements describe a portion of the arrangement as an absolute sale of receivables (the "**Purchased Receivables**").

26. The amount owed by GreenSeal to Stoke on the date the Initial Order was granted was approximately $1,869,707.

Stoke and the CRA Garnishment

27. As is mentioned above, the CRA issued CRA Requirements to garnish receivables owing to GreenSeal, which included receivables in respect of which Stoke asserted an ownership interest.

As stated in the Second Cervi Affidavit, 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 initially did not accept Stoke's ownership of those receivables and continued to garnish the receivables until the Initial Order was granted.

28. The CRA's enforcement efforts impacted GreenSeal's relationship with Stoke. The CRA, through its CRA Requirements, garnished Purchased Receivables and eroded Stoke's collateral for GreenSeal's debt.

29. As a result of the CRA's garnishments of the Purchased 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.

30. On June 13, 2024, Stoke issued a notice of application asking the Court to appoint a receiver over certain assets of GreenSeal. On June 26, 2024, YNCU also issued a notice of application asking the Court to appoint a receiver over certain assets of GreenSeal. On July 9, 2024, the Court adjourned the receivership applications to allow GreenSeal to have one shot at its proposal to participate in the Atlas SISP under the CCAA.

31. According to our records, to date, the CRA has garnished a total of approximately $1,406,523.75. This amount is not yet fully reconciled by the CRA, so the current CRA excise account statement reflects only $1,174,105.31. I understand that the CRA has concluded that a substantial portion of this amount relates to receivables that Stoke owned. As a result, the CRA may repay a substantial portion of this amount to Stoke, materially reducing amounts owing to Stoke.

Source Deductions Liability

32. As was disclosed in the Initial Cervi Affidavit, AgMedica had estimated unpaid source deductions in the amount of $1.5 million as of the date of the application for the Initial Order. These unpaid source deductions began to accumulate after the difficulties with Harmony in Israel arose, when Harmony failed to pay the Atlas group for millions of dollars of product ordered, received and sold to customers, materially impacting Atlas' liquidity.

33. On September 19, 2024, the CRA quantified AgMedica's unpaid source deductions ("**Source Deductions Liability**") as $2,106,881.02 (consisting of the principal, penalties and interest) with interest continuing to accrue at the prescribed daily statutory rate. Part of the amount includes a post-CCAA late remittance penalty of $16,190.42.

34. As discussed above, as security for the AgriRoots Mortgage, AgriRoots has a charge over all the present and after acquired property of AgMedica, including the Chatham Facility, for up to $16.5 million that was in place before the source deductions arrears accumulated.

Key Employee Retention Plan

35. In the SISP Approval Order made on July 26, 2024, the Court approved the Key Employee Retention Plan ("**KERP**") of the Applicants. The purpose of the KERP was to facilitate and encourage the continued participation of certain executives, senior management and key employees of the Applicants required to guide the Applicants through these CCAA Proceedings and the SISP and preserve value for stakeholders.

36. The KERP was to provide key employees with additional payments (for the most part payable upon the successful closing of a transaction pursuant to the SISP) as an incentive to continue their employment through the CCAA proceedings and support a successful SISP. These

employees have significant experience and specialized expertise that could not be replicated or replaced. There was also a recognition that these employees would likely, as it turned out were, faced with significantly increased workload during the CCAA proceedings.

37. The KERP was divided between GreenSeal and the other Applicants. The KERP was structured to pay an amount of up to $1,040,000 to the employees and certain executives following the Closing of the Transaction and payment of the Secured Claims and the GreenSeal Secured Claims. In the SISP Approval Order, the Court ordered that:

(a) the key employees referred to in the KERP other than the employees of GreenSeal (the "**KERP Beneficiaries**") shall be entitled to the benefit of and are granted a charge on the Property of the Applicants other than GreenSeal, which charge: a) shall not exceed an aggregate amount of $811,500; and b) shall be subordinate to all other secured claims as finally determined, against the Property of the Applicants other than GreenSeal that exist as of the date of this Order (the "**Secured Claims**"), as security for amounts payable to the KERP Beneficiaries pursuant to the KERP (the "**KERP Charge**").

(b) the key employees of GreenSeal referred to in the KERP (the "**GreenSeal KERP Beneficiaries**") shall be entitled to the benefit of and are hereby granted a charge on the Property of GreenSeal, which charge: a) shall not exceed an aggregate amount of $228,500; and b) shall be subordinate to all other secured claims as finally determined, against the Property of GreenSeal that exist as of the date of this Order (the "**GreenSeal Secured Claims**"), as security for amounts payable to the GreenSeal KERP Beneficiaries pursuant to the KERP (the "**GreenSeal KERP Charge**").

(c) the KERP Charge and the GreenSeal KERP Charge shall rank, *pari passu,* in priority to all unsecured claims, and below the priorities of the Stoke Receivables Charge, Administration Charge, DIP Lender's Charge, Bridge DIP Charge, Directors' Charge and GreenSeal Directors' Charge.

38. The Purchasers in the proposed Transactions did not offer sufficient consideration for payments to be made under the KERP.

AgMedica's Chatham Facility Environmental Site Assessment

39. As detailed in the Initial and Second Cervi Affidavits, 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.

40. 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.

41. A draft Phase II ESA Report was provided by JFM on August 12, 2022 ("**Phase II ESA Report**"). 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 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. 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.

42. 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.

C. The CCAA Filing and SISP

43. 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.

44. The Atlas Ontario Group applied for relief under the CCAA and was granted the Initial Order dated June 20, 2024 (the "**Initial Order**"). The Initial Order, *inter alia*, appointed 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**"); granted a Stay of Proceedings; and granted various charges over the Property.

45. Copies of materials filed in the CCAA Proceedings are available on the website of the Monitor at: www.ey.com/ca/atlasglobal.

46. 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. GreenSeal has worked with the Information Liaison, Stoke, and Stoke's counsel to provide financial information and respond to questions about the same.

47. These proceedings have been made possible through a DIP Facility extended to Atlas, Nursery, AgMedica, Wellworth, 5047 Ontario, 8050 Canada, and Tavivat (collectively, the "**Borrowers**"). The DIP Facility was not used to support GreenSeal.

48. On July 2, 2024, this Court approved the Applicants, excluding GreenSeal, entering into the DIP Term Sheet in the amount of $5,000,000 ("**DIP Facility**") and the Bridge Term Sheet in the amount of $3,750,000 ("**Bridge Loan Facility**"), both with Shalcor Management Inc. (the "**DIP Lender**" or "**Shalcor**"), and to borrow under the facilities. The Bridge Loan Facility has since been repaid and the DIP Facility has been fully drawn.

49. The Court granted, in respect of the Applicants' Property (except GreenSeal's), a DIP Lender's Charge (amended on July 5, 2024), to the maximum principal amount of $5,000,000 plus interest, expenses and fees under the DIP Term Sheet at the relevant time and a Bridge DIP Charge (amended on July 5, 2024), to the maximum principal amount of $3,750,000 plus interest, expenses and fees under the Bridge Term Sheet at the relevant time. The Bridge Loan Facility and the DIP Facility were not cumulative – the total amount that could be advanced under both facilities was capped at $5,000,000. The DIP Lender's Charge and Bridge DIP Charge, had the following priorities:

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

Second – DIP Lender's Charge (to the maximum principal amount of $5,000,000 plus interest, expenses and fees under the DIP Term Sheet at the relevant time);

Third – Bridge DIP Charge (to the maximum principal amount of $3,750,000 plus interest, expenses and fees under the Bridge Term Sheet at the relevant time);

Fourth – Directors' Charge (to the maximum amount of $680,000); and

Fourth – GreenSeal Directors' Charge (to the maximum amount of $740,000).

50. The assets of GreenSeal are excluded from the DIP Charge as the secured creditors of GreenSeal objected to being primed by the DIP Charge. No DIP funds were used directly in GreenSeal's business, other than a payment made to maintain insurance. The DIP Facility was used in the CCAA Proceedings to fund:

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

(b) professional fees and expenses incurred by the Borrowers 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;

(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.

51. In this proceeding, Atlas sought to conduct a SISP to seek a transaction or transactions that would result in a going-concern outcome. The secured creditors, other than AgriRoots, preferred

receivership proceedings, which would have resulted in shutting down operations. By July 2, 2024, AgriRoots, with the support of a Bridge DIP from the DIP Lender, had agreed to pay out the senior secured mortgagee on the AgMedica Chatham facility such that a SISP could proceed in respect of all of the Applicants' assets other than GreenSeal.

52. On July 9, 2024, the Court was asked to choose between granting applications by GreenSeal's secured creditors, Stoke and YNCU, for the appointment of a receiver over the GreenSeal business or permitting GreenSeal to continue in these CCAA Proceedings to benefit from the SISP. Justice Penny elected to give Atlas "one shot" at running a SISP for all of its assets, adjourning *sine die* the receivership applications. A copy of the TARIO is attached hereto as **Exhibit "D"**. A copy of Justice Penny's endorsement explaining his reasons for granting the TARIO and giving the Applicants one shot is attached hereto as **Exhibit "E"**.

53. The Court found that it was reasonable for GreenSeal to have one shot at its proposal under the CCAA, while being kept on a short leash and with the ability of the secured creditors to renew their receivership applications.

54. On July 26, 2024, the Court approved the SISP, authorizing the Monitor to undertake a sale and investment solicitation process for the sale of the Applicants' property, assets and undertakings (the "**Property**") and/or its business (the "**Business**"). As discussed above, the Court also approved the KERP. A copy of the SISP Approval Order is attached hereto as **Exhibit "F"**. The SISP is described in more detail below.

55. The Applicants' activities since the granting of the SISP Approval Order, with the assistance of their advisors and the Monitor, include:

(a) carrying out the terms of the SISP pursuant to the SISP Approval Order, including assisting with the marketing of the Atlas Ontario Group business and property and the preparation of the Teaser Letter, NDA and certain other information;

(b) communicating with various stakeholders and maintaining key customer and supplier relationships;

(c) establishing and updating a virtual data room for Potential Bidders;

(d) maintaining various regulatory and operational licenses and approvals; and

(e) continuing day-to-day operations to ensure the Atlas Ontario Group business operates as a going concern.

56. 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.

D. The Conduct of the SISP

57. Since the date of the SISP Approval Order, the Applicants and the Monitor have worked extremely hard and broadly canvassed the market to find parties interested in the Applicants' business and assets. I understand from the Monitor that it considered its involvement in the Applicants' SISP much more robust than usual, particularly given the absence of a sales advisor.

58. The SISP was intended to solicit interest for the sale of all or part of the Applicants' Business and/or Property. The SISP provided the Applicants with the latitude to pursue both asset ands share transactions and/or any combination thereof. Further, it preserved the option of marketing AgMedica and GreenSeal as opportunities to be considered both separately or *en bloc*.

59. The SISP also contemplated that any party or parties holding a valid, enforceable, and properly perfected security interest in the Property or Business (the "**Credit Bidder(s)**") could, subject in all respects to such party's compliance with the SISP Procedures, credit bid the amount of debt secured by such lien ("**Credit Bid(s)**") as part of any transaction contemplated by the SISP Procedures; provided, that such transaction would also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction of any and all obligations:

(a) owing to the DIP Lender as may be allocated to such party's security and collateral;

(b) owing pursuant to any charges granted by the Court in the CCAA Proceedings as may be allocated to such party's security and collateral; and

(c) secured by a security interest in the Property or Business that is to be acquired under such transaction that is senior to the security interest held in such Business by the Credit Bidder(s) unless the holder or agent of any such senior security interest otherwise agrees.

60. Subject to confirmation from the DIP Lender, AgriRoots, the Information Liaison, YNCU and Stoke (the "**Consultation Parties**") that they did not wish to participate in the SISP, or in certain cases, exercise their right to Credit Bid, the SISP provided certain consultation rights to the Consultation Parties in respect of:

(a) determining whether a Potential Bidder is a Qualified Bidder;

(b) determining whether bids by Qualified Bidders constitute Qualified Bids; and

(c) reviewing and evaluating Qualified Bids and identifying the Successful Bidder(s).

61. However, the DIP Lender and Stoke each put forward a bid by the LOI Deadline and accordingly did not receive copies of, or information about, the competing bids. Each of the Consultation Parties was nonetheless involved in the SISP by way of discussions with management and prospective bidders about the structuring of such bids and other relevant terms pertinent to consummating a transaction.

62. The SISP contemplated the following milestones, among others, each of which could be modified by the Monitor as permitted in the SISP:

Date	Milestone
July 26, 2024	Court issues the SISP Approval Order
July 29, 2024 at 5:00 p.m. (prevailing Eastern Time)	Commencement of the SISP and distribution of Teaser Letter (as defined below)
September 6, 2024, at 5:00 p.m. (prevailing Eastern Time) ("**LOI Deadline**")	Deadline for submission of non-binding LOI (as defined below)
September 19, 2024, at 5:00 p.m. (prevailing Eastern Time) ("**Bid Deadline**")	Deadline for submission of Qualified Bids (as defined below)
September 20, 2024, at 11:59 p.m. (prevailing Eastern Time) ("**Successful Bid(s) Selection Deadline**")	Deadline for selection of the Successful Bid (as defined below)
September 26, 2024 (prevailing Eastern Time) or such other time as the Court may advise ("**Court Sale Approval Motion Date**")	Hearing of the Sale Approval Motion (as defined below)
October 7, 2024, or such later date as may be agreed to by the Successful Bidder (as defined below) and the Applicants, with the consent of the Monitor (the "**Outside Date**")	Deadline for completion of the transaction(s) represented by the Successful Bid

Notice and Teaser Letter

63. Pursuant to the SISP, the Applicants, with the assistance of the Monitor:

(a) prepared an initial list of persons who may have an interest in the Opportunity, which contained in excess of 100 persons (the "**Known Potential Bidders**");

(b) published a notice of the SISP (the "**Notice**") in the Globe and Mail (National Edition) on August 13, 2024;

(c) issued a press release setting out the information contained in the Notice on July 29, 2024 (a copy of the press release is attached hereto as **Exhibit "G"**); and

(d) prepared: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants, with the approval of the Monitor (the "**NDA**").

64. The Applicants and Monitor canvassed the market and made the best efforts to obtain potential bids for all or part of the Applicants' Property, undertaking the following activities:

(a) sent the Teaser Letter to the over 100 Known Potential Bidders and other parties;

(b) received executed NDAs from 15 Potential Bidders and provided each of these parties with access to the virtual data room facilitated by the Monitor for purposes of the SISP;

(c) engaged in phone calls and meetings almost daily to answer questions or engage in negotiations with Potential Bidders; and

(d) conducted tours with five parties at the Chatham and Stratford facilities.

65. The Consultation Parties were provided the list of Known Potential Bidders and suggested additional strategic, investors and other potential purchasers who were also provided the Teaser and NDA. The list of Known Potential Bidders also included potentially interested parties domestically and overseas.

LOIs and Bids Received

Non-Binding LOIs

66. Ultimately, the Applicants received four non-binding Letters of Intent ("**Non-binding LOI**") by the LOI Deadline of September 6, 2024. All the Non-binding LOIs proposed to structure the Transaction as a sale of shares in one or more subsidiaries of Atlas and an assumption of certain assets and liabilities of the acquired entities.

67. The details of all the received LOIs and Qualified Bids are contained in the Fourth Confidential Cervi Affidavit. I discuss the Binding LOI and the Purchase Agreement below.

Qualified Bid for Applicants other than GreenSeal and Wellworth

68. The Applicants received a Qualified Bid (the Binding LOI) dated September 18, 2024 from Shalcor (who is the DIP Lender) and AgriRoots (the LP Purchaser and the Facility Purchaser, respectively, and together the Purchasers). The Purchasers agreed to acquire, directly or indirectly, Atlas, Nursery, AgMedica, 5047 Ontario, 8050 Canada, and Tavivat (collectively, the Purchased Entities) by way of a Court-approved reverse-vesting transaction whereby the ownership of the

Purchased Entities will be effectively vested in the proposed Purchaser free and clear of encumbrances. The Qualified Bid would not acquire GreenSeal, Wellworth, Atlas Biotechnologies or Cambrosia or any of their respective assets or subsidiaries (collectively, the "**Excluded Entities**").

69. The Qualified Bid was the only bid received for AgMedica, Atlas and the AgMedica subsidiaries.

70. The Monitor in consultation with the Applicants selected the Qualified Bid submitted by the proposed Purchasers as the Successful Bid.

71. A redacted copy of the Binding LOI is attached hereto as **Exhibit "H"**, with its key terms summarized below:

Key Terms	Binding LOI
Purchasers	Shalcor Management Inc., on behalf of Callisto Capital Corp., and 2596690 Ontario Inc. (AgriRoots)
Purchased Assets	Atlas, Nursery, AgMedica, 5047 Ontario (FacilityCo), 8050 Canada, and Tavivat
Excluded Entities	GreenSeal, Atlas Biotechnologies, Cambrosia, Wellworth
Transaction Structure	Court-approved reverse-vesting transaction
Key Conditions to Closing	Only those customary conditions as to corporate existence, ability to enter into transaction, along with court approval and issuance of a Vesting Order in form and substance satisfactory to the proposed Purchasers, with such Vesting Order not having been appealed or set aside.

Key Terms	Binding LOI
Other	The proposed Purchasers intend to keep substantially all of the Acquired Entities' current employees. The proposed Purchasers will make a final determination on which employees will be retained two days prior to the Closing Date.

Purchase Agreement

72. The proposed Purchasers and the Applicants have prepared a draft Purchase Agreement on substantially the terms of the Binding LOI for the acquisition of the Purchased Entities.

73. Pursuant to the Binding LOI and draft Purchase Agreement, the LP Purchaser will acquire all of the shares of Atlas (and indirectly, Nursery, AgMedica and AgMedica's subsidiaries: 8050 Canada and Tavivat) and the Facility Purchaser will acquire all of the shares of FacilityCo, by way of the following corporate procedures:

(a) transferring and vesting all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Purchase Agreement) to and in ResidualCo;

(b) authorizing and directing Atlas to issue the Purchased Company Shares (as defined in the Purchase Agreement), and vesting in and to the LP Purchaser all right, title and interest in and to the Purchased Company Shares, free and clear of any Claims and Encumbrances (in each case, as hereinafter defined);

(c) authorizing and directing AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares (as defined in the Purchase Agreement), and vesting in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances (as hereinafter defined);

(d) authorizing and directing AgMedica to issue the New AgMedica Shares (as defined in the Purchase Agreement) to Atlas; and

(e) terminating and cancelling all of the Existing Shares (as defined in the Purchase Agreement) of each of Atlas and AgMedica, other than the Purchased Company Shares and the New AgMedica Purchased Shares, respectively, for no consideration.

74. Pursuant to Atlas' collaboration with Calvin Broadus Jr. a.k.a Snoop Dogg ("**Artist**"), Atlas entered into a licensing agreement granting Atlas certain rights to the Artist's name, likeness, logos, trademarks or other intellectual property ("**Snoop License**"). The Snoop License requires consent of Alfalfa Holdings, LLC ("**Licensor**") if direct or indirect control of the licensee is transferred to a third party. The Purchasers will acquire the Snoop License by acquisition of Atlas pursuant to the Purchase Agreement, subject to the consent of the Licensor.

75. The purchase price of the Purchased Entities is sufficient to:

(a) assume the DIP Facility and the AgriRoots Mortgage and certain Assumed Liabilities agreed to by the Purchasers; and

(b) pay the CCAA Charges in priority to the DIP Charge and the Administrative Wind-Down Amount.

76. Additional key terms of the Purchase Agreement will be described in a supplemental affidavit, if necessary.

Ontario Securities Commission Partial Revocation Order Sought to Permit Execution of Purchase Agreement

77. Atlas is subject to a cease trade order ("**Cease Trade Order**") issued on August 8, 2023 by the Ontario Securities Commission ("**OSC**") for failure to file the following: (a) audited annual financial statements for the year ended March 31, 2023 as required by the *National Instrument 51-102 Continuous Disclosure Obligations*; (b) management's discussion and analysis related to the audited annual financial statements for the year ended March 31, 2023; and (c) certification of the foregoing filings as required by *National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings* (collectively, the "**Annual Filings**").

78. The Cease Trade Order prohibits trading, whether directly or indirectly, in respect of any securities of Atlas. Atlas has been advised by the OSC, through counsel, that "trading" includes acts in furtherance of a trade in Atlas' securities and that the execution of the Purchase Agreement without a partial or full revocation of the Cease Trade Order would constitute an act in furtherance of a trade, and by extension, a breach of the Cease Trade Order.

79. As a result, as of today, the Transactions documentation consists of the Binding LOI and a draft Purchase Agreement based on the terms of the Binding LOI.

80. Atlas intends to file an application with the OSC requesting an order (the "**Partial Revocation Order**") pursuant to s. 144 of the *Securities Act*[1] and s. 34 of the *National Policy 11-207 Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* permitting

[1] R.S.O. 1990, c. S.5.

trades in Atlas' shares solely for the purpose of completing the Transactions on or by October 1, 2024. In submitting the application, counsel to Atlas intends to convey the urgent need for the Partial Revocation Order.

81. Upon and subject to receiving the Partial Revocation Order and court approval, Atlas intends to execute the Purchase Agreement.

82. I am advised by Joanna Cameron of Osler, Hoskin & Harcourt LLP that Atlas could receive the Partial Revocation Order prior to, or soon after, the granting of the Approval and Reverse Vesting Order.

AgMedica's Class B Preferred Shares

83. As detailed in the Initial Cervi Affidavit, on December 2, 2019, AgMedica went through a prior CCAA proceeding: pursuant to an application under the CCAA by AgMedica and some of its subsidiaries, 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, including an order regarding the AgMedica Applicants' proposed Plan of Compromise and Arrangement (as amended, the "**Plan**"). The CCAA proceedings terminated on April 23, 2021, following the Court-sanctioned Plan.

84. As part of the Plan implementation, AgMedica 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.

85. 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."

86. Pursuant to the CRA AgMedica Agreement, until the CRA distribution was satisfied, AgMedica was required to 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 was intended to be given priority of an "equity claim" in any subsequent CCAA proceedings commenced respecting AgMedica.

87. AgMedica has not yet made payments or issued dividends to the CRA or the shareholders.

88. I understand that in the AgMedica ARVO, all the Class B Preferred Shares and the CRA distribution under the CRA AgMedica Agreement will be cancelled as part of a recapitalization of AgMedica.

E. Historical Attempts to Sell or Refinance AgMedica's Chatham Facility

89. Before these CCAA proceedings, Atlas made efforts to sell and leaseback or otherwise refinance AgMedica's Chatham Facility. Atlas started exploring refinancing options as soon as Atlas was formed in December 2022. Atlas engaged Prairie Commercial Mortgage Corp., a well-known cannabis mortgage broker, on January 16, 2023, who conducted an exhaustive search which was terminated in favour of the CBRE mandate (below) to broaden the scope of the search. A copy of the Prairie Commercial Mortgage Corp. Mandate Letter is hereto attached as **Exhibit "I"**.

90. On June 29, 2023, 5047 Ontario, a subsidiary of AgMedica, entered into a Financing Mandate granting CBRE Limited ("**CBRE**") the exclusive right to procure mortgage financing from lenders upon terms acceptable to 5047 Ontario. The term of the Financing Mandate was one hundred and eighty days. 5047 Ontario agreed that should a loan be granted by lenders introduced by CBRE within one year of the agreement, then 5047 Ontario would pay the CBRE's Financing Placement Fee of 1.50% of the total loan amount. The Financing Mandate is attached hereto as **Exhibit "J"** and the Listing Proposal is attached hereto as **Exhibit "K"**.

91. CBRE presented the opportunity to its network of qualified lenders throughout the months of July, August and September. The process yielded a single letter of intent conditional on due diligence and the lender raising $5 to $10 million in new capital. However, the potential lender required the Facility to have more tenants in the then-unoccupied half of the Facility that had not yet been developed by AgMedica to grow cannabis. As a result, Atlas engaged CBRE's leasing team to locate additional tenants. However, on August 8, 2023, the Cease Trade Order was issued, such that Atlas' ability to conclude re-financing was not possible. Atlas continued to work with CBRE to locate tenants and re-financing opportunities. Although Atlas was able to locate temporary tenants, it was not able to identify a re-financing or sale and leaseback opportunity.

RELIEF SOUGHT UNDER THE APPROVAL AND REVERSE VESTING ORDER

A. Approval of the ARVO

92. Pursuant to the SISP, the Applicants seek the Court's approval of the ARVO at a motion to be heard on October 4, 2024.

93. The Transactions contemplated in the Purchase Agreement have been structured in the form of "reverse vesting" transactions. Essentially, instead of providing for a traditional asset sale transaction where all purchased assets are purchased and transferred to the Purchasers on a "free

and clear" basis and all excluded assets, excluded contracts and excluded liabilities remain with the debtor company, the Transactions provide for a share transaction whereby, as described above, the Purchasers will acquire the business and assets on a "free and clear" basis.

94. As described further in this part, these transactions are appropriate and necessary in the circumstances because, *inter alia*, (i) the transactions are the result of the conduct of the Court-approved and robust SISP that broadly canvassed the market of parties interested in the Applicants' business and assets, (ii) the entities hold cannabis and excise licenses that are difficult to transfer or are non-transferable, and (iii) the transactions represent the best possible outcome for the Applicants and are in the best interests of all their stakeholders including creditors, employees, vendors and customers.

RVO is Necessary Due to the Cannabis and Excise Licenses

95. The Applicants consider that it is necessary to use an RVO structure to permit Shalcor and AgriRoots to acquire the AgMedica Property. This is because the Applicants operate in a highly regulated environment in accordance with the *Cannabis Act,*[2] *Cannabis Regulations*[3] and applicable provincial and municipal legislation.

96. Among other things, the government has established rules regarding how cannabis can be sold, how retail stores must be operated, where such stores can be located and who is allowed to sell cannabis. AgMedica and Nursery hold various licences issued by the CRA and Health Canada. These licenses would require re-issuance to a purchaser if an asset transfer was implemented.

[2] S.C. 2018, c. 16.

[3] SOR/2018-144.

97. As set out in the Initial Cervi Affidavit, the licenses include:

(a) the AgMedica Cannabis Licence from Health Canada in respect of the Chatham Facility, which permits AgMedica to cultivate, process, possess and sell cannabis;

(b) the AgMedica Excise Licence from the CRA, which permits AgMedica to stamp its products and collect excise taxes on behalf of the government;

(c) the Nursery Licence from Health Canada in respect of its facility located at 8 Hahn Court, Stratford, Ontario, which permits Nursery to run a cannabis nursery and sell cannabis; and

(d) the Nursery Excise Licence from the CRA, which permits GreenSeal Nursey to stamp its products and collect excise taxes on behalf of the government.

98. Under a traditional asset sale transaction structure, the above licenses are difficult to transfer to a purchaser and, to the extent that such transfer is even possible, the steps required to proceed with such transfer will likely result in additional delays, costs and uncertainty.

99. Additionally, if an asset transfer was implemented, the Applicants would require consents to assign, re-establish or enter into new arrangements with respect to various other commercial counterparties, including:

(a) contracts with certain provincially-operated cannabis distributors;

(b) contracts with certain licensed cannabis producers;

(c) contracts with certain suppliers of strategic data sources;

(d) intellectual property which would require re-recording and registration of the names and assignment;

(e) leases with certain lessees; and

(f) contracts with certain premises security and other service providers, whose services are required to maintain the applicable licenses and permits under the applicable cannabis laws.

100. Lastly, the RVO structure permits the maintenance of the Applicants' tax attributes, which includes the Applicants' operating losses, which is of value to the proposed Purchasers.

Going Concern Outcome is in the Interests of Employees, Vendors and Customers

101. The Transactions will result in a going-concern outcome that will be beneficial to multiple stakeholders, including:

(a) **Employees** – the potential for many of the Applicants' approximately 140 employees to preserve their employment. As stated in the Binding LOI, the proposed Purchasers intends to keep substantially all of the Purchased Entities' current employees, subject to making a final determination on which employees will be retained two days prior to the Closing Date;

(b) **Vendors** – a substantial number of the Applicants' suppliers of goods and services being able to maintain their business relationships with the Applicants; and

(c) **Customers** – continuity of supply in provinces where the Applicants have distribution operations which play a critical part in the provincial supply chain.

B. Relief Requested by CRA

102. I am informed by Mary Paterson, counsel to the Applicants, and believe that Ms. Paterson consulted with the CRA's counsel in the early stages of the SISP to understand the CRA's experience and common requests in transactions resulting from SISPs in the cannabis context. It is my understanding that:

(a) The CRA will exercise its right to retain security posted by AgMedica in respect of excise tax and will set off that security against AgMedica's pre-filing excise tax arrears. AgMedica posted cash collateral in the amount of $565,000. The Purchasers will be required to post new collateral in respect of AgMedica's post-Transactions excise tax obligations.

(b) The draft form of Order includes a paragraph making it clear that any refunds payable to the Purchased Entities in respect of the pre-filing period will be vested into ResidualCo so that the refunds and arrears for the same pre-filing period are in the same entity, namely ResidualCo. In addition, refunds and arrears in respect of the Purchased Entities' pre-filing period will be vested into one ResidualCo such that they will be effectively consolidated. Lastly, post-filing taxes and refunds will remain with the Purchased Entities.

C. Approval of the Releases

General Release

103. The ARVO sought herein provides for releases for various parties, effective as of filing of the Monitor's Closing Certificate following the closing of the Transactions (the "**Releases**"). These Releases include, among others, (a) the current directors, officers, employees, consultants, legal counsel and advisors of the Applicants; (b) the Monitor and its legal counsel and their respective

current directors, officers, partners, employees, consultants and advisors; and (c) ResidualCo; and (the Persons listed in (a) and (b) being collectively, the "**Released Parties**").

104. The Releases sought are limited to releasing the Released Parties from claims arising in connection with or relating to the CCAA Proceedings or any matters relating to the Applicants, the Transaction Agreements, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**").

105. The ARVO also provides for releases of other parties effective upon the filing of the Monitor's Closing Certificate, namely, Shalcor Management Inc., in its capacity as the DIP Lender, AgriRoots, in its capacity as mortgagee and the Purchasers, in their capacity as Successful Bidders (collectively, the "**Other Released Parties**").

106. The Releases of the Other Released Parties are limited to releasing the Other Released Parties from claims based on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceeding and prior to the filing of the Monitor's Closing Certificate, undertaken or completed in connection with or pursuant to the terms of the ARVO and that relate to the Transaction Agreements, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Purchased Entities arising in connection with or pursuant to any of the foregoing (collectively, the "**Other Released Claims**").

D&Os Release

107. In addition, the ARVO provides for Releases of the current directors and officers of the Purchased Entities as well as Trevor Henry and Peter Van Mol (collectively, the "**Released**

D&Os" and each a "**Released D&O**"). The Releases of the Released D&Os are limited to releasing them from any and all claims, including but not limited to claims for unpaid source deductions and excise taxes, that any Person may have or be entitled to assert against the Released D&Os, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA Proceedings in respect of the Purchased Entities, the business, operations, assets, property and affairs of the Purchased Entities and the Purchased Entities and/or these CCAA Proceedings (collectively, the "**D&O Released Claims**").

108. The Releases of the Released D&Os do not waive or bar any claim or liability, *inter alia*, arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O and that is an Insured Claim (as hereinafter defined). The Releases also carve out claims that section 5.1 of the CCAA precludes from being released.

109. The Releases are being sought to achieve certainty and finality for the Released Parties, Other Released Parties and Released D&Os in the most efficient and appropriate manner given the circumstances. The Releases are critical to the restructuring of the Atlas Ontario Group and necessary to ensure the Transactions close.

110. The Released D&Os are current and certain former directors of the Applicants who have made significant and material contributions in connection with the CCAA Proceedings and Transactions, which, as previously discussed, will allow the Applicants to continue their operations as a going concern. The former directors are current employees and contributed to these CCAA Proceedings in that capacity. As is set out above, the employees will not receive the benefit of

KERP payments. As such, given their substantial efforts to support the SISP, a release is appropriate.

Directors and Officers Excise Tax and Source Deduction Liability Release

111. As discussed above, the ARVO seeks Releases of the Released D&Os, which would specifically include the release of Excise Tax Liability (defined herein) and Source Deduction Liability, subject to certain exclusions.

112. AgMedica's total excise tax liability is $3,858,418 (the "**AgMedica Excise Tax Liability**").

113. I understand that Directors and Officers may be liable for excise tax not paid during their tenure. The following chart shows the tenure of the relevant Directors and Officers at AgMedica:

Director/Officer	Designation	Date of Appointment	Date of Resignation
Bernie Yeung	AgMedica/GreenSeal Director	May 31, 2023	Current
Jason Cervi	AgMedica/GreenSeal Director	May 31, 2023	Current
Trevor Henry	AgMedica subsidiaries Director	Before 2019	May 31, 2023
Peter Van Mol	AgMedica subsidiary Director	Before 2019	August 31, 2023

114. As shown in the chart below, some of the excise tax arrears that accrued predate the tenure of the current Directors and Officers of AgMedica. The arrears are distributed to the Directors equally as they accumulated during each month of their respective tenure. I understand that director's liability for excise tax arrears is joint and severable, hence the right-end column of the chart represents the maximum exposure for each Director.

Director/Officer	May 31, 2023 and Prior	Between June 30, 2023 and April 30, 2024	Total	Maximum Exposure
Bernie Yeung		184,698	184,698	554,095
Jason Cervi		184,698	184,698	554,095
Trevor Henry	1,239,560	412,602	1,652,161	3,304,323
Peter Van Mol	1,239,560	592,116	1,836,860	3,858,418

115. Based on the Applicants' current liquidity and the Qualified Bid, the Applicants will not have sufficient funds to satisfy the Source Deductions Liability or the AgMedica Excise Tax Liability.

116. The ARVO sought herein provides for Releases of the Directors and Officers for pre-filing claims including in connection with both the Excise Tax Liability and the Source Deduction Liability. The proposed Released D&Os, as discussed previously, are not released from (a) any gross negligence or willful misconduct on the part of any of the Released D&Os; (b) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) any action, application or other proceeding in respect of any claim or liability which is an insured claim.

117. The Directors and Officers are insured under two insurance policies: Berkly Insurance Company, policy number BC09331-2400, and Victor Canada, policy number DO-609056.

118. The ARVO provides that any person is permitted to pursue an action in respect of any claim or liability which is an insured claim (the "**Insured Claims**") under any insurance policy maintained by any of the Purchased Entities or ResidualCo (collectively, the "**Insurance Policies**") to the point of determination of liability, if any. The person asserting an Insured Claim is entitled to recover solely from the proceeds under the Insurance Policies, to the extent available, in respect of any such Insured Claim, and recovery of such Insured Claim is limited solely to such

proceeds, without any additional rights of enforcement, recovery or recourse as against any of the Purchased Entities or the Released D&Os, and such person has no right to make any claim or seek any recoveries from any of the Purchased Entities or any of the Released D&Os, other than enforcing the person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies.

D. ResidualCo Should be Added as an Applicant

119. To complete the Transactions, all Excluded Contracts, Excluded Assets, and Excluded Liabilities with respect to the Applicants will be transferred and "vested out" to the ResidualCo to be incorporated by the Applicants in advance of the Closing Date to allow the Purchasers to indirectly acquire the Applicants' business and assets on a "free and clear" basis.

120. I am advised by Justin Kanji of Osler Hoskin & Harcourt LLP that the CCAA applies to a "debtor company" or affiliated debtor companies where the total claims against the debtor or affiliated debtors exceed $5 million. Upon the transfer of all the Excluded Contracts, Excluded Assets, and Excluded Liabilities to the ResidualCo, the realizable value of their assets will be insufficient to satisfy all their obligations. They will therefore become "insolvent" and face an imminent liquidity crisis, making them debtor companies to which the CCAA applies.

E. Extension of the Stay Period

121. The Applicants seek an extension of the Stay Period until October 31, 2024, that is, until the Outside Date in the Purchase Agreement, which is on October 31, 2024.

122. The Applicants have acted, and continue to act, in good faith and with due diligence to communicate with all stakeholders. The extension of the Stay Period is necessary and appropriate to provide the Applicants with continued breathing space while they attempt to maximize value

for the benefit of their stakeholders through the CCAA Proceedings by, among other things, concluding the Transactions.

123. The Monitor, the Applicants, and their respective affiliates, partners, employees, advisors and agents, will need time to properly and diligently work to close the Transactions and attend to administrative matters including the winding-up and/or dissolution of the Applicants, including ResidualCo.

124. I do not believe any creditor will suffer material prejudice as a result of the extension of the Stay Period. The Applicants' stakeholders will benefit from the extension of the Stay Period, particularly the closing of the Transactions.

125. The Cash Flow Forecast shows that the Applicants will have sufficient liquidity during the Stay Extension to fund obligations and costs of the CCAA proceedings.

F. Approval of the Monitor's Reports

126. The Monitor seeks approval of its actions and activities, as further described in the Pre-Filing Report of the Proposed Monitor dated June 20, 2024, the Supplement to the First Report of the Monitor dated July 2, 2024, the Second Supplement to the First Report of the Monitor dated July 5, 2024, the Third Supplement to the First Report of the Monitor dated July 9, 2024, the First Report of the Monitor dated July 27, 2024, the Second Report of the Monitor dated July 25, 2024, and the Third Report (collectively, the "**Monitor's Reports**").

127. I understand that the Monitor will file the Third Report, which will include, among other things:

(a) an up-to-date Cash Flow Forecast for the Applicants;

(b) an overview of the SISP and the implementation of such;

(c) further details on the Purchase Agreements; and

(d) recent activities and recommendations.

128. I believe that the Monitor's actions, activities and the Monitor's Reports are lawful and proper and are consistent with its powers and duties under the Initial Order, the ARIO, SARIO, TARIO and the SISP Approval Order.

CONCLUSION

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

130. I affirm 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 September 29, 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. Commissioner for Taking Affidavits	Jason Cervi

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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

BRIEFING NOTE TO THE MINISTER OF FINANCE

UPDATE ON FINANCIAL DISTRESS IN CANNABIS PRODUCTION INDUSTRY

(For Information)

Issue

- This note is intended to provide you with an update on the financial state of the cannabis market in Canada. We last provided an update in fall 2022 (2022FIN511851, attached), [redacted]

s.69(1)(g) re: (e)

Background

- As of the second quarter of 2023, legal cannabis products made up 72.5% of total cannabis sales in Canada, up from 22% at the outset of legalization in late 2018. This is in line with the experiences of other jurisdictions that have legalized cannabis. However, gains have flattened over the past five quarters, [redacted]

s.18(a)
s.20(1)(b)
s.21(1)(a)

- Legal cannabis prices paid to producers have continued to decline. Retail prices are down by more than 50% over the past three and a half years, [redacted] Prices have steadily fallen as a result of excess supply and the competing illicit market (where street prices may be as low as $2-3 per gram). General price inflation over the past couple years has not affected cannabis prices.

- Three-quarters of all duty revenue collected is transferred to PTs under the Coordinated Cannabis Taxation Agreements (CCTAs). Preliminary figures for 2022-23 show federal excise duty revenues of $227M, and about $700M for provinces and territories (PTs).

- Only 322 of 808 current cannabis excise license holders were active and remitting excise duties to the CRA as of September 2023. [redacted]

- [redacted]

- [redacted] preliminary 2022-23 federal excise duty collections of $227M, and the fact that duty payments to PTs are made on an assessed rather than cash-received basis, [redacted]

[redacted]

s.18(a)
s.18(b)
s.21(1)(a)

- Beyond the federally administered excise duty, PT cannabis authorities involved in the wholesale, distribution, and retail of cannabis products continue to perform strongly, in large part due to their monopsony buying and price-setting power. For the 2021-22 fiscal year, those authorities collectively had net income margins of 10.6%, [redacted]
  - For example, Crown authorities in ON, QC and NB earned profits that matched or exceeded the revenues they received from their share of the excise duty (102%, 91% and 151%, respectively). This is equivalent to a near or actual doubling of the $1 per gram excise duty in these PTs.
  - These profits are beyond what was envisioned in the CCTAs, which was for margins and mark-ups to be reasonable and only cover operating costs and capital expenses, and to generate a normal rate of return comparable to what would be expected in the private sector. [redacted]

s.21(1)(a)
s.21(1)(b)

- [redacted]

- In addition, 14 cannabis companies filed for creditor protection during 2022 under the *Companies' Creditors Arrangement Act* (CCAA), representing 36% of all CCAA filings last year. A further 12 companies have filed a "concern" with the Office of the Superintendent of Bankruptcy in 2023, which includes receivership, creditor protection under the CCAA, and bankruptcies.

- One consequence of firms going out of business has been the discount selling of their remaining stock to other producers and wholesalers/ retailers. This is further driving down cannabis prices and keeping more viable product stagnating in inventory. This will likely deepen the financial struggles of other firms still operating in the legal market.

Assessment

- [redacted] it remains the case that after five years of legalization, there are no licensed producers of legal cannabis products that are consistently profitable. [redacted]

- [redacted]
- [redacted]
- [redacted]
- [redacted]

s.18(d)iii)
s.21(1)(a)

- [redacted]

Next Steps

- [redacted]
- Health Canada and ISED are also working on a joint briefing to their ministers regarding the state of the cannabis market, which could further inform the government's position on cannabis legalization.

Drafted by: Jack Glick, Tax Policy Branch

ADM: Miodrag Jovanovic, [redacted]

Forbes, Chris — Digitally signed by Forbes, Chris Date: 2023.09.26 08:59:05 -04'00'	**Chris Forbes** **Deputy Minister**

c.c. Nick Leswick
Suzy McDonald

Attachments:
2022FIN511851 – [redacted]

s.16(2)(c)

s.21(1)(a)

Department of Finance Canada | Ministère des Finances Canada

MEMORANDUM **NOTE DE SERVICE**

Security classification / Classification de sécurité: SECRET

Originator / Auteur: Jack Glick / Sameer Dhami / Julie Lord / Chamari Silva

Our file / Notre référence: [redacted] - TPB - Excise - Cannabis

Your file / Votre référence: 2022FIN511851

Date

TO / À: Minister of Finance

FROM / DE: Michael Sabia

SUBJECT / OBJET: [redacted]

For information only.

s.18

s.21(1)(a)

1. [redacted]
2. **Decision Sought:** N/A
3. **Financial Implications:** N/A
4. **Recommendation:** N/A
5. [redacted]

s.69(1)(g) re: (e)

s.16(2)(c)

ADM: Miodrag Jovanovic - [redacted]
Director General: Phil King [redacted]

Market and Taxation Framework Background

Dried cannabis, and plants and seeds, were legalized in October 2018, with edibles, extracts, and topicals legalized one year later. Health Canada is responsible for the regulation of cannabis products under the *Cannabis Act*, and the Canada Revenue Agency (CRA) administers the taxation framework for these goods under the *Excise Act, 2001*. There are over 900 licensees at present, covering a range of market participants including researchers, micro-producers, and those licensed only to sell cannabis for medical purposes. [redacted]

While the federal government regulates cannabis production and products, the *Cannabis Act* provides that provinces and territories (PTs) are responsible for the wholesale purchase, distribution and retailing of cannabis products. Most PTs have Crown agent wholesalers, to whom licensed producers must sell. Most PTs also allow for a largely private market at the retail end, but Ontario (with the Ontario Cannabis Store, or OCS), Quebec (with the Société québécoise du cannabis, or SQDC), and all three maritime provinces notably play a large role with their provincially-authorized retailers/distributors.

There are two main government levies on cannabis producers: the federally imposed excise duty on cannabis products, and Health Canada's annual regulatory fee on producers' cannabis revenues (in addition to other cost-recovery fees from Health Canada, including those for issuing security clearances). Provincial Crown distributors and retailers also impose some levies on producers whose products pass through their distribution chains. For the excise duty, dried products (which remain the majority of the market) are subject to excise duties of $1 per gram, or 10% of the wholesale price, whichever is higher (in practice the 10% rate rarely applies).

The revenues from excise duties are split 25/75 with participating PTs (all those except Manitoba) under bilateral Coordinated Cannabis Taxation Agreements (CCTAs), with the federal government receiving the smaller portion. In reality, PTs collect about 78 cents of every tax revenue dollar, given an additional 'sales tax adjustment' which they may request. For the 2021-22 fiscal year, the federal government realized $160M in cannabis duties, the PTs $550M and the federal Annual Regulatory Fee totalled $71M.

[redacted]

Page 7

is withheld pursuant to section

est retenue en vertu de l'article

21(1)(a)

of the Access to Information Act

de la Loi sur l’accès à l’information

Page 8

is withheld pursuant to sections

est retenue en vertu des articles

18(d)iii), 21(1)(a)

of the Access to Information Act

de la Loi sur l’accès à l’information

s.21(1)(a)
s.21(1)(b)

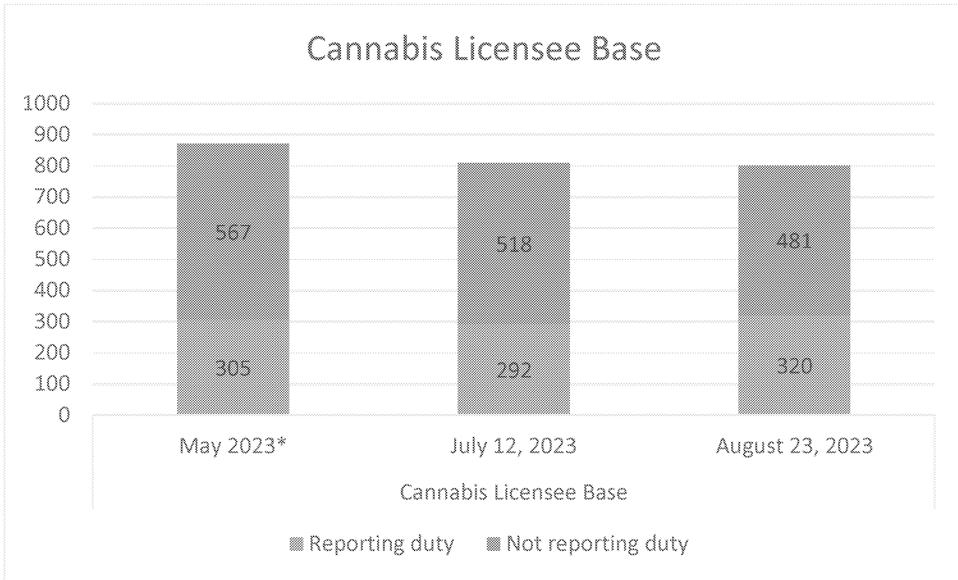
[redacted] In addition, there is an officials-level Tax Committee meeting scheduled for December 1 and 2, where this issue will once more be discussed with PT officials for their consideration.

Finally, Health Canada is also currently conducting a legislative review of the *Cannabis Act*. [redacted] their departmental officials are also examining what steps could be recommended in the near term.

s.69(1)(g) re: (e)

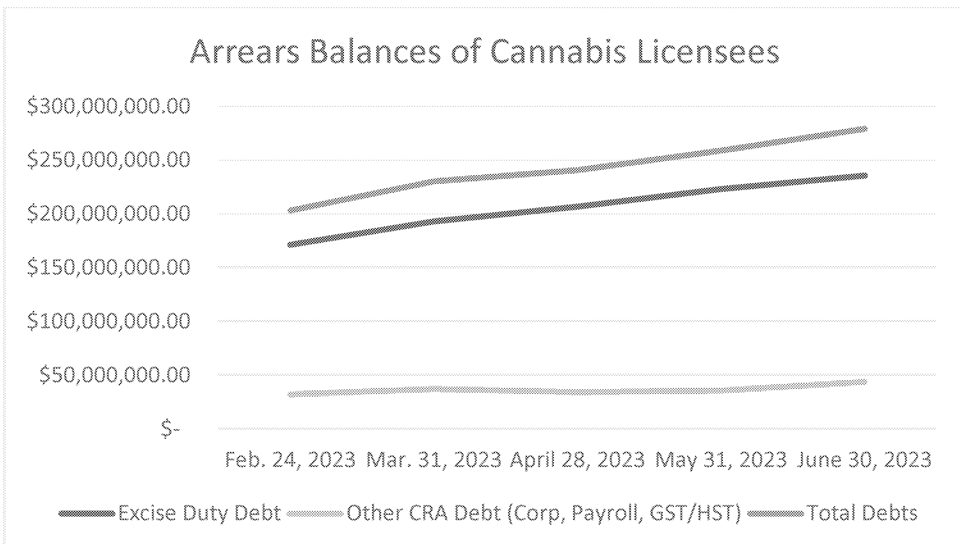
Overview of Cannabis Licence Base

1. Cannabis Licensee Base



* The data used in May 2023 is not representative of the cannabis licensee base on that day. The licensee base was from data obtained Feb. 1, 2023.

2. Arrears Balances of Cannabis Licensees



Date	Excise Duty Debt	Other CRA Debt (Corp, Payroll, GST/HST)	Total Debts
Feb. 24, 2023	$ 171,148,632.75	$ 32,108,307.34	$ 203,256,940.09
Mar. 31, 2023	$ 192,962,698.61	$ 37,222,154.21	$ 230,184,852.82
April 28, 2023	$ 206,617,561.85	$ 34,242,104.00	$ 240,859,665.85
May 31, 2023	$ 223,161,355.13	$ 35,681,812.70	$ 258,843,167.83
June 30, 2023	$ 235,520,169.41	$ 43,693,623.53	$ 279,213,792.94

PROTECTED B

3. Percentage of Cannabis Licensees with Excise Duty Arrears > $25,000

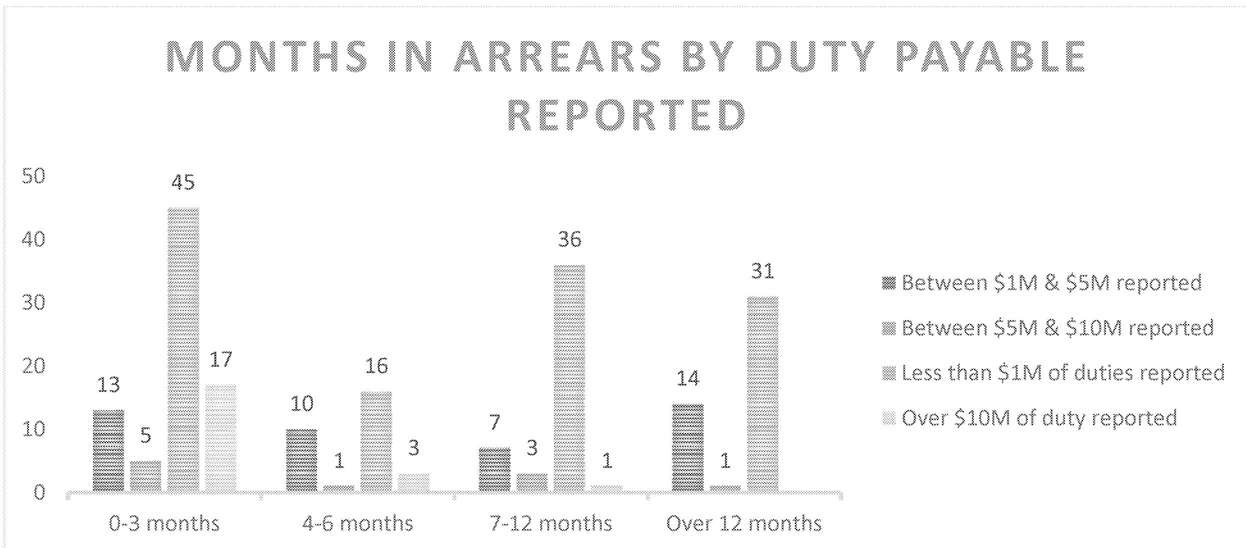
Duty Payable Reported	# of licensees with duty arrears > $25K	Total # of licensees *	% with duty arrears	Total excise duty arears (in millions)
Less than $1M of duties reported	83	221	37.56%	$ 34.09
Between $1M & $5M reported	40	65	61.54%	$ 67.74
Between $5M & $10M reported	9	12	75.00%	$ 29.29
Over $10M of duty reported	16	24	66.67%	$ 99.78
Grand Total	148	322		$ 230.90

* Number of licensees who have reported duty payable from 2022/07/01 to 2023/06/30

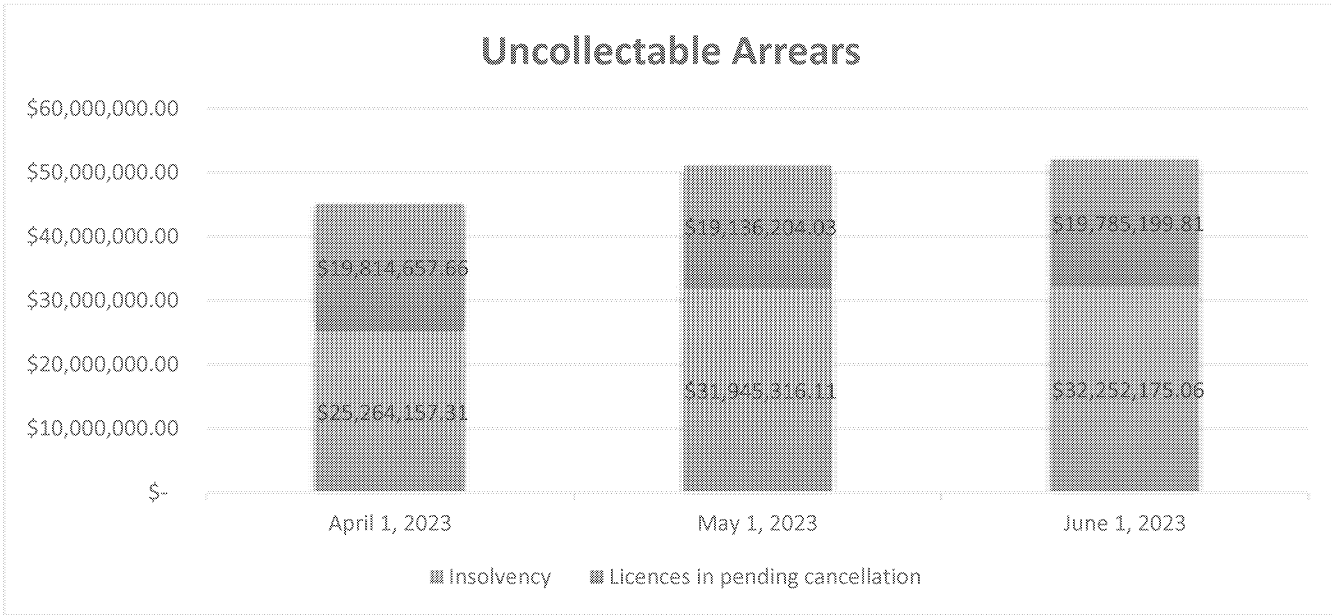
4. Number of Licensee with CRA Debt by Total Arrears

	Arrears Balance Amount		
Cannabis licensees with:	$25K to $250K	$250K to $1M	Over $1M
Excise duty arrears only	23	12	6
Excise duty & other CRA arrears	37	40	53
Other CRA arrears only	24	7	2
Grand Total	84	59	61

5. Months in arrears by duty payable reported



6. Potential uncollectable duty arrears



7. Inadequate Financial Security

Number of licensees with inadequate financial security

Date	# of licensees
April 2023	93
May 2023	156
July 2023	112
August 2023	89

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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

AgriRoots by Farm Lending Canada

August 9, 2024 (Date statement prepared)

Borrower: Atlas Global Brands

Statement Calculation Date: August 8, 2024

Loan details

Principal balance of the loan	CAD $16,416,416.20
Interest rate	15% per annum
Payment terms	Interest only, 1st day of each month
Maturity date	September 1, 2025

Balance outstanding

Principal	$ 16,416,416.20
Interest at August 8, 2024	$ 825,530.73
Total (August 8, 2024)	**$17,241,946.93**

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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

Atlas Global Interest Receivable

Compounding Period: Monthly

Nominal Annual Rate: 15.000%

Cash Flow Data - Loans and Payments

	Event	Date	Amount	Number	Period	End Date
1	Loan	06/30/2023	148,634.65	1		
2	Loan	07/31/2023	148,634.65	2	Monthly	08/31/2023
3	Payment	09/29/2023	148,634.65	1		
4	Loan	09/30/2023	148,634.65	2	Monthly	10/31/2023
5	Payment	11/03/2023	148,634.65	1		
6	Loan	11/30/2023	148,634.65	1		
7	Payment	12/01/2023	148,634.65	1		
8	Loan	12/31/2023	148,634.65	1		
9	Payment	01/01/2024	296,019.65	1		
10	Loan	01/03/2024	122,384.65	1		
11	Payment	01/29/2024	20,000.00	1		
12	Loan	01/31/2024	148,634.65	1		
13	Payment	02/01/2024	148,634.65	1		
14	Loan	02/29/2024	148,634.65	1		
15	Payment	03/01/2024	148,634.65	1		
16	Loan	03/02/2024	122,384.65	1		
17	Loan	03/31/2024	148,634.65	1		
18	Payment	04/01/2024	148,634.65	1		
19	Loan	04/02/2024	122,384.65	1		
20	Payment	04/18/2024	175,000.00	1		
21	Payment	04/29/2024	75,000.00	1		
22	Loan	04/30/2024	148,634.65	1		
23	Payment	05/01/2024	148,634.65	1		
24	Loan	05/02/2024	122,384.65	1		
25	Payment	05/02/2024	147,385.00	1		
26	Loan	05/31/2024	148,634.65	1		
27	Payment	06/01/2024	148,634.65	1		
28	Loan	06/02/2024	148,634.65	1		
29	Loan	06/30/2024	148,634.65	1		
30	Payment	07/01/2024	148,634.65	1		
31	Loan	07/02/2024	148,634.65	1		
32	Loan	07/31/2024	179,884.65	1		
33	Payment	08/01/2024	148,634.65	1		
34	Payment	08/08/2024	0.00	1		
35	Loan	08/31/2024	205,250.00	1		
36	Payment	09/01/2024	205,250.00	1		

Atlas Global Interest Receivable

TValue Amortization Schedule - Normal, 365 Day Year, Open Balance

	Date	Loan	Payment	Interest	Principal	Balance
Loan	06/30/2023	148,634.65				148,634.65
Loan	07/31/2023	148,634.65		1,857.93	-1,857.93	299,127.23
Loan	08/31/2023	148,634.65		3,739.09	-3,739.09	451,500.97
1	09/29/2023		148,634.65	5,380.90	143,253.75	308,247.22
Loan	09/30/2023	148,634.65		126.68	-126.68	457,008.55
Loan	10/31/2023	148,634.65		5,712.61	-5,712.61	611,355.81
2	11/03/2023		148,634.65	753.73	147,880.92	463,474.89
Loan	11/30/2023	148,634.65		5,142.67	-5,142.67	617,252.21
3	12/01/2023		148,634.65	253.67	148,380.98	468,871.23
Loan	12/31/2023	148,634.65		5,780.60	-5,780.60	623,286.48
2023 Totals		**1,040,442.55**	**445,903.95**	**28,747.88**	**417,156.07**	
4	01/01/2024		296,019.65	256.15	295,763.50	327,522.98
Loan	01/03/2024	122,384.65		269.20	-269.20	450,176.83
5	01/29/2024		20,000.00	4,810.11	15,189.89	434,986.94
Loan	01/31/2024	148,634.65		357.52	-357.52	583,979.11
6	02/01/2024		148,634.65	239.99	148,394.66	435,584.45
Loan	02/29/2024	148,634.65		5,012.20	-5,012.20	589,231.30
7	03/01/2024		148,634.65	242.15	148,392.50	440,838.80
Loan	03/02/2024	122,384.65		181.17	-181.17	563,404.62
Loan	03/31/2024	148,634.65		6,714.55	-6,714.55	718,753.82
8	04/01/2024		148,634.65	295.38	148,339.27	570,414.55
Loan	04/02/2024	122,384.65		234.42	-234.42	693,033.62
9	04/18/2024		175,000.00	4,556.93	170,443.07	522,590.55
10	04/29/2024		75,000.00	2,362.40	72,637.60	449,952.95
Loan	04/30/2024	148,634.65		184.91	-184.91	598,772.51
11	05/01/2024		148,634.65	246.07	148,388.58	450,383.93
Loan	05/02/2024	122,384.65		185.09	-185.09	572,953.67
12	05/02/2024		147,385.00	0.00	147,385.00	425,568.67
Loan	05/31/2024	148,634.65		5,071.85	-5,071.85	579,275.17
13	06/01/2024		148,634.65	238.06	148,396.59	430,878.58
Loan	06/02/2024	148,634.65		177.07	-177.07	579,690.30
Loan	06/30/2024	148,634.65		6,670.41	-6,670.41	734,995.36
14	07/01/2024		148,634.65	302.05	148,332.60	586,662.76
Loan	07/02/2024	148,634.65		241.09	-241.09	735,538.50
Loan	07/31/2024	179,884.65		8,766.01	-8,766.01	924,189.16
15	08/01/2024		148,634.65	379.80	148,254.85	775,934.31
16	08/08/2024		0.00	2,232.14	-2,232.14	778,166.45
Loan	08/31/2024	205,250.00		7,355.27	-7,355.27	990,771.72
17	09/01/2024		205,250.00	407.17	204,842.83	785,928.89

Atlas Global Interest Receivable

	Date	Loan	Payment	Interest	Principal	Balance
2024 Totals		**2,063,750.45**	**1,959,097.20**	**57,989.16**	**1,901,108.04**	
Grand Totals		**3,104,193.00**	**2,405,001.15**	**86,737.04**	**2,318,264.11**	

An open balance of 785,928.89 remains on 2024-09-01.

ANNUAL PERCENTAGE RATE The cost of your credit as a yearly rate.	**FINANCE CHARGE** The dollar amount the credit will cost you.	**Amount Financed** The amount of credit provided to you or on your behalf.	**Total of Payments** The amount you will have paid after you have made all payments as scheduled.
Undefined	**$86,737.04**	**$3,104,193.00**	**$2,405,001.15**

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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 9th
	)	
JUSTICE PENNY	)	DAY OF JULY, 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.

THIRD AMENDED AND RESTATED 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 affirmed June 19, 2024 and the Exhibits thereto (the "**Initial Cervi Affidavit**"), the affidavit of Jason Cervi affirmed June 26, 2024 and the Exhibits thereto, the confidential affidavit of Jason Cervi affirmed June 26, 2024 and the Exhibits thereto (the "**First Cervi Confidential Affidavit**"), the affidavit of Jason Cervi affirmed June 28, 2024 and the Exhibit thereto, the affidavit of Jason Cervi affirmed June 30, 2024 and the Exhibits thereto, the affidavit of Jason Cervi affirmed July 4, 2024 and the Exhibits thereto, the affidavit of Jason Cervi affirmed July 8, 2024 (the "**Fifth Cervi Affidavit**"), the confidential affidavit of Jason Cervi affirmed July 8, 2024 and the Exhibits thereto (the "**Second Cervi Confidential Affidavit**"), the affidavit of Yitz Levinson affirmed on June 25, 2024 and the Exhibits thereto, the pre-filing report of the proposed monitor, Ernst & Young Inc. ("**EY**"), dated June 20, 2024, the first report dated June 27, 2024 of EY as the Court-appointed Monitor of the Applicants (in such capacity, the "**Monitor**"), the supplement to the first report of the Monitor dated July 2, 2024, the second supplement to the first report of the Monitor dated July 5, 2024, and third supplement to the first report of the Monitor dated July 9, 2024 (the "**Third Supplement**"), 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 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.

9. **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.

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

RESTRUCTURING

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

(a) 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.

12. **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.

13. **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

14. **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

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 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

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 Applicants except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. **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

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 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

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 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

20. **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.

21. **THIS COURT ORDERS** that the directors and officers of GreenSeal shall be entitled to the benefit of and are hereby granted a charge (the "**GreenSeal Directors' Charge**") on the Property of GreenSeal, which charge shall not exceed an aggregate amount of $740,000, as security for the indemnity provided in paragraph 20 of this Order.

22. **THIS COURT ORDERS** that the directors and officers of the Applicants other than GreenSeal shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property of Applicants other than GreenSeal, which charge shall not exceed an aggregate amount of $680,000, as security for the indemnity provided in paragraph 20 of this Order.

23. **THIS COURT ORDERS** that the Directors' Charge, as increased by this Order and as may be increased by any future Order of this Court, shall be subordinate to Hillmount and shall have the priority set out in paragraphs 54 and 56 herein.

24. **THIS COURT ORDERS** that the GreenSeal Directors' Charge, as may be increased by any future Order of this Court, shall be subordinate to YNCU and Stoke and shall have the priority set out in paragraphs 54 and 56 herein.

25. **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

26. **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.

27. **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 Atlas, GreenSeal Nursery, AgMedica, Wellworth, 5047 Ontario, 8050 Canada, and Tavivat (collectively, the "**Borrowers**"), to the extent required by the Borrowers, in their 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 Borrowers and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;

(d) assist GreenSeal (to the extent required) with providing financial and other information to Stoke, its Information Liaison (as hereinafter defined), and its counsel;

(e) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender regarding the Borrowers, 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;

(f) 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;

(g) 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

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

28. **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.

29. **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.

30. **THIS COURT ORDERS** that the Monitor shall provide any creditor of the Applicants, the Information Liaison and the DIP Lender with information provided by the Applicants in response to reasonable requests for information made in writing by such person 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.

31. **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.

32. **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.

33. **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.

34. **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, except that the Administration Charge shall rank in priority to YNCU and Stoke to a maximum amount of $400,000, subject to further Order of this Court. Furthermore, the Administration Charge, as increased by this Order and as may be increased by any future Order of this Court shall be subordinate to Hillmount and shall have the priority set out in paragraphs 54 and 56 herein.

DIP FINANCING

35. **THIS COURT ORDERS** that the Borrowers are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to finance the Borrowers' working capital requirements and other general corporate purposes and capital expenditures.

36. **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 Borrowers and the DIP Lender dated as of June 29, 2024 (the "**DIP Term Sheet**"), filed.

37. **THIS COURT ORDERS** that the Borrowers 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 Borrowers 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.

38. **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 (subject to paragraph 39 below), which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 54 and 56 herein.

39. **THIS COURT ORDERS** that the DIP Lender's Charge shall have no priority over Hillmount for so long as Hillmount's security remains in place. Upon the filing of the Monitor's Confirmation Certificate (as hereinafter defined) the DIP Lender's Charge shall then have the priority set out in paragraphs 54 and 56 hereof over the Property previously subject to security in favour of Hillmount.

40. **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 Borrowers and the Monitor, may exercise any and all of its rights and remedies against the Borrowers or the Property of the Borrowers 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 Borrowers and set off and/or consolidate any amounts owning by the DIP Lender to the Borrowers against the obligations of the Borrowers 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 Borrowers and for the appointment of a trustee in bankruptcy of the Borrowers; 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 Borrowers or the Property of the Borrowers.

BRIDGE FINANCING

41. **THIS COURT ORDERS** that conditional upon this Court's approval of the DIP Term Sheet, the Borrowers are hereby authorized and empowered to obtain and borrow under a credit facility from the DIP Lender in order to pay out Hillmount in accordance with a Payout Statement dated July 2, 2024 (with such additional interest and other amounts as may accrue or be payable until all amounts are paid in full) (the "**Hillmount Payout**"), provided that borrowings under such credit facility shall not exceed $3,750,000 (the "**Bridge Facility**").

42. **THIS COURT ORDERS** that such Bridge Facility shall be on the terms and subject to the conditions set forth in the Bridge Term Sheet between the Borrowers and the DIP Lender dated as of June 29, 2024 (the "**Bridge Term Sheet**"), filed.

43. **THIS COURT ORDERS** that upon Hillmount confirming to the Monitor in writing that it has received the Hillmount Payout, the Monitor shall file a certificate with the Court advising that the Hillmount Payout has been completed (the "**Monitor's Confirmation Certificate**").

44. **THIS COURT ORDERS** that, upon the filing of the Monitor's Confirmation Certificate, as security for the payment and performance of the Borrowers' obligations under the Bridge Term Sheet, the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Bridge DIP Charge**") on the Property owned by 5047 Ontario including, for certainty, the Chatham Facility, together with any and all collateral to which Hillmount currently has first ranking security, which Bridge DIP Charge shall not secure an obligation that exists before this Order is made. The Bridge DIP Charge shall have the priority set out in paragraphs 54 and 56 hereof.

45. **THIS COURT ORDERS** that, upon the filing of the Monitor's Confirmation Certificate the application of Hillmount shall be deemed withdrawn on a without costs basis.

GREENSEAL'S ACCOUNTS RECEIVABLE

46. **THIS COURT ORDERS** that pursuant to the terms of the Receivables Purchase Agreement dated June 7, 2023, as amended, between GreenSeal and Stoke (the "**RPA**"), GreenSeal is hereby authorized and directed to pay to Stoke an amount equivalent to the Advance Amount (as defined in the RPA) listed on the purchase summary for the purchase order (the "**Stoke Purchase Order**") in respect of which payment is received, as reflected in Exhibit "B" of the Fifth Cervi Affidavit (the "**Advance Repayments**"). The Advance Repayments shall not exceed $501,215, in aggregate, plus interest in the amount of $98,630, unless otherwise ordered by this Court or consented to by the Monitor and Information Liaison. The Advance Repayments shall be made in installments pursuant to Exhibit "A" of the Fifth Cervi Affidavit and each installment shall not exceed the estimated installment amount listed on Exhibit "C" of the Fifth Cervi Affidavit.

47. **THIS COURT ORDERS** that GreenSeal is hereby permitted to use payments received on account of Stoke Purchase Orders (the "**Stoke Receipts**") to fund its working capital needs as reflected in Exhibit "A" of the Fifth Cervi Affidavit; provided however, that GreenSeal meets its obligations under paragraph 46 and that GreenSeal shall not use Stoke Receipts if GreenSeal's accounts receivable balance (the "**GS A/R**") plus cash on hand is less than the Adjusted Stoke Receivables Charge (as defined below), subject to a three-business day cure period and subject to GreenSeal making good faith efforts to notify the Monitor and the Information Liaison if it is anticipated that the GS A/R plus cash on hand will be less than the Adjusted Stoke Receivables Charge (as defined below). GreenSeal shall not agree to compromise, set off or reduce any GS A/R without the consent of the Information Liaison.

48. **THIS COURT ORDERS** that, to secure the Stoke Receipts used by GreenSeal, Stoke shall be entitled to the benefit of and is hereby granted a charge (the "**Stoke Receivables Charge**") on the GS A/R and cash on hand of $1.175 million plus the Information Liaison Fees (as hereinafter defined). The Stoke Receivables Charge shall be reduced by Advance Repayments made (the

“**Adjusted Stoke Receivables Charge**”. The Stoke Receivables Charge, as Adjusted, shall have the priority set out in paragraph 54 and 56 herein.

APPOINTMENT OF INFORMATION LIAISON

49. **THIS COURT ORDERS** that Steinberg Advisory Corp. is hereby appointed to act as information liaison of the GS A/R (the “**Information Liaison**”) through the services of Howard Steinberg (“**Steinberg**”) and personnel of Steinberg Advisory Corp. to do the following and authorizes and directs GreenSeal and the Monitor to provide the Information Liaison the necessary information, reporting, and access required to do so:

(a) review the GS A/R;

(b) review GreenSeal’s inventory, including its quantity, quality and value;

(c) review transactions involving GreenSeal’s bank accounts;

(d) review sales and purchase orders (domestic, internal and intercompany);

(e) review GreenSeal’s operational disbursements;

(f) review existing harvests;

(g) review and be provided information as to any sale process in respect to GreenSeal and the results thereof; and

(h) review GreenSeal’s weekly cashflow and any variances based on the last cashflow provided to the Court.

50. **THIS COURT ORDERS** that the Information Liaison shall: (i) be subject to a Non-Solicit and Confidentiality Agreement between GreenSeal and the Information Liaison (the “**Agreement**”); (ii) have no authority to exercise any control over GreenSeal’s Property or

Business; (iii) not be entitled to bind GreenSeal to any contractual or other obligations; and (iv) be deemed to be acting for and on behalf of Stoke and not as an agent or representative of GreenSeal.

51. **THIS COURT ORDERS** that the Information Liaison shall be entitled to payment for its reasonable fees, expenses and disbursements up to a maximum amount of $20,000 per month plus a total of $5,000 for reasonable disbursements (collectively, the "**Information Liaison Fees**"). GreenSeal will pay no more than $10,000 per month as shown in the GreenSeal Cash Flow Forecast. Stoke will pay the remainder. Stoke shall be entitled to the Stoke Receivables Charge on account of Information Liaison Fees owed but not paid by GreenSeal or paid by Stoke. The Information Liaison or Steinberg shall not be or be deemed to be a director, *de facto* director, or employee of GreenSeal or any of its subsidiaries or affiliates.

52. **THIS COURT ORDERS** that neither the Information Liaison, Steinberg nor its respective employees and representatives acting such capacities shall incur any liability or obligation as a result of its engagement or the carrying out by it of the provisions of this Order, including under any Cannabis Legislation, save and except for any gross negligence, wilful misconduct on its part or breach of the Agreement.

53. **THIS COURT ORDERS** that nothing in this Order shall be construed as resulting in the Information Liaison or Steinberg being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity (including any Environmental Legislation (as defined below)) for any purpose whatsoever.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

54. **THIS COURT ORDERS** that, save and except as it relates to the security in favour of Hillmount, which is unaffected by the priority charges granted herein (subject to the limits described in paragraph 56 herein), the priorities of the Stoke Receivables Charge, the Administration Charge (subject to the limits described in paragraph 34 herein), the DIP Lender's Charge, the Bridge DIP Charge, the Directors' Charge (subject to the limits described in paragraph 23 herein), and the GreenSeal Directors' Charge (subject to the limits described in paragraph 24 herein) (collectively, the "**Charges**") shall be as follows:

First – Stoke Receivables Charge (to the maximum amount of $1,175,000 plus the Information Liaison's Fees);

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

Third – DIP Lender's Charge (to the maximum principal amount of $5,000,000 plus interest, expenses and fees under the DIP Term Sheet at the relevant time);

Fourth – Bridge DIP Charge (to the maximum principal amount of $3,750,000 plus interest, expenses and fees under the Bridge Term Sheet at the relevant time);

Fifth – Directors' Charge (to the maximum amount of $680,000); and

Fifth – GreenSeal Directors' Charge (to the maximum amount of $740,000).

55. **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.

56. **THIS COURT ORDERS** that the Charges shall constitute a charge on the Property, except in respect of: a) the Stoke Receivables Charge which shall only be a Charge against the GS A/R; b) the DIP Lender's Charge and Bridge DIP Charge which shall only be Charges in respect of the Borrowers' Property; c) the Directors' Charge which shall only be a Charge in respect of the Applicants' Property other than GreenSeal's Property; d) the GreenSeal Directors' Charge which shall only be a Charge in respect of GreenSeal's Property; and e) 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, until such time as the Monitor's Confirmation Certificate is filed, 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 but only in respect of amounts claimed thereunder for the period of June 20 to June 28, 2024.

57. **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 (with respect to Property of the Borrowers) and the other beneficiaries of the Charges affected thereby (collectively, the "**Chargees**"), or further Order of this Court.

58. **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.

59. **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

60. **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.

61. **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

62. **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.

63. **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.

64. **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.

65. **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).

66. **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

67. **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.

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

GENERAL

69. **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.

70. **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.

71. **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.

72. **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.

73. **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.

74. **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.

75. **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.

Penny J.

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

THIRD AMENDED AND RESTATED INITIAL ORDER

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Lawyers for the Applicants

TAB E

This is Exhibit “E” 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ENDORSEMENT

COURT FILE NO.: CV-24-00722386-00CL
CV-24-00722700-00CL
CV-24-00722799-00CL

DATE: July 9, 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: Atlas Global Brands Inc. et al. v. The Attorney General of Canada on behalf of His Majesty the King in Rightof Canada as represented by the Minister of National Revenue

BEFORE: Justice Penny

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Edward Park	CRA	edward.park@justice.gc.ca

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Mary Paterson	CCAA Applicants (Atlas Group)	mpaterson@osler.com
Dylan Chochla	PWC (Proposed Receiver)	dchochla@fasken.com
Brendan Bissell	Stoke Canada Finance Corp.	bbissell@reconllp.com
Leanne Williams	Your Neighbourhood Credit Union	lwilliams@tgf.ca
Trevor Courtis	Ernst & Young (Monitor)	tcourtis@mccarthy.ca

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info

WRITTEN REASONS OF JUSTICE PENNY (Released July 11, 2024):

Overview

[1] On July 9, 2024 I granted the motion of GreenSeal seeking a third amended and restated order under the CCAA dealing with the GreenSeal business. I adjourned the applications of GreenSeal's secured creditors, Stoke and the YNCU, for the appointment of a receiver over the GreenSeal business. Those orders were made with written reasons to follow. These are the reasons.

Background

[2] The principal business activity of the Atlas group is the production, distribution, and sale of cannabis internationally and in Canada. Atlas Global Brands Inc. is a publicly traded company, although its shares have been cease traded for many months. Atlas owns the companies which operate in two principal business lines. AgMedica is a licensed producer of cannabis and owns a production and distribution facility in Chatham-Kent, Ontario. AgMedica principally operates in the international market. GreenSeal Cannabis Company, Ltd. is a licensed producer of cannabis operating out of a facility owned in Stratford, Ontario. It principally operates in the domestic market.

[3] In the face of growing pressure from its secured creditors, Atlas brought this application for a stay and an initial order under the CCAA.

[4] My second amended and restated initial order of July 5, 2024 recognized that the circumstances of AgMedica and GreenSeal are distinct in material ways: they own different assets, they carry on somewhat different businesses operating in different markets, and, importantly, they have distinct creditor pools.

[5] The SARIO, which was not opposed, approved the appointment of the Monitor over the AgMedica business and granted various orders including super-priority Administration, Directors' and DIP Lending Charges. The DIP financing included paying out the indebtedness of AgMedica's first in priority secured creditor, Hillmount (which had previously opposed the CCAA order). Under the AgMedica branch of these proceedings, it is contemplated that the Applicants will come forward with a SISP proposal later in July, with a view to concluding a transaction by the end of September 2024. The Applicants and the Monitor indicate that that the SISP proposal, depending on the outcome of the July 9 dispute over the GreenSeal branch of these proceedings, would preserve the option of marketing AgMedica and GreenSeal as opportunities to be considered both separately or *en banc*.

[6] The SARIO adjourned the application under the CCAA in respect of GreenSeal as well as the competing receivership applications of GreenSeal's secured creditors. Stoke Canada Finance Corp. and Your Neighbourhood Credit Union Limited. This adjournment was to allow those parties and the Applicants more time to engage in negotiations over the GreenSeal business and how it should be managed (and financed) going forward.

[7] By the return date, July 9, negotiations had broken down. Stoke and YNCU opposed any further order under the CCAA regarding GreenSeal and sought the appointment of PwC as Receiver of the GreenSeal business.

GreenSeal, in an effort to address some of the creditors' concerns, made significant changes to its proposal and draft order (the third amended and restated initial order, or TARIO). These changes attempt to address various risks that the CCAA proceedings might pose for GreenSeal's secured creditors pending the proposed SISP process contemplated under the CCAA.

[8] It was those two competing proposals for how the GreenSeal business would be managed going forward that were argued on July 9, 2024.

Receivership or CCAA?

[9] The opposition of secured creditors to restructuring proceedings under the CCAA (where the operations of the debtors remain in management's hands, under the supervision of a court appointed monitor) is not uncommon. In these circumstances, the court has identified a number of factors or considerations to be taken into account when analyzing competing CCAA and receivership applications. The articulation of these factors takes different forms and various cases and/or articles and commentaries list them slightly differently, but a useful account of the basic considerations reduces them to six[1]:

1. The relationship between the debtor and the creditor
2. Value maximization and cost minimization
3. Availability and source of financing during the process (and beyond)
4. The nature of the competing proposals and their effect on the stakeholders
5. The behaviour of the parties, and
6. The need for the greater discretionary latitude available under the broad powers granted to the court under the CCAA.

[10] I will structure my analysis of the parties' competing positions around these six factors.

The relationship between the debtor and the creditor

[11] The secured creditors both say they have lost faith in GreenSeal management. When they assess the risks and benefits of debtor-lead CCAA proceedings versus creditor-lead receivership proceedings, they prefer the traditional receivership approach.

[12] It is well established that claims of loss of confidence are, on their own, insufficient to lend weight to this factor, especially when the debtor's efforts to restructure are in their early stages. However, here the creditors' concerns are more than fanciful or merely petulant. Atlas shares have been cease-traded. This is not Atlas and AgMedica's first journey down the CCAA road. There is some evidence to support concerns that GreenSeal has been less than transparent about its financial problems with its creditors and, in the case of Stoke, that assets (in this case, accounts receivable) over which Stoke claims an ownership interest have been appropriated for general working capital purposes to keep GreenSeal's (and, by way of intercompany transfer, AgMedica's) operations going.

[13] As I will set out in more detail in other sections of these Reasons below, some of these concerns would, in the ordinary course, be addressed by the supervision of the court-appointed Monitor over GreenSeal's business

[1] Emma Newberry, Liam Byrne and Valerie Cross, Should I CCAA Stay or Should I BIA Go: A Review and Analysis of Judicial Treatment of Competing CCAA and BIA Applications, 2023 21 Annual Review of Insolvency Law, 2023 CanLIIDocs 3088

and the need for the Monitor to report regularly to the court. GreenSeal's proposal goes further and would provide specific protections meant to address some of these concerns directly. These measures, it is conceded, nevertheless involve an element of uncertainty, the risks of which can be assessed differently by different players acting reasonably.

[14] On balance, I regard the loss of confidence as one factor leaning in favour of a receivership over a debtor-lead proposal under the CCAA.

Value maximization and cost minimization

[15] In my view, this is one of the two or three most important factors at play in these proceedings.

[16] I will deal with cost minimization first, as it is the simpler of the two. It is often said that CCAA proceedings tend to be more expensive, and involve more court attendances, than receiverships. That may well be, in general, true. However, an important feature of these proceedings is that there is already a CCAA proceeding approved and underway involving Atlas and the AgMedica business.

[17] It is important to acknowledge early on in this analysis that the proposals of both the debtor and the creditors for how to achieve value maximization are generally the same. GreenSeal is proposing a SISP run over the July to September time frame in an effort to sell the business, separately or *en banc* with AgMedica, to a third party purchaser. The creditors are proposing that a receiver would do exactly the same thing, over the same time frame, with one exception. Under a SISP run by a receiver, the GreenSeal business would be marketed and sold separately. Even here, however, the creditors say the receiver could co-operate with the Monitor and AgMedica's management and offer the two asset groups on a joint, as well as a separate, basis.

[18] It seems intuitively the case that two parallel processes attempting to achieve the same thing run by two different professional teams and their counsel would cost more than if it were overseen by one professional team and its counsel. This is borne out by the numbers put forward by Stokes' consultant, Mr. Steinberg, at B-1-1599. The receivership proposal will result in professional costs almost $300,000 in excess of the GreenSeal proposal. This was, ultimately, conceded by Stoke's counsel.

[19] The more important, and more controversial, issue arises from the parties' conflicting assessments of which proposal will result in greater net maximization of value with respect to net realization on accounts receivable. This is entirely based on two cash flow presentations, which use different assumptions: one from GreenSeal management, vetted by the Monitor; the other from Mr. Steinberg. Both sides take the position that at least some of the other sides' assumptions and inputs are unreasonable or unrealistic.

[20] For example, Mr. Steinberg opines that GreenSeal's proposal fails to take necessary measures to reduce payroll and other costs. Continuing to run this "fat" operational structure will continue to undermine net recoveries. Mr. Steinberg's cash flows reflect what he considers urgently needed cost reduction measures. GreenSeal responds by pointing out that Mr. Steinberg, while cutting back on staff and supplier costs, nevertheless continues to reflect highly optimistic revenue numbers in his cash flow analysis. GreenSeal says these revenue numbers cannot be maintained without the suppliers supplying and the employees working to do the work necessary to generate those revenues. This was just one of many areas which was not explained and which could not be resolved on the present record and in the limited time available for oral argument.

[21] I accept as balanced and accurate what the Monitor says in para. 19 its Third Supplement.

> The Monitor understands that Stoke and YNCU's concerns with the Proposal include skepticism around the ability to generate the forecasted GS A/R that the Stoke Receivables Charge would apply to and a general loss of confidence in the management of GreenSeal. The Monitor believes that the forecasted GS

A/R represents a conservative estimate of the potential GS A/R that may be generated during the relevant period based on historical trends. That said, the level of confidence in the GS A/R forecast is ultimately a matter of business judgment on which GreenSeal and its secured creditors have divergent views. There is of course the potential that the GS A/R generated and collected will be less than forecasted, which could result in a funding and collateral shortfall.

[22] The cash flow projections of GreenSeal have been endorsed as reasonable by the Monitor. The Monitor's point, that the revenue numbers are "conservative" is demonstrably correct. For example, the revenue numbers used in the GreenSeal cash projections are materially less than historical average monthly receipts.

[23] Cash flow projections are just that -- projections. There is a risk, utilizing either set of projections, that things do not evolve in the way assumed and that the financial outcomes are different, perhaps even materially different, than what was projected. However, the Monitor, as the court's appointee, has a level of independence and objectivity not shared by the parties or their retained consultants. I find the GreenSeal revenue projections to be conservative and reasonable. They show Stoke better off by the end of September than under the receivership option.

[24] Further, as I will discuss in greater detail below, recognizing that the cash flow projections reflected in the GreenSeal proposal represent a level of uncertainty, and therefore risk, to Stoke, the GreenSeal proposal includes several features that will limit or mitigate that risk.

[25] I also note the Monitor's observation that receivership sales may tend to produce lower realizations than CCAA Monitor-supervised sales and that there is value in having one professional team oversee the process in circumstances which preserve, and maximize, the options for recovery both on a separate basis and on an *en banc* basis.

[26] Regarding YNCU, the evidence is, and the proposal contemplates, that YNCU's debt payments is now, and will remain current throughout the July to September period. The defaults relied on are not non-payment of obligations owed to YNCU. YNCU holds a first mortgage on GreenSeal's real property asset in Stratford. There is evidence in the form of a 2023 appraisal to the effect that the value of that property exceeds the amount of GreenSeal's indebtedness to YNCU. There is no direct evidence that YNCU will be prejudiced, from a value maximization point of view, under the GreenSeal proposal.

[27] This factor favours the CCAA proposal.

Availability and source of financing

[28] Neither proposal contemplates traditional "new money, DIP-like financing" for the proposal period. GreenSeal was unable to obtain DIP financing for the GreenSeal business. It proposes to utilize a portion of accounts receivable as working capital to finance operations until the proposal can be implemented. Importantly, however, it also proposes to pay a material amount of those accounts receivable to Stoke through July, August and September.

[29] Stoke objects to GreenSeal's use of the accounts receivable as working capital to fund ongoing operations and the insolvency process. Stoke is a factoring company. It advances a percentage of the potential accounts receivable represented by ongoing purchase orders from GreenSeal's customers. Upon advancing funds, it "owns" the applicable accounts receivable and is entitled to those amounts as they are paid. From these receipts, it theoretically "reimburses" to GreenSeal amounts recovered in excess of the amount actually advanced (plus interest and costs) on the strength of the purchase orders. Stoke's position is that because it owns the accounts receivable, they are not available to GreenSeal to use as working capital during the proposal process.

[30] That said, under the creditors' receivership proposal, the accounts receivable are, in effect, going to be used in the same way as under the CCAA proposal, with the exception that the creditors proposal does not contemplate any payments to Stoke until there is a post-transaction distribution. Stoke says it will fund the receivership and cash flow shortfalls effectively utilizing the account receivable payments in the same way as proposed under the CCAA proposal.

[31] This factor tends toward neutral in the comparative analysis, as it is functionally the same under both scenarios. To the extent that the GreenSeal proposal contemplates ongoing payments to Stoke and would place limits on the ability of GreenSeal to utilize the balance of outstanding accounts receivable (discussed below), this factor leans in favour of the CCAA proposal.

The competing proposals and their effect on stakeholders

[32] Stoke complains that it is being deprived of its proprietary ownership rights in the accounts receivable which secure GreenSeal's indebtedness to it. It further complains that the GreenSeal proposal effectively forces Stoke to be a DIP lender without the protection of a super-priority. As well, Stoke and YNCU object to their security and financial position being put at risk, while operations remain in the control of GreenSeal management during the time it will take to implement the GreenSeal proposal.

[33] This factor has a significant overlap with the value maximizing analysis set out above because of the importance of the cash flow projections to the ultimate impact of the outcomes on the parties.

[34] What I would add to that prior analysis is a consideration of the risk mitigation features of the GreenSeal proposal.

[35] Para. 46 of the proposed TARIO provides for payments to be made to Stoke, up to a maximum of over $500,000, from accounts receivable payments received between now and the end of September. Further, para. 47 of the draft order would allow GreenSeal to use remaining accounts receivable to fund working capital, but only if the remaining accounts receivable balance stays at a level 1.25 times the amount of the recoveries sought to be utilized as working capital.

[36] In addition, in para. 49 of the draft order, GreenSeal proposes that Stoke's consultant, Steinberg Advisory Corp., would be appointed to act as information liaison of the GreenSeal accounts receivable with the ability to: (i) monitor the accounts receivable; (ii) monitor GreenSeal's inventory including its quality; and (iii) make recommendations to GreenSeal regarding profitably monetizing GreenSeal's inventory. Under that scenario, as I alluded to briefly in my endorsement approving the GreenSeal proposal under the CCAA on July 9, 2024, this would provide transparency to the secured creditors during the next two and a half months. If, during that time, it becomes apparent that the GreenSeal projections referred to in these Reasons are materially off, to the prejudice of the secured creditors, they would have the ability to return to court to renew their applications for the appointment of a receiver.

[37] Looking at this factor as a whole, I start with the observation that there is much to be said for Stoke's objection that their property is being used to finance ongoing operations and that GreenSeal's proposal is, in effect, forcing it to be a DIP lender against its will and without the protection of a super-priority charge.

[38] It is important context, however, to know that how GreenSeal proposes to treat the accounts receivable until the end of September is precisely how they have been utilized for months in practice prior to these proceedings being instituted. In other words, although in theory the accounts receivable are payable to Stoke, which then reimburses GreenSeal for the amount of the payment which exceeded actual advances, that is not how the factoring agreement was applied in practice. In practice, Stoke permitted GreenSeal to replace paid accounts

receivable with new accounts receivable, such that the payments were in fact used by GreenSeal as working capital for its ongoing operations.

[39] This is not a waiver or estoppel argument. It is certainly true that Stoke's pre-filing indulgences in this regard cannot be said to bind Stoke to continue that practice. That was then, this is now. However, when I look at: past practice together with the Monitor-supported, conservative cash flow projections and weight the balance of outcomes reflected in those projections; the immediate and ongoing payments to Stoke until September; the limitations on the use of additional accounts receivable as working capital; the additional transparency afforded by the appointment of an information liaison; and the ongoing payments to service the YNCU debt and to reduce property and excise tax arrears, I conclude that the relative impact on the parties of the GreenSeal CCAA proposal does not weigh in favour of a receivership in the circumstances.

Behaviour of the parties

[40] As noted earlier, I accept that the secured creditors have legitimate concerns.

[41] What has changed, of course, is that the behaviour of which the creditors complain was pre-Monitor and pre-information liaison behaviour. To the extent, for example, that intercompany transfers may have been of concern or prejudicial to the creditors, such transfers: a) have been represented to the court as not presently necessary or contemplated; and b) are subject to the express consent of the Monitor in any event.

[42] The behaviour of the parties is a relevant factor *prima facie* favouring the creditors position, but in the circumstances, I find that these concerns over past behavior have been reasonable mitigated.

Need for greater discretionary latitude under CCAA

[43] Both parties agree that this factor is inapplicable in the circumstances of this case.

Other Matters

[44] As noted in my July 9 endorsement, there was no indication in the material that Steinberg would consent to its appointment as information liaison. It was not my purpose in raising this to give a veto to the creditors based on the Steinberg consent. If the creditors do not want an information liaison role, that is their prerogative. The point is that the possibility is there, if they want to make use of it. My purpose in raising the point was only that I am not prepared to order someone to fill a court sanctioned role in these proceedings which they do not want or do not consent to filling.

Conclusion

[45] As will be apparent from the analysis set out above, I am, in effect, concluding that it is reasonable for GreenSeal to have one shot at its proposal under the CCAA, while being kept on a short lease and with the ability of the secured creditors to renew their receivership applications if the CCAA proposal starts to go materially off the rails.

[46] For the forgoing reasons, I approve the Green Seal proposal under the CCAA and adjourn the receivership applications *sine die*.

Penny J.

Penny J.

TAB F

This is Exhibit "F" 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 26th
	)	
JUSTICE PENNY	)	DAY OF JULY, 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.

SISP APPROVAL ORDER

THIS MOTION, 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**") for an order approving, among other things, (i) an extension of the Stay Period (as defined in the Initial Order); (ii) the proposed sale and investment solicitation process (the "**SISP**") as attached hereto at Schedule "A"; (iii) the key employee retention plan ("**KERP**") of the Applicants; and (iv) payment to a critical supplier, was heard this day by videoconference via oom in Toronto, Ontario.

ON READING the affidavit of Jason Cervi sworn July 24, 2024 and the Exhibits thereto the "**Seventh Cervi Affidavit**"), the third confidential affidavit of Jason Cervi sworn July 24, 2024 and the Exhibit thereto (the "**Third Confidential Cervi Affidavit**"), the affidavit of Howard Steinberg sworn July 25, 2024, the affidavit of David Goldstein sworn July 25, 2024, the affidavit of Jason Cervi sworn July 26, 2024, the affidavit of Justin Kanji sworn July 26, 2024, the Second Report of Ernst & Young Inc. ("**EY**"), in its capacity as monitor of the Applicants (the "**Monitor**"), dated July 25, 2024 and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and those other parties listed on the Counsel Slip, no one else appearing although duly served as appears from the Affidavit of Service of Asiah Sadiq sworn July 25, 2024.

SERVICE AND DEFINITIONS

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.

2. **THIS COURT ORDERS** that, unless otherwise defined, each capitalized term in this Order has the meaning given in the SISP, if not defined therein, or the Third Amended and Restated Initial Order dated July 9, 2024 (the "**TARIO**").

STAY EXTENSION

3. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including September 30, 2024.

PAYMENT TO CRITICAL SUPPLIER

4. **THIS COURT ORDERS** that, subject to the consent of the Monitor and the DIP Lender, the Applicants shall be entitled but not required to pay all pre-filing licence fees associated with the preservation of its Control Union Medical Cannabis Standard certifications.

APPROVAL OF THE SISP

5. **THIS COURT ORDERS** that the SISP (subject to any amendments thereto that may be made in accordance therewith and with this Order) is hereby approved and the Applicants and the Monitor are hereby authorized to implement the SISP pursuant to its terms.

6. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective affiliates, partners, directors, employees, consultants, advisors, experts, accountants, counsel and agents (collectively, "**Assistants**") are hereby authorized and directed to take any and all actions as may be necessary or desirable to implement and carry out the SISP in accordance with its terms and this SISP Order, as applicable.

7. **THIS COURT ORDERS** that the Applicants and the Monitor and their respective Assistants shall have no liability with respect to any and all losses, claims, damages or liabilities of any kind or nature to any person or entity as a result of implementing or otherwise in connection with the SISP, except to the extent that any such losses, claims, damages or liabilities result from the gross negligence or wilful misconduct of the Applicants, the Monitor or their respective Assistants, as applicable, in performing their respective obligations under the SISP (as determined by this Court).

8. **THIS COURT ORDERS** that in respect of the SISP, the Monitor shall have all of the benefits and protections granted to it under the CCAA, the Initial Order and any other Order of this Court in this proceeding.

9. **THIS COURT ORDERS** that notwithstanding anything contained herein or in the SISP, the Monitor shall not take possession of the Property or be deemed to take possession of the Property, including pursuant to any provision of the Cannabis Legislation.

PROTECTION OF PERSONAL INFORMATION

10. **THIS COURT ORDERS** that, pursuant to section 7(3)(c) of the *Personal nformation Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Applicants and the Monitor are authorized and permitted to disclose personal information of identifiable individuals ("**Personal Information**") to prospective bidders or offerors and to their advisors, including human resources and payroll information, records pertaining to the Applicants' past and current employees, and information on specific customers, but only to the extent desired or required to negotiate or attempt to complete a transaction under the SISP. Each prospective bidder or offeror to whom any Personal Information is disclosed shall maintain and protect the privacy of such Personal Information with security safeguards appropriate to the sensitivity of the Personal Information and as may otherwise be required by applicable federal or provincial legislation. Each prospective bidder or offeror to whom any Personal Information is disclosed shall also limit the use of such Personal Information to its participation in the SISP, and if it does not complete a sale, shall return all such information to the Applicants and the Monitor, as applicable, or in the alternative destroy all such information and confirm same to the Applicants or the Monitor, as applicable. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction contemplated in the Successful Bid(s), shall be entitled to use the Personal Information provided

to it that is related to the assets and/or business acquired pursuant to the sale in a manner which is in all material respects identical to the prior use of such information by the Applicants, and shall return all other Personal Information to the Applicants and the Monitor, as applicable, or ensure that all other Personal Information is destroyed and confirm same to the Applicants or the Monitor, as applicable.

KEY EMPLOYEE RETENTION PLAN

11. **THIS COURT ORDERS** that the KERP as described in the Third Confidential Cervi Affidavit, certain additional details of which are attached in Exhibit "A" thereto, is hereby approved and the Applicants are authorized and directed to make payments in accordance with the terms of the KERP.

12. **THIS COURT ORDERS** that the key employees referred to in the KERP other than the employees of GreenSeal (the "**KERP Beneficiaries**") shall be entitled to the benefit of and are hereby granted a charge on the Property of the Applicants other than GreenSeal, which charge: a) shall not exceed an aggregate amount of $811,500; and b) shall be subordinate to all other secured claims as finally determined, against the Property of the Applicants other than GreenSeal that exist as of the date of this Order (the "**Secured Claims**"), as security for amounts payable to the KERP Beneficiaries pursuant to the KERP (the "**KERP Charge**"). The KERP Charge shall have the priority set out in this paragraph 12 and paragraph 14 herein. For greater certainty, in the event of any discrepancy, inconsistency or conflict between this paragraph 12 and paragraph 14 regarding the priority of the KERP Charge to the other Charges and the Secured Claims, this paragraph 12 shall prevail.

13. **THIS COURT ORDERS** that the key employees of GreenSeal referred to in the KERP (the "**GreenSeal KERP Beneficiaries**") shall be entitled to the benefit of and are hereby granted

a charge on the Property of GreenSeal, which charge: a) shall not exceed an aggregate amount of $228,500; and b) shall be subordinate to all other secured claims as finally determined, against the Property of GreenSeal that exist as of the date of this Order (the "**GreenSeal Secured Claims**"), as security for amounts payable to the GreenSeal KERP Beneficiaries pursuant to the KERP (the "**GreenSeal KERP Charge**"). The GreenSeal KERP Charge shall have the priority set out in this paragraph 12 and paragraph 14 herein. For greater certainty, in the event of any discrepancy, inconsistency or conflict between this paragraph 12 and paragraph 14 regarding the priority of the GreenSeal KERP Charge to the other Charges and the GreenSeal Secured Claims, this paragraph 12 shall prevail.

PRIORITY OF KERP CHARGE

14. **THIS COURT ORDERS** that the KERP Charge and the GreenSeal KERP Charge shall have the benefit of paragraphs 54 to 59 of the TARIO and constitute a "Charge". The KERP Charge and the GreenSeal KERP Charge shall rank in priority to all unsecured claims, such that the priorities of the Stoke Receivables Charge, Administration Charge, DIP Lender's Charge, Bridge DIP Charge, Directors' Charge, GreenSeal Directors' Charge, KERP Charge and GreenSeal KERP Charge as among them, shall be as follows:

> First – Stoke Receivables Charge (on the GS A/R to the maximum amount of $1,175,000 plus the Information Liaison's Fees less the Advance Repayments);
>
> Second – Administration Charge (to the maximum amount of $600,000);
>
> Third – DIP Lender's Charge (to the maximum principal amount of $5,000,000 plus interest, expenses and fees under the DIP Term Sheet at the relevant time);
>
> Fourth – Bridge DIP Charge (to the maximum principal amount of $3,750,000 plus interest, expenses and fees under the Bridge Term Sheet at the relevant time);

Fifth – Directors’ Charge (to the maximum amount of $680,000);

Fifth – GreenSeal Directors’ Charge (to the maximum amount of $740,000);

Sixth – KERP Charge (to the maximum amount of $811,500 after payment in full of the Secured Claims); and

Sixth – GreenSeal KERP Charge (to the maximum amount of $228,500 after payment in full of the GreenSeal Secured Claims).

SEALING ORDER

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

GENERAL

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

17. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all persons against whom it may be enforceable.

18. **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.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or outside of Canada, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and 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.

20. **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 proceeding for the purpose of having this proceeding recognized in a jurisdiction outside Canada.

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

Penny J.

Schedule A

See attached

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On June 20, 2024, 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**" or the "**Company**) sought and obtained an initial order (as amended from time to time, the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**" and the proceedings commenced thereby, the "**CCAA Proceedings**") from the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). Capitalized terms used but not defined herein shall have the same meaning as given to them in the Initial Order.

Pursuant to the Initial Order, among other things: (i) Ernst & Young Inc. was appointed as the Monitor in the Applicants' CCAA Proceedings (in such capacity, the "**Monitor**"); and (ii) a stay of proceedings was granted in favour of the Applicants.

On July 2, 2024, the Court granted an Amended and Restated Initial Order under the CCAA, among other things: (i) extending the stay of proceedings to July 26, 2024 for all Applicants other than GreenSeal (ii) approving a debtor-in-possession loan facility in the amount of $5,000,000 (inclusive of the Bridge Loan Facility (as hereinafter defined)); (iii) approving a debtor-possession bridge loan facility in the amount of $3,750,000 (the "**Bridge Loan Facility**"); (iv) relieving the Company from certain securities reporting obligations; and (v) relieving the Company from the obligation to call and hold an annual meeting of the Company's shareholders.

On July 5, 2024, the Court granted a Second Amended and Restated Initial Order under the CCAA, among other things: (i) amending the scope of the DIP Lender's Charge to account for the DIP Lender's interest, fees and expenses; and (ii) amending the scope of Bridge DIP Charge to account for the Bridge DIP Lender's interest, fees and expenses.

On July 9, 2024, the Court granted a Third Amended and Restated Initial Order under the CCAA, among other things: (i) approving the Stoke Receivables Charge against the GS A/R; and (ii) appointing the Information Liaison for GreenSeal. Also on July 9, 2024, the Court adjourned the applications against GreenSeal for the appointment of a receiver brought by Your Neighbourhood Credit Union ("**YNCU**") and Stoke Canada Finance Corp. ("**Stoke**") (collectively, the "**GreenSeal Creditors**").

On July 26, 2024, the Court granted an order, among other things (the "**SISP Approval Order**"), approving the implementation of a sale and investment solicitation process on the terms set forth herein (the "**SISP**") to solicit interest in and opportunities for a sale, or investment in, all or part of the Company's property, assets and undertakings (the "**Property**") and/or its business (the "**Business**") (such transaction, a "**Transaction**").

Opportunity

1. The Company and the Monitor shall implement the SISP procedures set out herein (the "**SISP Procedures**") in accordance with the terms hereof and the SISP Approval Order. Interested parties who wish to have their bids considered shall participate in the SISP in accordance with these SISP Procedures.

2. The SISP is intended to solicit interest in and opportunities for one or more of a restructuring, recapitalization or other form of reorganization of the business and affairs of the Applicants as a going concern, or a sale of all, substantially all or one or more components of the Property and Business operations of the Applicants, whether as a going concern or otherwise, and in one or more transactions (the "**Opportunity**").

3. Except to the extent otherwise set forth in a definitive sale or investment agreement with a successful bidder, any sale of the Property or investment in the Business will be on an "as is, where is" basis and without surviving representations or warranties of any kind, nature, or description by the Applicants, the Monitor or any of their respective agents, advisors or estates, and, in the event of a sale, all of the right, title and interest of the Applicants in and to the Property to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options, and interests therein and thereon pursuant to Court orders, except as otherwise provided in such Court orders.

4. All interested parties are encouraged to submit bids based on either the form of share purchase agreement or asset purchase agreement in the Data Room (as defined below). Interested parties shall be permitted to make any changes, amendments, additions or deletions to such forms of share purchase agreement or asset purchase agreement as they consider appropriate.

5. These SISP Procedures contemplate consultation with Shalcor Management Inc. (the "**DIP Lender**"), 2596690 Ontario Inc. ("**AgriRoots**"), each of the GreenSeal Creditors, and the Information Liaison (collectively, the "**Consultation Parties**") at various stages. Notwithstanding anything else in these SISP Procedures, such consultation, and the provision of confidential information about the status of the SISP and any potential or actual bids or Transactions shall only occur to the extent the Consultation Party confirms in writing that they do not intend to participate as a bidder in the SISP (provided that the DIP Lender, AgriRoots, YNCU or Stoke are not precluded from submitting a credit bid prior to the Successful Bid(s) Selection Deadline if (i) no Qualified Bids are received by the Qualified Bid Deadline which repay all amounts outstanding under their respective facilities, (ii) the SISP is terminated for any reason, (iii) the Applicants and the Monitor consent, or (iv) the approval of the Court is obtained). The Consultation Parties shall keep all confidential information disclosed to them and the content of all consultations strictly confidential and shall not disclose it to anyone other than the Applicants and the Monitor. The Consultation Parties shall act in good faith and reasonably at all times in respect of this SISP. All confidential information shall be destroyed or returned immediately after the termination of the SISP.

Key Dates

6. The key dates for the SISP are as follows, as such dates may be modified or extended in accordance with the terms of this SISP, the DIP Term Sheet, the Bridge DIP Term Sheet, or orders of the Court:

Date	Milestone
July 26, 2024	Court issues the SISP Approval Order
July 29, 2024	Commencement of SISP and distribution of Teaser Letter (as defined below)
September 6, 2024, at 5:00 p.m. (prevailing Eastern Time) ("**LOI Deadline**")	Deadline for submission of non-binding LOI (as defined below)
September 19, 2024, at 5:00 p.m. (prevailing Eastern Time) ("**Bid Deadline**")	Deadline for submission of Qualified Bids (as defined below)
September 20, 2024, at 11:59 p.m. (prevailing Eastern Time) ("**Successful Bid(s) Selection Deadline**")	Deadline for selection of the Successful Bid (as defined below)
September 26, 2024 (prevailing Eastern Time) or such other time as the Court may advise ("**Court Sale Approval Motion Date**")	Hearing of the Sale Approval Motion (as defined below)
October 7, 2024, or such later date as may be agreed to by the Successful Bidder (as defined below) and the Applicants, with the consent of the Monitor (the "**Outside Date**")	Deadline for completion of the transaction(s) represented by the Successful Bid

7. Any extensions or amendments to the deadlines above will be communicated to all Known Potential Bidders, Potential Bidders or Qualified Bidders (as each term is defined herein), as applicable, in writing and such extensions or amendments shall be posted on the website the Monitor maintains in respect of the CCAA Proceeding at www.ey.com/ca/atlasglobal (the "**Monitor's Website**").

Solicitation of Interest

8. As soon as reasonably practicable following the issuance of the SISP Approval Order the Applicants will (to the extent they have not already done so), with the assistance of the Monitor:

   (a) prepare an initial list of persons who may have an interest in the Opportunity (the "**Known Potential Bidders**"), including (i) parties that have communicated to the Applicants or the Monitor that they have an interest in the Opportunity, (ii) strategic and financial parties in Canada or other jurisdictions that the Applicants or the Monitor reasonably determine may be interested in the Opportunity, and (iii) any other parties reasonably suggested by the Consultation Parties or any other stakeholder as a potential bidder who may be interested in the Opportunity;

(b) cause a notice of the SISP (and such other relevant information which the Applicants, in consultation with the Monitor, consider appropriate) (the "**Notice**") to be published in the Globe and Mail (National Edition) and any other publication in Canada as the Applicants, with the consent of the Monitor, consider appropriate, if any;

(c) issue a press release setting out the information contained in the Notice and such other relevant information which the Applicants, in consultation with the Monitor, consider appropriate for dissemination in Canada; and

(d) prepare: (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the SISP; and (ii) a non-disclosure agreement in form and substance satisfactory to the Applicants, with the approval of the Monitor (the "**NDA**").

9. The GreenSeal Creditors may, on a timely basis, identify any parties to the Monitor which shall be included in the list of Known Potential Bidders.

10. The Applicants will send the Teaser Letter and NDA to all Known Potential Bidders by no later than July 29, 2024, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Applicants or the Monitor as a potential bidder or who is reasonably suggested by the Consultation Parties or any other stakeholder as a potential bidder as soon as reasonably practicable after such request, identification or suggestion, as applicable.

11. The Monitor will post the Notice of the SISP, SISP Procedures and Teaser Letter on the Monitor's Website by no later than July 29, 2024.

<u>Phase 1: Letters of Intent</u>

12. Any party who wishes to participate in the SISP (a "**Potential Bidder**") must deliver to the Monitor at the address specified in Appendix "A" (including by email) prior to the LOI Deadline:

(a) an executed NDA;

(b) written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder, and financial disclosure sufficient to allow the Applicants, in consultation with the Monitor, to make a reasonable determination as to the Potential Bidder's financial and other capabilities to consummate a Transaction pursuant to a Qualified Bid; and

(c) a letter of intent ("**LOI"**) that sets forth the principal terms of the proposed Transaction, including: (i) the nature of the proposed transaction (asset sale, share purchase, investment etc.) (ii) the purchase price or other consideration offered in connection with the Transaction, including material assumed liabilities; (iii) description of any conditions or approval required and any additional due diligence required for the interested party to make a final binding bid; (iv) all conditions to closing that the interested party may wish to impose on the closing of the Transaction; (v) proposed treatment of the Applicants' employees; (vi) any other terms or conditions that the interested party believes are material to the Transaction; and (vii) any other information as may be reasonably requested by the Applicants, in consultation with the Monitor.

13. A Potential Bidder that (i) has satisfied the requirements set out in paragraph 12, and (ii) the Monitor, in consultation with the Applicants and the Consultation Parties, has determined is likely (based on the availability of financing, experience and other considerations) to be able to consummate a Transaction pursuant to a Qualified Bid, may be deemed to be a "**Qualified Bidder**".

14. At any time during the SISP, the Monitor, in consultation with the Applicants and the Consultation Parties, may decide to eliminate a Qualified Bidder from the SISP by providing written notice of such decision to such Qualified Bidder, and in which case, such bidder will be eliminated from the SISP and will no longer be a "Qualified Bidder" for the purposes of the SISP.

15. Potential Bidders must rely solely on their own independent review, investigation and/or inspection of all information and of the Property and Business in connection with their participation in the SISP and evaluation of a potential Transaction, and must agree that they are not relying on any express or implied representations or warranties from the Applicants or the Monitor in respect of the Property or Business.

Due Diligence

16. The Applicants, in consultation with the Monitor, shall in their reasonable business judgment and subject to competitive and other business considerations, afford each Qualified Bidder such access to due diligence materials and information relating to the Property and Business as they may deem appropriate.

17. Due diligence access may include management presentations, access to any electronic data room ("**Data Room**") and other matters which a Qualified Bidder may reasonably request and as to which the Applicants may agree, in consultation with the Monitor.

18. The Monitor shall coordinate all reasonable requests for additional information and due diligence access from Qualified Bidders. All due diligence and information requests must be directed to the Monitor.

19. Neither the Applicants nor the Monitor will be obligated to furnish any information relating to the Property or Business to any person other than to Qualified Bidders.

20. The Applicants and the Monitor reserve the right to limit any Qualified Bidder's access to any confidential information (including any information in any Data Room) and to creditors, customers, landlords, suppliers or other stakeholders of the Applicants, where, in the opinion of the Applicants, in consultation with the Monitor, such access could negatively impact the SISP, the ability to maintain the confidentiality of the Applicants' confidential or competitive information, the Business, or the Property. For the avoidance of doubt, selected due diligence materials may be withheld from certain Qualified Bidders if the Applicants, in consultation with the Monitor, determine such information to represent proprietary or sensitive competitive information.

<u>Phase 2: Receipt of Qualified Bids</u>

21. A Qualified Bidder that wishes to make a formal binding offer to acquire all, substantially all, or a portion of the Property, or to purchase the shares of one or more of the Applicants, or to make an investment in, restructure, reorganize or refinance the Business/the Company, must deliver a binding bid to the Monitor at the address specified in Appendix "A" (including by email), so as to be received not later than the Bid Deadline.

22. Subject to paragraph 26, a bid so submitted will be considered a qualified bid (a "**Qualified Bid**") only if it complies with all the following requirements:

(a) <u>Identification of Qualified Bidder</u>. The bid identifies the Qualified Bidder and the representatives thereof who are authorized to appear and act on their behalf for all purposes regarding the contemplated Transaction.

(b) <u>Written Submission of Modified SPA or Modified APA and Commitment to Close</u>. The bid is submitted in the form of an executed mark-up of the template share purchase agreement (the "**Modified SPA**") or executed mark-up of the template asset purchase agreement (each a "**Modified APA**") reflecting such Qualified Bidder's proposed changes to the template purchase agreement (together with a blackline of the Modified SPA or Modified APA against the applicable template purchase agreement), and a written and binding commitment to close on the terms and conditions set forth therein.

(c) <u>Irrevocable</u>. The bid includes a letter stating that the Qualified Bidder's offer is irrevocable and open for acceptance until the earlier of (a) the selection of the Successful Bidder (as defined below), provided that if such Qualified Bidder is selected as the Successful Bidder, its offer shall remain irrevocable until the closing of the transaction with the Successful Bidder; and (b) the Outside Date.

(d) <u>Contingencies</u>. The bid is not conditional on obtaining financing or any board of directors or similar governing body or equity holder approval or on the outcome or review of due diligence.

(e) <u>Proof of Financial Ability to Perform</u>. The bid contains written evidence upon which the Applicants, in consultation with the Monitor, may reasonably conclude that the Qualified Bidder has the necessary financial ability to close the contemplated Transaction and provide adequate assurance of future performance of all obligations to be assumed in such contemplated Transaction.

(f) <u>Deposit</u>. The bid is accompanied by a cash deposit, to be held by the Monitor in a non-interest-bearing account in accordance with the terms hereof in an amount equal to at least ten percent (10) of the purchase price or investment contemplated therein.

(g) <u>Acknowledgments and Representations</u>. The bid includes acknowledgements and representations of the Qualified Bidder that, in each case except as expressly stated in the definitive transaction agreement(s) signed by the Applicants, (i) it has had an opportunity to conduct any and all due diligence and it has relied solely upon its own independent review, investigation and/or inspection of any documents, the Business and/or the Property in making its bid (ii) it is not relying upon any written or oral statements, representations, promises, warranties, conditions, or guaranties whatsoever, made by any person or party, including the Applicants, the Monitor, and their respective employees, officers, directors, agents, advisors and other representatives, regarding the proposed transactions, this SISP, or any information provided in connection therewith; and (iii) it is making its bid on an "as is, where is" basis and without surviving representations or warranties of any kind by the Applicants, the Monitor or any of their respective employees, officers, directors, agents, advisors and other representatives.

(h) Closing. The bid provides for Closing to occur no later than the Outside Date; and

(i) Deadline. The bid is received by the Bid Deadline.

23. Following the Bid Deadline, the Monitor, in consultation with the Applicants and the Consultation Parties, will assess each bid submitted by a Qualified Bidder pursuant to paragraph 21 to determine whether such bids comply with the requirements set out in paragraph 22 and whether such bids constitute a Qualified Bid.

24. The Monitor may, in consultation with the Applicants and the Consultation Parties, aggregate separate non-overlapping bids from unaffiliated Qualified Bidders to create one "Qualified Bid".

Evaluation of Competing Bids

25. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder.

26. The Monitor, in consultation with the Applicants, may waive strict compliance with any one or more of the requirements specified above and deem any such non-compliant bid to be a Qualified Bid.

27. A Qualified Bid will be valued based upon numerous factors as may be considered relevant by the Applicants and the Monitor, in consultation with the Consultation Parties, including, without limitation, items such as the following, as applicable: purchase price or investment amount contemplated by the Qualified Bid; the net value provided by such bid; the claims likely to be created by such bid in relation to other bids; the identity, circumstances and ability of the Qualified Bidder to successfully complete such transaction(s); the proposed transaction documents; the effects of the bid on the stakeholders of the Company; factors affecting the speed, certainty and value of the transaction (including any regulatory or legal approvals or third party contractual arrangements required to close the transactions); the assets included or excluded from the bid, any related restructuring costs; and the likelihood and timing of consummating such transactions, each as determined by the Applicants and the Monitor in consultation with the Consultation Parties.

Selection of Successful Bid(s)

28. Prior to the Successful Bid(s) Selection Deadline, the Monitor, in consultation with the Applicants and the Consultation Parties, will: (a) review and evaluate each Qualified Bid, provided that each Qualified Bid may be negotiated between the Monitor, in consultation with the Applicants and the Consultation Parties, and the applicable Qualified Bidder, and

may be amended, modified or varied to improve such Qualified Bid as a result of such negotiations; and (b) identify the highest or otherwise best bid(s) (the "**Successful Bid(s)**", and the Qualified Bidder(s) making such Successful Bid(s), the "**Successful Bidder(s)**") for any particular Property or the Business in whole or part. The acceptance and subsequent closing of any Successful Bid(s) by the Applicants, in consultation with the Monitor and the Consultation Parties, shall be subject to approval by the Court.

29. No Qualified Bid(s) shall be identified as a Successful Bid(s) in respect of the Property of the Applicants, excluding the Property of GreenSeal, without the express approval of the DIP Lender and AgriRoots, which approval shall not be unreasonably withheld, delayed, or conditioned.

30. No Qualified Bid(s) for any of the Property of GreenSeal shall be identified as a Successful Bid(s) over same without the express written consent of the applicable GreenSeal Creditor having a first security interest over such Property of GreenSeal which approval shall not be unreasonably withheld, delayed, or conditioned.

31. The Applicants shall have no obligation to enter into a Successful Bid, and reserve the right, in consultation with the Monitor and the Consultation Parties, to reject any or all Qualified Bid(s) and/or Credit Bid(s).

32. In the event it is not apparent which of the Qualified Bidders have the Successful Bid(s), the Monitor, in consultation with the Applicants and the Consultation Parties, may direct such Qualified Bidder(s) to participate in an auction (the "**Auction**") to be conducted and administered by the Monitor in accordance with the Auction Procedures Letter (defined below). The identification of any Successful Bid(s) by the Monitor, in consultation with the Applicants, and with the consent of the Consultation Parties, shall be subject to approval by the Court.

33. In the event that it is determined that there is to be an Auction in respect of some or all of the Property or Business, the Auction shall be governed by an auction procedures letter ("**Auction Procedures Letter**") to be prepared by the Monitor and sent to all applicable Qualified Bidders setting out, among other things, (a) the date, time and location of the Auction (including whether in person or by videoconference); (b) the amount of the starting bid; and (c) the initial minimum overbid.

Credit Bidding

34. Any party or parties holding a valid, enforceable, and properly perfected security interest in the Property or Business (the "**Credit Bidder(s)**") may, subject in all respects to such party's compliance with the SISP Procedures, credit bid the amount of debt secured by such lien (the "**Credit Bid(s)**") as part of any transaction contemplated by the SISP Procedures; provided, however, that such transaction shall also provide for the indefeasible and irrevocable repayment in full in cash on the date of closing of any such transaction of any and all obligations: (i) owing to the DIP Lender as may be allocated to such party's security and collateral; (ii) owing pursuant to any charges granted by the Court in the CCAA Proceedings as may be allocated to such party's security and collateral; and (iii) secured by a security interest in the Property or Business that is to be acquired under such transaction that is senior to the security interest held in such Property or Business by

the Credit Bidder(s) unless the holder or agent of any such senior security interest otherwise agrees.

35. Any creditor shall be entitled to make a Credit Bid in the prescribed circumstances and, *prima facie*, to have its Credit Bid accepted, subject only to recourse to the residual discretion of the Court in the event of unforeseen or extraordinary circumstances.

Sale Approval Motion Hearing

36. The hearing of the motion pursuant to the CCAA for the Court to approve any transaction with a Successful Bidder (the "**Sale Approval Motion**"), if any, shall take place on or before the Court Sale Approval Motion Date.

37. As part of the Sale Approval Motion, the Applicants shall seek, among other things, approval from the Court to consummate any Successful Bid.

38. All Qualified Bids, other than the Successful Bid, if any, shall be deemed rejected by the Applicants on and as of the date of approval of the Successful Bid by the Court.

Closing the Successful Bid

39. The Company and the Successful Bidder shall take all reasonable steps to complete the transaction(s) contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the Court ("**Closing**").

Confidentiality, Stakeholder/Bidder Communication and Access to Information

40. All discussions regarding any bid or Transaction contemplated herein should be directed through the Monitor. Under no circumstances should any Potential Bidder or Qualified Bidder contact or communicate with the management of the Applicants or any creditor, customer, landlord, supplier or other stakeholder of the Applicants without the prior written consent of the Monitor. Any such unauthorized contact or communication could result in exclusion of the interested party from the SISP process. For greater certainty, nothing herein shall preclude a person from contacting potential bidders, with the agreement of the Monitor, to advise that the Applicants have commenced a SISP and that they should contact the Monitor if they are interested in participating in the SISP.

41. If it is determined by the Monitor, with the consent of the Applicants, that it would be worthwhile to facilitate a discussion between a Qualified Bidder and a stakeholder or other third party as a consequence of a condition to closing or potential closing condition identified by such bidder, the Monitor with the consent of the Applicants may provide such bidder with the opportunity to meet with the relevant stakeholder or third party to discuss such condition or potential condition, with a view to enabling such bidder to seek to satisfy the condition or assess whether the condition is not required or can be waived. Any such meetings or other form of communication will take place on terms and conditions considered appropriate by the Monitor, with the consent of the Applicants. The Applicants and Monitor must be provided with the opportunity and shall be entitled to be present at all such communications or meetings.

General

42. Notwithstanding the other provisions of the SISP Procedures, the Applicants may at any time bring a motion, in consultation with the Monitor and the Consultation Parties, to seek approval of a stalking horse agreement in respect of some or all of the Property or Business, which stalking horse agreement may include a Credit Bid by one or more of the Consultation Parties, or to establish further or other procedures.

43. If there is a Successful Bid, the applicable deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved at the Sale Approval Motion will be applied to the purchase price or other consideration to be paid or investment amount to be made by the Successful Bidder, as applicable, upon closing of the approved transaction and will be non-refundable. Any deposit delivered with a Qualified Bid that is not selected as a Successful Bid will be returned to the applicable bidder not later than ten (10) business days after the closing of the Transactions contemplated in the Successful Bid.

44. If a Successful Bidder breaches its obligations under the terms of the SISP, its deposit shall be forfeited to the Applicants as liquidated damages and not as a penalty.

45. This SISP does not, and will not be interpreted to create any contractual or other legal relationship between any member of the Company and any Qualified Bidder or any other party, other than as specifically set forth in a definitive agreement that may be signed with the Applicants.

46. Without limiting the preceding paragraph, the Applicants, the Monitor and the Consultation Parties shall not have any liability whatsoever to any person or entity, including without limitation any Potential Bidder, Qualified Bidder, Successful Bidder or any other creditor or stakeholder, as a result of implementation or otherwise in connection with this SISP, except to the extent that any such liabilities result from the gross negligence or wilful misconduct of the Applicants, the Monitor or the Consultation Parties, as applicable, and as determined by the Court. Further, no person or entity, including without limitation any Potential Bidder, Qualified Bidder, Successful Bidder or any other creditor or stakeholder shall have any claim against the Applicants, the Monitor or the Consultation Parties in respect of the SISP for any reason whatsoever, except to the extent that such claim is the result of gross negligence or wilful misconduct by the Applicants or the Monitor, as applicable, and as determined by the Court.

47. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with their participation in the SISP, including submission of any bid, due diligence activities, completion of a Successful Bid and any negotiations or other actions whether or not they lead to the consummation of a transaction.

48. All bidders shall be deemed to have consented to the jurisdiction of the Court in connection with any disputes relating to the SISP, including the qualification of bids, the construction and enforcement of the SISP, and Closing, as applicable.

49. For the avoidance of doubt, any approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA, or any other statute or as otherwise required at law in order to implement a Successful Bid.

50. The Monitor, in consultation with the Applicants and the Consultation Parties, shall have the right at any time to modify (including extending any one or more of the deadlines set out herein) or end the SISP if, in their reasonable business judgment, such modification or termination will enhance the process or better achieve the objectives of the SISP.

APPENDIX "A"

<u>To The Legal Counsel of the Applicants:</u>

Osler, Hoskin & Harcourt LLP

Attention: Randal Van de Mosselaer / Justin Kanji
Email: rvandemosselaer@osler.com / jkanji@osler.com

<u>To The Monitor:</u>

Ernst & Young Inc.

Attention: Karen Fung / Greg Adams
Email: Karen.K.Fung@parthenon.ey.com / Greg.J.Adams@parthenon.ey.com

With a copy to:

<u>To The Monitor's Counsel</u>

McCarthy Tétrault LLP

Attention: Trevor Courtis
Email: tcourtis@mccarthy.ca

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.

O r

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

SISP APPROVAL ORDER

OSLER, HOSKIN & HARCOURT, LLP
P.O. Box 50, 1 First Canadian Place
Toronto, ON M5X 1B8

Randal Van de Mosselaer (LSA# 9923)
Tel: 403.260.7060
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Mary Paterson (LSO# 51572P)
Tel: 416.862.4924
Email: mpaterson@osler.com

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

Fax: 416.862.6666

Lawyers for the Applicants

TAB G

This is Exhibit "G" 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

ATLAS GLOBAL GRANTED ORDER APPROVING A SALES AND INVESTMENT SOLICITATION PROCESS

CHATHAM, ONTARIO and **TEL-AVIV, ISRAEL** / Executive Business Services / July 29, 2024– Atlas Global Brands Inc. ("**Atlas Global**" or the "**Company**") (CSE: ATL), today announces that on July 26, 2024 Atlas Global and its Ontario subsidiaries: GreenSeal Cannabis Company Ltd., GreenSeal Nursery Ltd., AgMedica BioScience Inc., Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc. and Tavivat Naturals Inc., (together, the "**Atlas Group**") sought and obtained an order from the Ontario Superior Court of Justice (Commercial List) approving a sales and investment solicitation process (the "**SISP**") to solicit bids to purchase the business and/or assets of the Atlas Group. On July 26, 2024, Atlas Global obtained an order and extended the stay of proceedings to September 30, 2024.

As previously announced, the Atlas Group., sought and obtained an order (as subsequently amended and restated, (the "**Order**") from the Ontario Superior Court of Justice (Commercial List) under the *Companies' Creditors Arrangement Act* ("**CCAA**"), granting a stay of proceedings until July 26, 2024, appointing Ernst & Young Inc. as monitor (the "**Monitor**") and authorizing interim debtor-in-possession financing (DIP) financing in order to allow the Company to continue its operations during the restructuring process.

The SISP is intended to solicit interest in and opportunities for a broad range of executable transaction alternatives including a sale, or investment in, all or part of the Company's property, assets and undertakings and/or its business.

All qualified interested parties will be provided with an opportunity to participate in the SISP including receipt of a process summary describing the opportunity and access to a virtual data-room, which will be made available upon the execution of a non-disclosure agreement acceptable to the Atlas Group and the Monitor.

The SISP will be administered by the Monitor of the Atlas Group, with the assistance of the Atlas Group's management team.

The SISP commences on July 29, 2024, with the issuance of a process summary to potentially interested parties. The deadline for submission of non-binding letters of intent by qualified bidders is September 6, 2024, with a target transaction closing date of no later than October 7, 2024. Interested parties wishing to obtain more information on the SISP procedures may visit the Monitor's website at www.ey.com/ca/atlasglobal.

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 including the SISP 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, that the SISP process will be successful, 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 H

This is Exhibit "H" 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

September 18, 2024

Osler, Hoskin & Harcourt LLP
1 First Canadian Place
100 King Street West, Suite 6200
Toronto, ON M5X 1B8
Attn: Randal Van de Mosselaer
Justin Kanji

Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3
Attn: Karen Fung
Greg Adams

McCarthy Tetrault LLP
66 Wellington Street West, Suite 5300
Toronto, ON M5K 1E6
Attn: Trevor Courtis

Sent via Email

Dear Sirs/Mesdames:

RE: Letter of Intent – Sale and Investment Solicitation Process – Atlas Group of Companies

This binding letter of intent ("**LOI**") is submitted by Shalcor Management Inc. (the "**DIP Lender**") and 2596690 Ontario Inc. ("**AgriRoots**") on behalf of one or more corporations to be incorporated (collectively, the "**Proposed Purchaser**"), pursuant to and subject to the Sale and Solicitation Process ("**SISP**") created by the order (the "**SISP Approval Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**") within the *Companies' Creditors Arrangement Act* proceedings (the "**CCAA Proceedings**") commenced by Atlas Global Brands Inc. ("**Atlas Global**"), 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**"). All capitalized terms used and not defined herein take their definitions from the SISP guidelines attached to the SISP Approval Order (the "**SISP Guidelines**").

Notwithstanding anything else in the SISP Guidelines, the Proposed Purchaser consents to this LOI being made available to Potential Bidders in the Data Room. The Proposed Purchaser intends to submit a Phase 2 Qualified Bid on the same terms and conditions as set out herein, if required.

IDENTIFICATION OF PROPOSED PURCHASER:

The Proposed Purchaser will be one or more corporations, as determined by the DIP Lender and AgriRoots in their sole discretion, to be formed and wholly-owned by the DIP Lender and AgriRoots or their nominees. Such corporations will be incorporated in advance of the closing of the Transaction, as defined below (such date being the "**Closing Date**"). The DIP Lender and AgriRoots will capitalize the Proposed Purchaser in a manner sufficient to maintain the operations of the Acquired Entities (as defined herein) from and after the Closing Date.

The DIP Lender and AgriRoots are prepared to make such reasonable disclosure to the Monitor as the Monitor may require to satisfy the Monitor as to the Proposed Purchaser's ability to close the Transaction.

NATURE OF PROPOSED TRANSACTION:

The Proposed Purchaser proposes to acquire all of the shares (the "**Purchased Shares**") of Atlas Global, GreenSeal Nursery, Ltd., AgMedica Bioscience Inc. ("**AgMedica**"), Wellworth Health Corp., 5047346 Ontario Inc., 8050678 Canada Inc., and Tavivat Naturals Inc. (collectively, the "**Acquired Entities**") by way of a Court-approved reverse-vesting transaction (the "**Transaction**") whereby the Purchased Shares will be vested in the Proposed Purchaser free and clear of encumbrances. For certainty, the Proposed Purchaser will not acquire GreenSeal Cannabis Company, Ltd., Atlas Biotechnologies Inc. or Cambrosia Ltd. or any of their respective assets or subsidiaries (collectively, the "**Excluded Entities**"). The Proposed Purchaser reserves the right to modify the list of Acquired Entities prior to the granting of the Vesting Order, defined below, but will not, for greater certainty, include any of the Excluded Entities as an Acquired Entity.

The Transaction is conditional in all respects upon the granting by the Court of a reverse vesting order (the "**Vesting Order**"), in form and substance satisfactory to the Proposed Purchaser, that approves, *inter alia*: (i) the issuance of the Purchased Shares to the Proposed Purchaser and the cancellation of all of Atlas Global's existing shares and other equity interests (excluding, for certainty, the Purchased Shares); (ii) the transfer of Excluded Liabilities (as defined below) to a company to be formed ("**ResidualCo**").

Upon the Closing of the Transaction, the Proposed Purchaser will acquire and retain all of the assets owned by the Acquired Entities as at the date of this LOI, and any assets acquired by the Acquired Entities up to and including the Closing Date (the "**Retained Assets**"), and all debts, obligations, liabilities, encumbrances, indebtedness, leases, agreements, undertakings, claims, rights and entitlements of any kind or nature whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or in equity and whether based in statute or otherwise) of or against the Acquired Entities or the Purchased Shares or against, relating to or affecting any of the Retained Assets (collectively, the "**Excluded Liabilities**") shall be conveyed to ResidualCo pursuant to the Vesting Order. For certainty and notwithstanding anything to the contrary herein, the Proposed Purchaser shall be entitled to retain or exclude any assets or liabilities of the Acquired Entities in the sole and absolute discretion of the Proposed Purchaser.

The Proposed Purchaser reserves the right to determine, prior to the Closing Date, whether the Proposed Purchaser will acquire only the shares of Atlas Global, thereby maintaining the current organizational structure (excluding the Excluded Entities), or whether the Proposed Purchaser, including its nominees, will directly acquire the shares of each of the Acquired Entities.

CONSIDERATION:

The total aggregate consideration to be paid by the Proposed Purchaser shall be equal to the following (collectively, the "**Purchase Price**"):

a) All amounts outstanding and obligations payable by the Acquired Entities to the DIP Lender under or in connection with the DIP Term Sheet dated July 3, 2024, including principal, interest and fees accrued up to and including the Closing Date, which indebtedness shall be assumed by the Proposed Purchaser; plus

b) All amounts outstanding and obligations payable by the Acquired Entities under or in connection with the Bridge DIP Term Sheet dated July 3, 2024, including principal, interest and fees accrued up to and including the Closing Date, which indebtedness shall be assumed by the Proposed Purchaser; plus

c) All amounts outstanding and obligations payable by the Acquired Entities to AgriRoots under or in connection with (i) the Mortgage Commitment between AgriRoots and AgMedica dated

September 28, 2020, (ii) the Mortgage Amendment Loan Commitment dated November 21, 2022, (iii) the promissory note granted by AgMedica in favour of AgriRoots, dated November 29, 2022, and (iv) all funds advanced by AgriRoots to AgMedica in connection with the repayment of AgMedica's indebtedness to Hillmount including principal, interest and fees accrued up to and including the Closing Date, which indebtedness shall be assumed by the Proposed Purchaser; plus

d) The value of additional unsecured liabilities retained by the Proposed Purchaser, if any, to be determined prior to the Closing Date satisfied by the Proposed Purchaser performing and/or discharging such liabilities as and when they become due; plus

e) The value of the following up to the maximum amount of [redacted] which shall be paid in full upon the closing of the Transaction:

   i. an amount sufficient to satisfy the priority payments prescribed under subsections 6(3), 6(5) and 6(6) of the CCAA;

   ii. all amounts owing pursuant to any charges granted by the Court in the CCAA Proceedings which rank in priority to the obligations described in Sections (a) and (b), above;

   iii. an amount to be determined by the Parties and the Monitor to satisfy costs incurred by the Monitor and its professional advisors to administer and wind-down ResidualCo, and to complete the CCAA Proceedings following the closing of the Transaction, not to exceed [redacted].

The Proposed Purchaser estimates that the total aggregate value of the Purchase Price will be approximately [redacted] as of the Closing Date.

CONDITIONS OR APPROVALS REQUIRED:

None.

ADDITIONAL DUE DILIGENCE:

None.

CONDITIONS PRECEDENT TO CLOSE:

Only those customary conditions as to corporate existence, ability to enter into transaction, along with court approval and issuance of a Vesting Order in form and substance satisfactory to the Proposed Purchaser, with such Vesting Order not having been appealed or set aside.

TREATMENT OF EMPLOYEES:

The Proposed Purchaser intends to keep substantially all of the Acquired Entities' current employees. The Proposed Purchaser will make a final determination on which employees will be retained two days prior to the Closing Date.

ASSIGNMENT

The Proposed Purchaser shall be entitled to assign any or all of its rights under this LOI and, for certainty, may appoint one or more nominees to acquire the Purchased Shares and/or the Retained Assets.

COUNTERPARTS

This LOI may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this LOI shall be deemed to constitute due and sufficient delivery of such counterpart.

[*Signature Page Follows*]

This binding letter of intent is hereby submitted on this 18th day of September, 2024.

SHALCOR MANAGEMENT INC., on behalf of its nominee, or a corporation to be formed

Signed by:

Per: ______________________

63CE4BEB98204EF...

Name: Shawn Dym

Title: Authorized Signatory

2596690 ONTARIO INC., on behalf of its nominee, or a corporation to be formed

Signed by:

Per: ______________________

20F684C6F77A4F2...

Name: Robb Nelson

Title: CEO and President

TAB I

This is Exhibit "I" 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

January 16, 2023

Atlas Global Brands inc.

2170, 10123 99th Street NW

Edmonton, AB, T5J 3H1

Attention Mr. Jason Cervi, CFO

RE: First Mortgage financing to facilitate the refinance of a 12.5 acre, M1-1312 & M1 zoned (General Industrial Zone) property improved with a 215,000 Sq. Ft building, over 100,000 Sq. Ft of which benefits from Health Canada and EUGMP licensing, located at 566 Riverview Drive, Chatham-Kent, ON and owned by 5047346 Ontario Inc, a wholly owned subsidiary of Atlas Global Brands Inc.

Dear Sir,

Further to the above referenced we wish to confirm the terms of the service agreement as described below, subject to the following terms and conditions:

Definitions: The definitions herein are incorporated in this agreement by reference as if set out in full herein.

Borrower: 5047346 Ontario Inc as registered owner of the collateral security and AgMedica Bioscience Inc & Atlas Global Brands Inc (Parent Co's) as Corporate Guarantors.

Mortgage Broker: Ryan McDonald of Prairie Commercial Mortgage Corp.

Nature of Relationship: There are three relationship options when providing services to borrowers and/or lenders in Alberta:

1. Mortgage brokerage may act as an agent for the borrower OR the lender;
2. Mortgage brokerage may work with a customer, be it the borrower OR the lender;
3. Mortgage brokerage may act as an intermediary between the borrower AND the lender.

For the purposes of this agreement, the mortgage brokerage will act as an intermediary between the Borrower and the lender.

Description of Mandate: As instructed by the Borrower, the Mortgage Broker will, on a best effort basis, engage the lending market to arrange debt financing of up to $20,000,000 CAD or approximately 65% of the appraised value of the property, for the above referenced collateral including supporting accounts receivable & inventory secured credit and will do so on both an interim & long-term conventional basis. The Mortgage Broker will gather financial and property specific records, documents, and information, to support the transaction, and will take reasonable steps to verify the validity of the details within. Documentation will be completed and submitted to lenders, and mortgage options will be disclosed and explained for the Borrower's consideration. The Mortgage Broker will keep the Borrower informed on the progress of the application and will likewise keep the lender informed on progress of the transaction.

Limits of Mandate:	The Mortgage Broker will obey lawful instructions with the understanding that the Mortgage Broker cannot follow the instructions of one party if it conflicts with instructions/interests of the other party. The Mortgage Broker will not make false or misleading representations on the behalf of any party. The Mortgage Broker cannot be held responsible for any false or misleading information or misrepresentation of others, including but not limited to their agents and contractors, and the Borrower and its representatives hereby acknowledge that they agree to save harmless the Mortgage Broker from any action with respect to this engagement or the information provided by them.
Non-Circumvention:	During the course of this agreement, the Mortgage Broker will introduce the Borrower to persons and/or entities, and the Borrower hereby agrees that the Borrower shall neither itself nor through the agency, and/or affiliates circumvent the Mortgage Broker and its representatives, contract and or negotiate directly with any of the introduced parties.
Exclusivity:	Other than for the Borrower's present efforts as it relates to a potential sale leaseback of the collateral and/or financing efforts specific to building out of the EU-GMP licensed area (which may result in granting of junior mortgage security), the Borrower hereby acknowledges that for a period of twelve (12) months commencing immediately upon sign back of this agreement, the Borrower agrees that this agreement represents their only engagement to facilitate new first mortgage financing, with respect to the above referenced.
Time:	The Mortgage Broker and the Borrower recognize that time is of the essence with respect to this agreement.
Client Covenants:	The Borrower will provide complete and accurate information as requested by the Mortgage Broker. Furthermore, the Borrower agrees that it shall make available its employees and agents for consultation and guidance from time to time as may be reasonably requested by the Mortgage Broker.
Covenants:	The Mortgage Broker will act honestly and will exercise reasonable care and skill while performing the mandate.
Fee:	If the Mortgage Broker is successful in securing the required funds as outlined in this engagement to the satisfaction of the Borrower, the Borrower hereby covenants to pay a fee to Prairie Commercial Mortgage Corp., at a rate equal to 1.00% of the gross loan amount paid in Canadian dollars, from the proceeds of new financing, and an amount equal to a further 0.50% of the gross loan amount paid via issuance of stock options priced at $1/ share and expiring two (2) years from issuance. Fee will be deemed to be earned upon the Borrower's acceptance of a lender's mortgage commitment letter and paid from the initial loan advance. In the event the Borrower does not proceed with a financing proposal arranged by the Broker due to its existing Lender(s) amending its loan to mitigate repayment or should the Borrower transact within a 'Sale – Leaseback' opposed to financing arranged by the Broker, a fee equal to half of 1% of said transaction value will be deemed to have been earned.

	The Mortgage Broker will refrain from making any secret profits (including disclosure of any direct/indirect interest industry member has in mortgage transaction) at the expense of the other party.
Payment of Fees:	Fees will be paid to Prairie Commercial Mortgage Corp. at the time of advance as part of the disbursement of loan proceeds by the Lender's solicitor. When accompanied by a Lender's commitment letter signed and accepted by the Borrower, this mandate agreement shall constitute a direction to pay.
Conflict of Interest:	The Mortgage Broker will disclose any interest, if any, the brokerage has in the mortgage transaction. The Mortgage Broker will avoid and disclose all conflicts of interest.
Confidentiality:	The Mortgage Broker agrees to keep confidential all the information provided by the Borrower except to the extent that disclosure by the Mortgage Broker to a prospective lender is necessary for the purposes of the service agreement. The Mortgage Broker further agrees not to misuse any confidential information.
Governing Law:	This agreement shall be construed in accordance with and governed by the laws of the Province of Alberta and the country of Canada applicable therein.
Acceptance:	This service agreement will be deemed to be in force upon the Mortgage Broker's receipt of a signed copy of this letter.

We wish to thank you for approaching Ryan McDonald with Prairie Commercial Mortgage Corp. for your requirements and look forward to an ongoing mutually beneficial relationship. This financing agreement shall constitute a security agreement for the purpose of the PPSA to secure the broker's obligation to fees.

Yours truly,

Ryan McDonald

Accepted and acknowledged this 18th of January, 20 23.

Signature ____________________,

Name: Jason Cervi

Title: Global Head of Finance and Administration

who has the authority to bind 5047346 Ontario Inc, AgMedica Bioscience Inc, Atlas Global Brands Inc as well as any applicable subsidiaries.

TAB J

This is Exhibit "J" 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

Manish Jain
Vice President
Debt & Structured Finance
Mortgage Agent #M13002077

CBRE

2005 Sheppard Avenue E. Suite 800
Toronto, ON M2J 5B4
T 416-495-6319 | F 416-494-6435
Mortgage Brokerage #10501

June 14, 2023
Bernie Yeung & Jason Cervi
Atlas Global Brands

Re: Financing – 510 & 566 Riverview Drive (Chatham-Kent)

Financing Procurement Mandate

5047346 Ontario Inc. and/or their affiliates ("Borrower"), ("Client") hereby grant Manish Jain of CBRE Limited, ("Agent") the exclusive right to procure mortgage financing from Lenders upon terms acceptable to the Client. The term of this agreement shall start on the date of execution by the Client and terminate at midnight one hundred and eighty (180) days thereafter, ("the Term"), unless extended, which extension shall be agreed to in writing. The Client hereby agrees that should a loan be granted by lenders introduced by Agent within 1 year of this agreement, then the Client shall be responsible to pay the Agent's Financing Placement Fee.

Financing Placement Fee Personal Guarantees

The Client agrees to pay Agent a Financing Placement Fee of **1.50%** of the Total Loan Amount (which includes all facilities offered). The Client agrees that the fee shall be fully earned and due upon issuance of a commitment letter. Agent shall allow this fee to be payable on closing of the mortgage transaction from the first advance of proceeds of the loan with the payment of the fee being a condition of advance. The client also agrees to allow a "Financing Arranged By" sign on site. This agreement also applies to any and all subsequent financing from lenders introduced by Agent.

This Agreement shall constitute the Client's Irrevocable Letter of Direction to Solicitor to have the fee paid directly to Agent as per the above.

Yours truly,

Accepted This 29 **Day of** June**, 2023**

Per: Bernie Yeung, CEO

Bernard Yeung
5047346 Ontario Inc.
(I have the authority to bind this corporation)

Manish Jain

Standard Terms & Conditions

Assignment. The Client may not assign this Agreement or any of its rights or obligations under this Agreement without Agent's prior written consent. Agent may assign this agreement or any of its rights and obligations under this Agreement, effective upon notice to Client, to any subsidiary or affiliate, licensed to provide the Services contemplated herein.

Liability. The Client agrees and understands CBRE and its agents are arranging financing on a best efforts basis with no guarantee of performance. The Client agrees that CBRE and its agents shall not be held liable or responsible if the lender fails to perform.

No Commitment. The Client agrees and understands that any financing discussions and offers being presented are preliminary in nature and do NOT represent a commitment to lend money. Any preliminary lending offers will be subject to change including but not limited to additional conditions and considerations.

Referral Sources & Partners. The Client acknowledges and agrees that the Agent may pay referral fees, finder fees to sources involved with this transaction. Such sources may be internal or external to the Agent's brokerage. The Client acknowledges and permits such fees to be paid.

Legal & Accounting Advice. The Client agrees and understands that they have been advised to obtain independent advice with regards to legal, financial and accounting matters.

TAB K

This is Exhibit “K” 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 September 29, 2024 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

Commissioner for Taking Affidavits

SUSAN KIMANI (LSO#88803G)

Listing Proposal | Industrial Investment Sale Opportunity

566

RIVERVIEW DRIVE, CHATHAM, ON

June 23, 2023

Prepared For

Bernie Yeung, MBA
CEO,
Atlas Global Brands Inc.
P 416 453 4790
bernie@atlasglobalbrands.com

Dr. Trevor Henry, B.sc, DVM
Director
Atlas Global Brands Inc.
P 519 350 3913
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Prepared By

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Vice President
Sales Representative
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larin.shouldice@cbre.com

Table of Contents

Executive Summary

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Executive Summary

Listing Proposal for
566 Riverview Drive in Chatham, ON

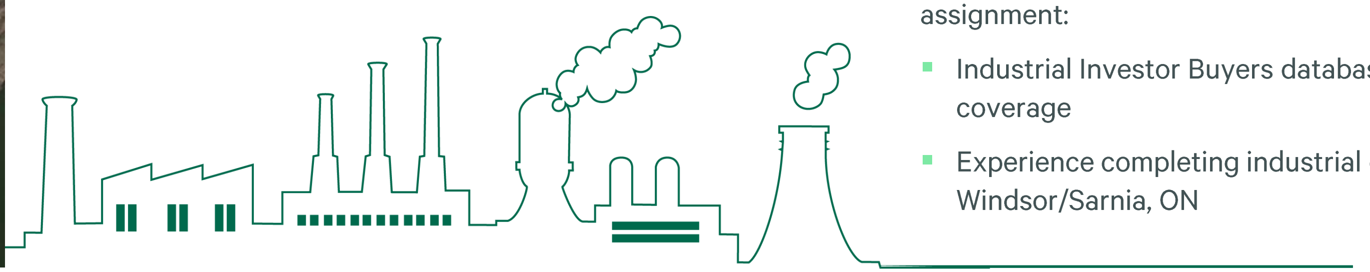
The Opportunity

- Industrial as an asset class remains desirable
- Lack of industrial investment product has kept pricing strong
- Market fundamentals have never been better
  - Vacancy rate at 0.4%
  - Availability rate at 0.6%
  - Still a historically low interest rate environment

The Strategy

The primary goals of this marketing program is to:

- Maximize exposure to the broadest possible Investor Buyer pool by leveraging CBRE's multi-market platform
- Exploit the scarcity of truly competing industrial manufacturing/warehousing properties
- Attracting Greater Toronto Area (GTA) industrial Investors
- Leverage exceptional market fundamentals
- Capitalize on CBRE's dominant market coverage to defend assumptions
- CBRE with will co-operate with all other Brokers



The Valuation

Our Valuation Range is as follows:

$26,700,000 - $27,700,000 ($124 - $129/ sq. ft.)

Our suggested Listing Price is as follows:

$31,000,000 ($ 144.00/ sq. ft.)

Based on:

- ± 215,000 sq. ft. building on ± 16.96 acres

The Listing Terms

- MLS Listing Agreement for a period of 12 months.
- Anticipated deal process timeline of 6-12 months.

CBRE Listing Team Sale commission shall be as follows:

- The total sale commission shall be 4% of the final purchase price, plus applicable taxes (HST).

The Team

CBRE presents the strongest industrial team to execute this assignment:

- Industrial Investor Buyers database will provide comprehensive coverage
- Experience completing industrial deals from GTA to Windsor/Sarnia, ON

CBRE

Market Overview

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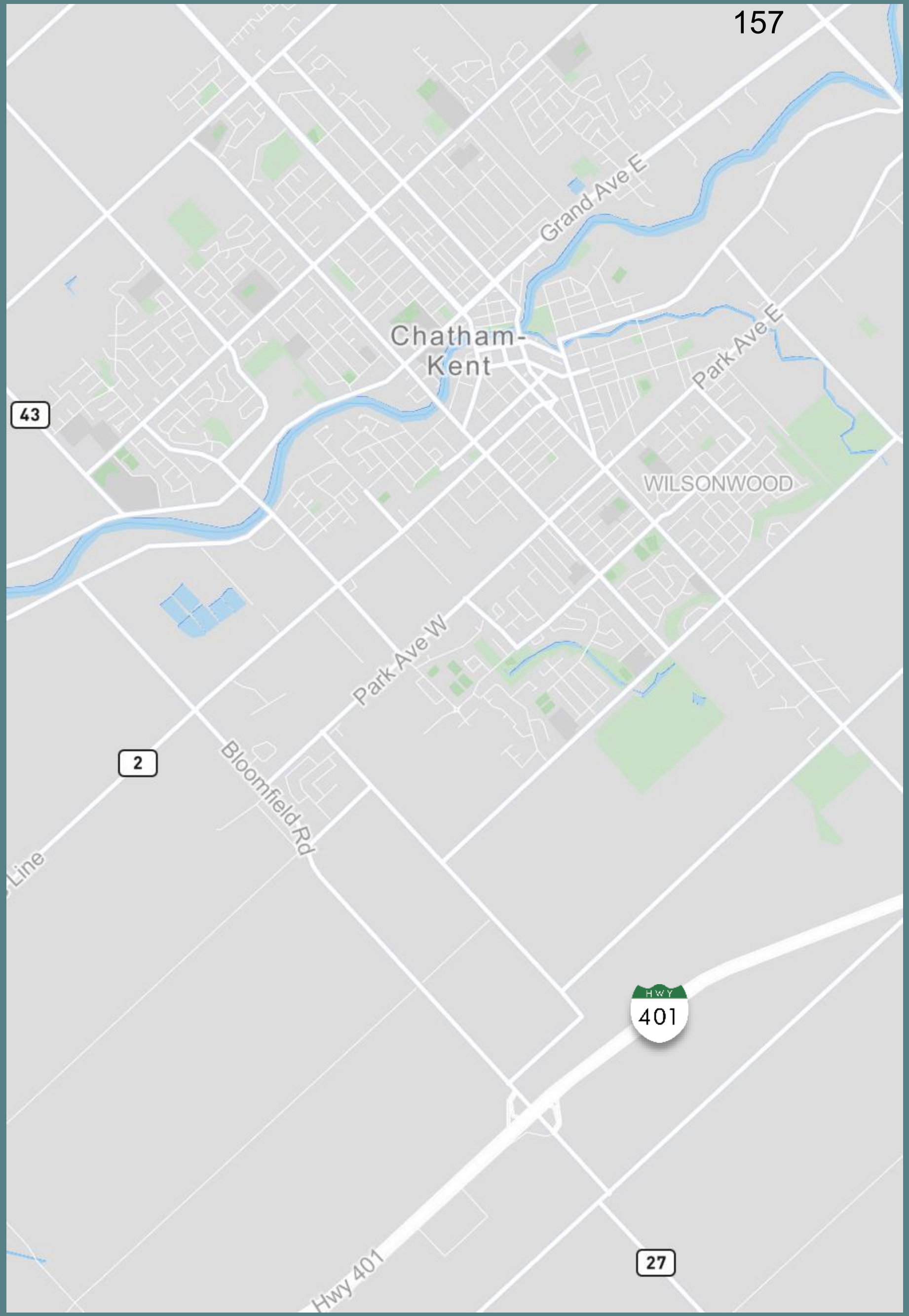


CBRE

Market Overview

Market Conditions

Extremely Tight Industrial Market

Upward pressure on sale prices & lease rates

Very little new supply in the pipeline

Scarcity of available industrial space at a 0.4% vacancy rate

Will create competitive sale and leasing environment

Strong Industrial Investor Activity

Investors forced to look outside of GTA for product

Still historically low interest rate environment

Investors like the industrial sector because of strong fundamentals & continued upside

Investors like stability with long Leases & quality buildings

Southwestern ON Industrial Demand

Lack of offerings & high demand, with the majority of the markets having sub 1% vacancy rates

Lack of supply is due to timelines to build, available land, construction costs & material / labour challenges

Industrial fundamentals are driving up sale prices & lease rates

This industrial investment opportunity is uniquely positioned to take advantage of these current market dynamics and achieve top end pricing.

CBRE

Market Overview

Chatham, ON

The Municipality of Chatham-Kent, a community of just under 105,000 people, is the 12th largest municipality by area in Canada and the largest in Southwestern Ontario, covering 2,494 square kilometres. Being mostly rural, the economy has a base in the agricultural and automotive sectors with the municipality's populations centres consist of Chatham, Wallaceburg, Tilbury, Blenheim, Ridgetown, Wheatley and Dresden. The municipality and senior levels of government are keen to promote continuing diversification of the area.

Chatham-Kent is bisected by Highway 401, the main transportation corridor from Montreal, Toronto, London and Windsor; and including access to Michigan via the Ambassador Bridge. to Montreal. There are approximately 950,000 Canadians living within a one-hour drive of Chatham-Kent, with approximately 60% of United States' residents live within a six-hour drive of Chatham-Kent.

Chatham-Kent is in close proximity to the United States being only a one-hour drive from two major border crossings, the Ambassador Bridge in Windsor, ON and the Blue Water Bridge in Sarnia, ON linked by Highway 40. This makes Chatham-Kent an ideal choice for automotive manufacturers and other industries engaging in "just-in time" delivery. Companies including Meritor Suspension Systems Co., and Continental Automotive Canada Inc. all call Chatham-Kent home.

As a result of the combination of the moderate climate and rich soil, Chatham-Kent is located in the richest agricultural area in Canada. Large agricultural industries like Pioneer Hi-Bred, W.G. Thompson & Sons and Commercial Alcohols have found Chatham-Kent the natural location for their operations.

The CP railway splits Chatham city in two, and the unstaffed Chatham railway station attends to Via Rail passengers. Chatham-Kent has a public bus service and intercity bus service provided by CK Transit, between all communities in the municipality except Wheatley. In addition, Chatham-Kent also has Greyhound Canada services to and from Windsor, London and Toronto, and through Detroit, Michigan to Chicago, Illinois. These services stop at Thamesville, Chatham and Tilbury.

CBRE

Market Overview

London, ON | Q1 2023 Figures

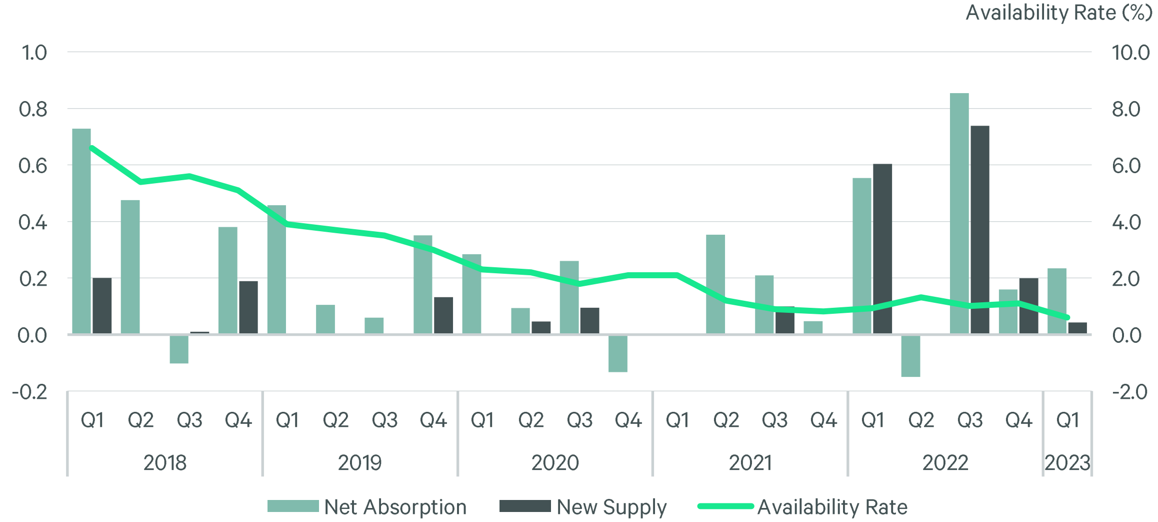
Q1 2023 Cap Rates		
Industrial		
A	5.50% - 6.25%	◀▶
B	6.00% - 7.00%	◀▶

Overview

- The availability rate fell by 50 basis points (bps) quarter-over-quarter to 0.6%. Vacancy, however, increased by 30 bps to 0.4%.
- Net absorption remained positive this quarter at 234,000 sq. ft., up by 74,000 sq. ft. over the quarter.
- London's average net asking lease rate increased to $9.67 per sq. ft. in Q1 2023, a $0.72 per sq. ft. increase quarter-over-quarter.
- Low product availability has kept demand for zoned industrial land high. Prices for zoned and serviced industrial land continue to remain at $450,000 per acre.

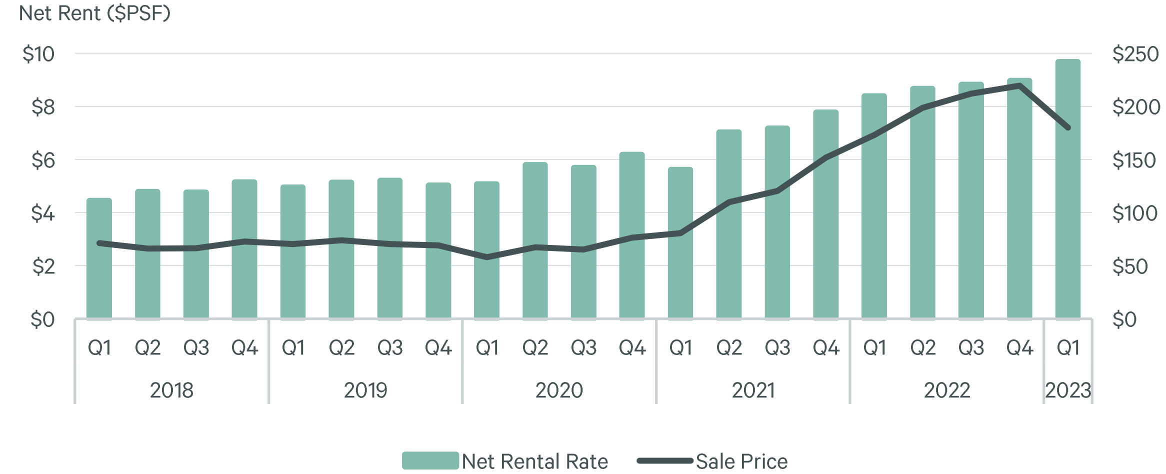
Note: London, ON is the closest market to Chatham, ON currently being tracked by CBRE, therefore we are using these figures when valuing the asset.

FIGURE 1: London Fundamentals – Historical Analysis



Source: CBRE Research, Q1 2023.

FIGURE 2: Historical Analysis – London Rental Rates and Sale Prices



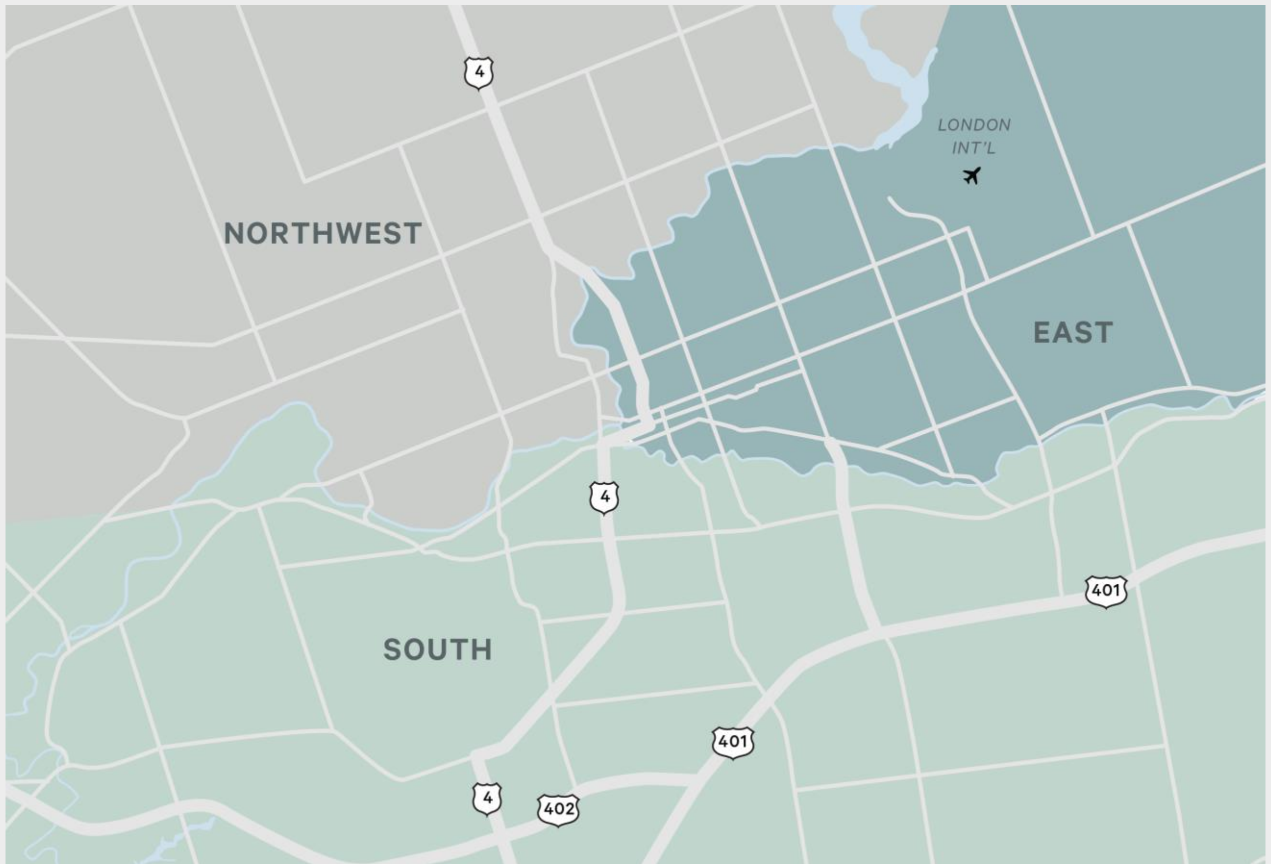
Source: CBRE Research, Q1 2023.

Market Overview

London, ON | Q1 2023 Figures

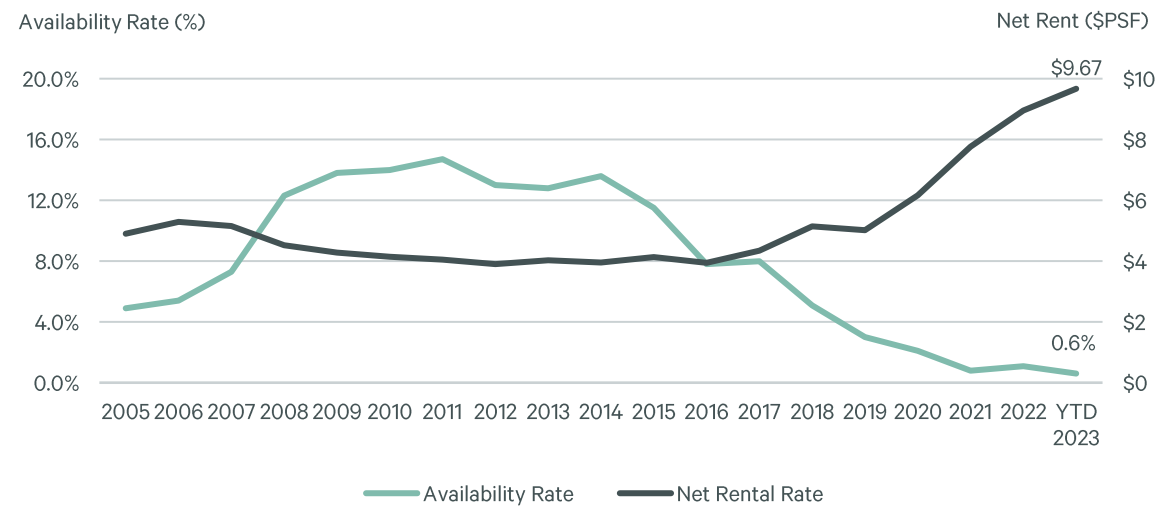
0.6%	43K	861K	$9.67	$179.76
▼ Availability Rate	▼ SF New Supply	▲ SF Under Construction	▲ PSF Avg. Asking Lease Rate	▼ PSF Avg. Asking Sale Price

Note: Arrows indicate change from previous quarter.



Source: CBRE Research, Q1 2023.

FIGURE 1: Historical Analysis – London Availability Rates and Lease Prices



Source: CBRE Research, Q1 2023.

FIGURE 2: Q1 2023 Industrial Market Statistics

Submarket	Inventory (SF)	Availability Rate (%)	Vacancy Rate (%)	Quarterly Net Absorption (SF)	Net Absorption YTD (SF)	Under Construction (SF)	Avg. Net Asking Lease Rate ($PSF)	Avg. Asking Sale Price ($PSF)
South	19,169,699	0.2%	0.1%	121,740	121,740	48,384	$9.58	$214.59
East	20,864,889	1.1%	0.7%	112,132	112,132	812,547	$9.68	$179.75
Northwest	1,394,647	0.0%	0.0%	0	0	0	$8.50	$177.27
London Total	**41,429,235**	**0.6%**	**0.4%**	**233,872**	**233,872**	**860,931**	**$9.67**	**$179.76**

Source: CBRE Research, Q1 2023.

Property Overview

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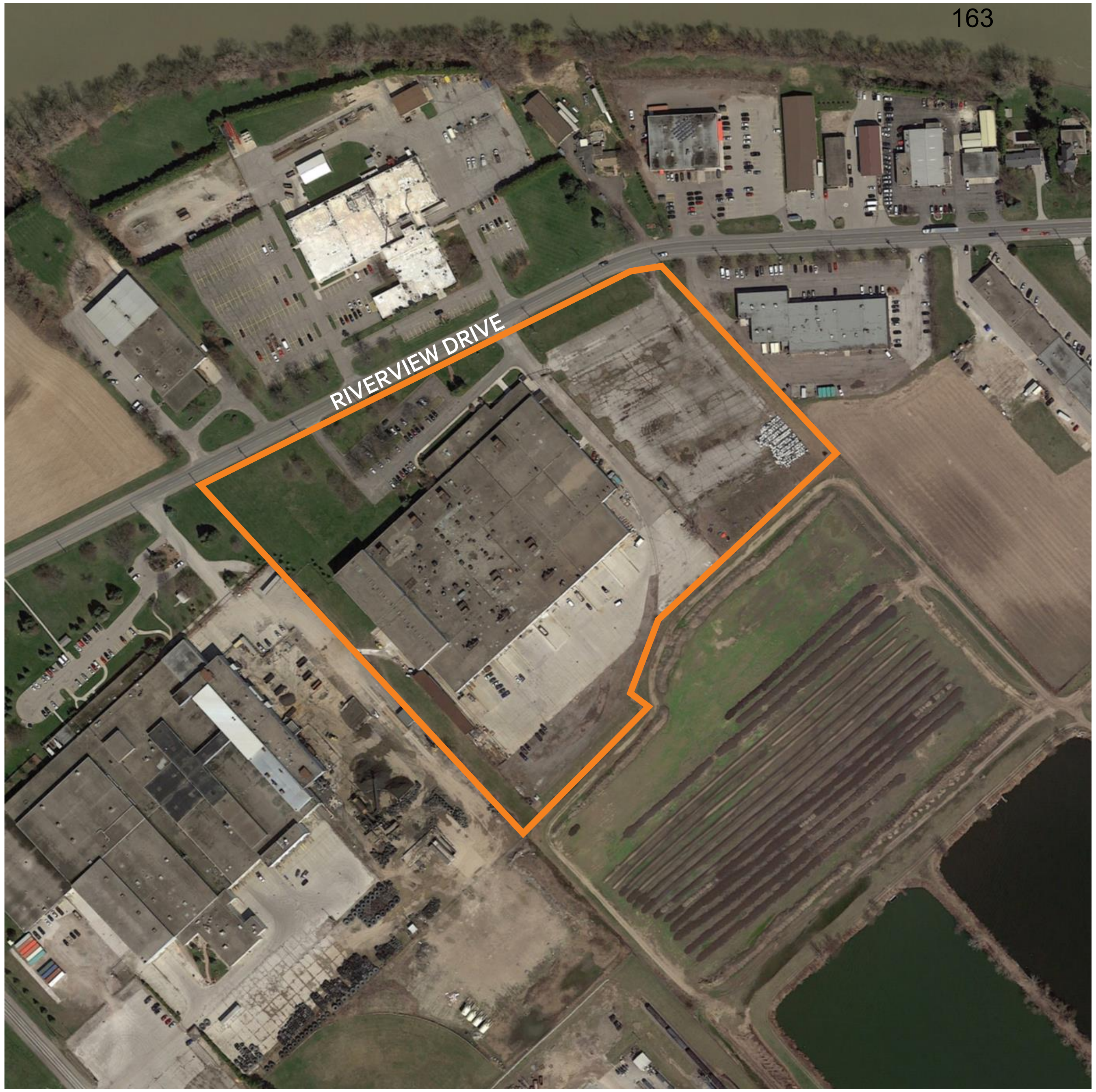
CBRE

Property Overview

Building & Site Features

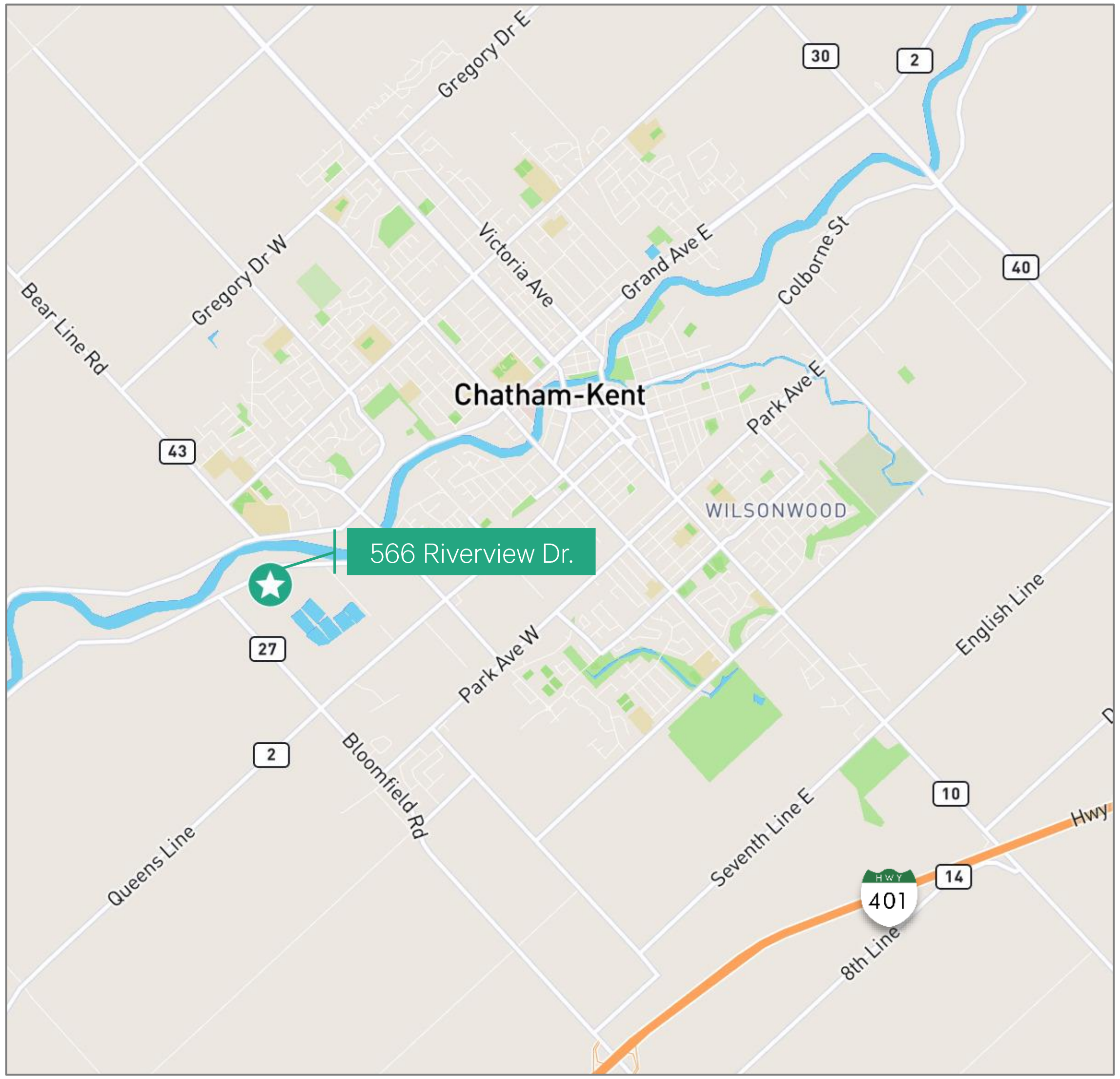
ADDRESS	566 RIVERVIEW DRIVE, CHATHAM, ON
TOTAL SQUARE FOOTAGE	± 215,000 sq. ft.
LOT SIZE	± 16.96 acres
YEAR BUILT	1965
CLEAR HEIGHT	20 ft. predominantly
SHIPPING	8 truck level docks & 6 drive in doors
ZONING	M1 - 1312 (general industrial)
SERVICES	Municipal water, sanitary & storm sewers
OTHER	▪ 4000 KVA ▪ Gas ▪ Sprinklers

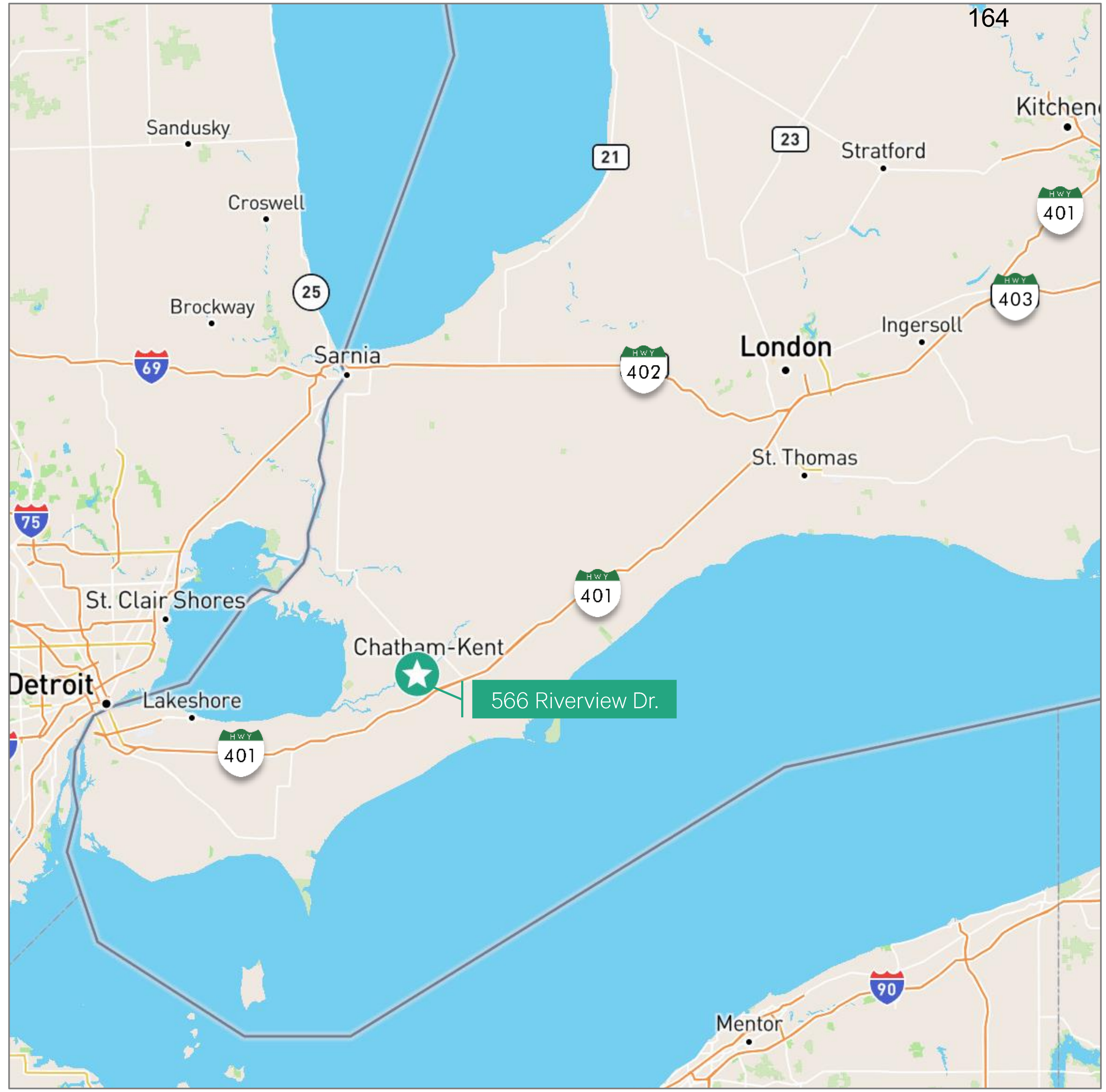


CBRE

Property Overview

Site Location

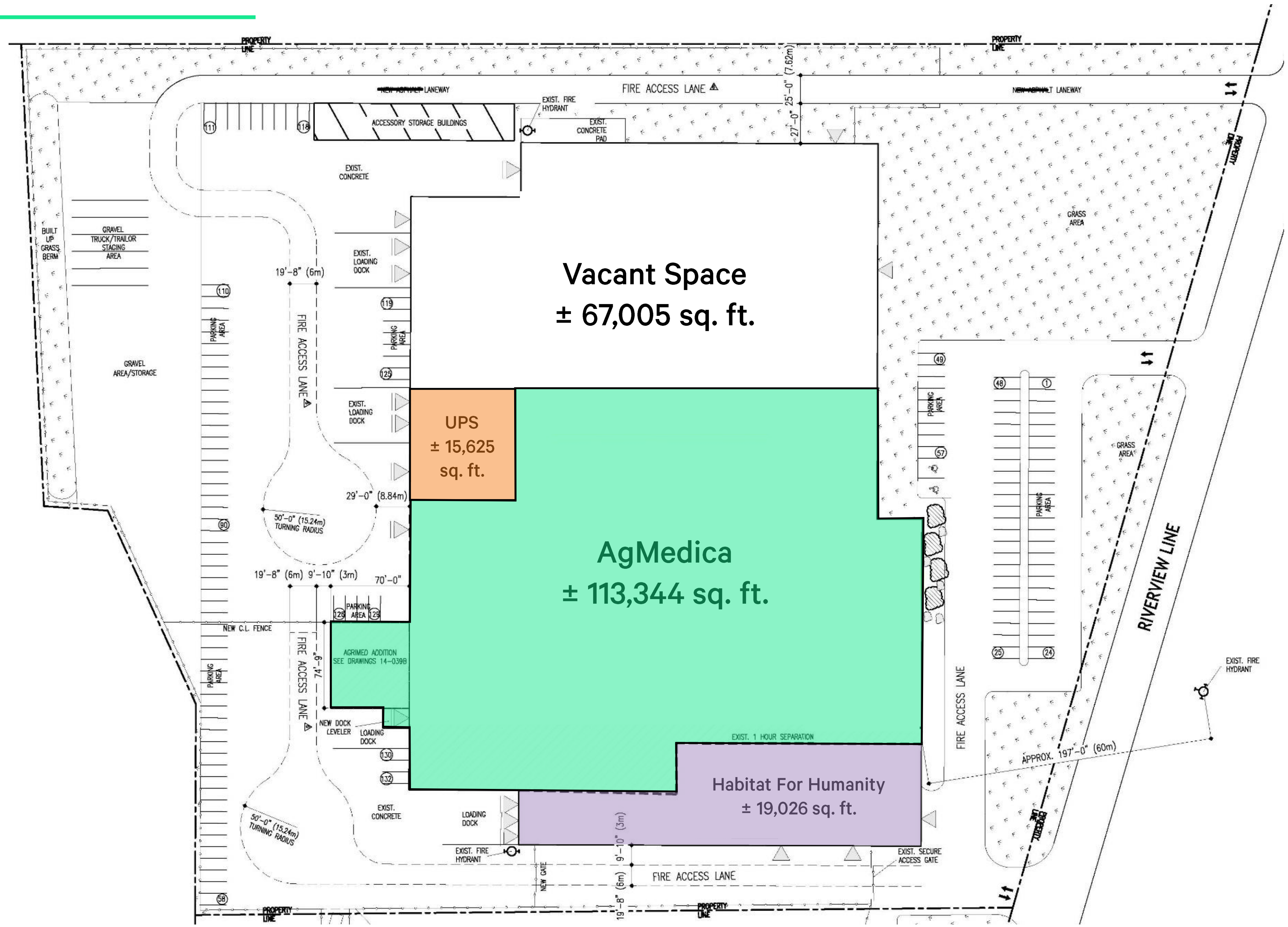




CBRE

Property Overview

Site Plan



Note: all square footages are based on the rent roll provided and will require confirmation.

Property Valuation

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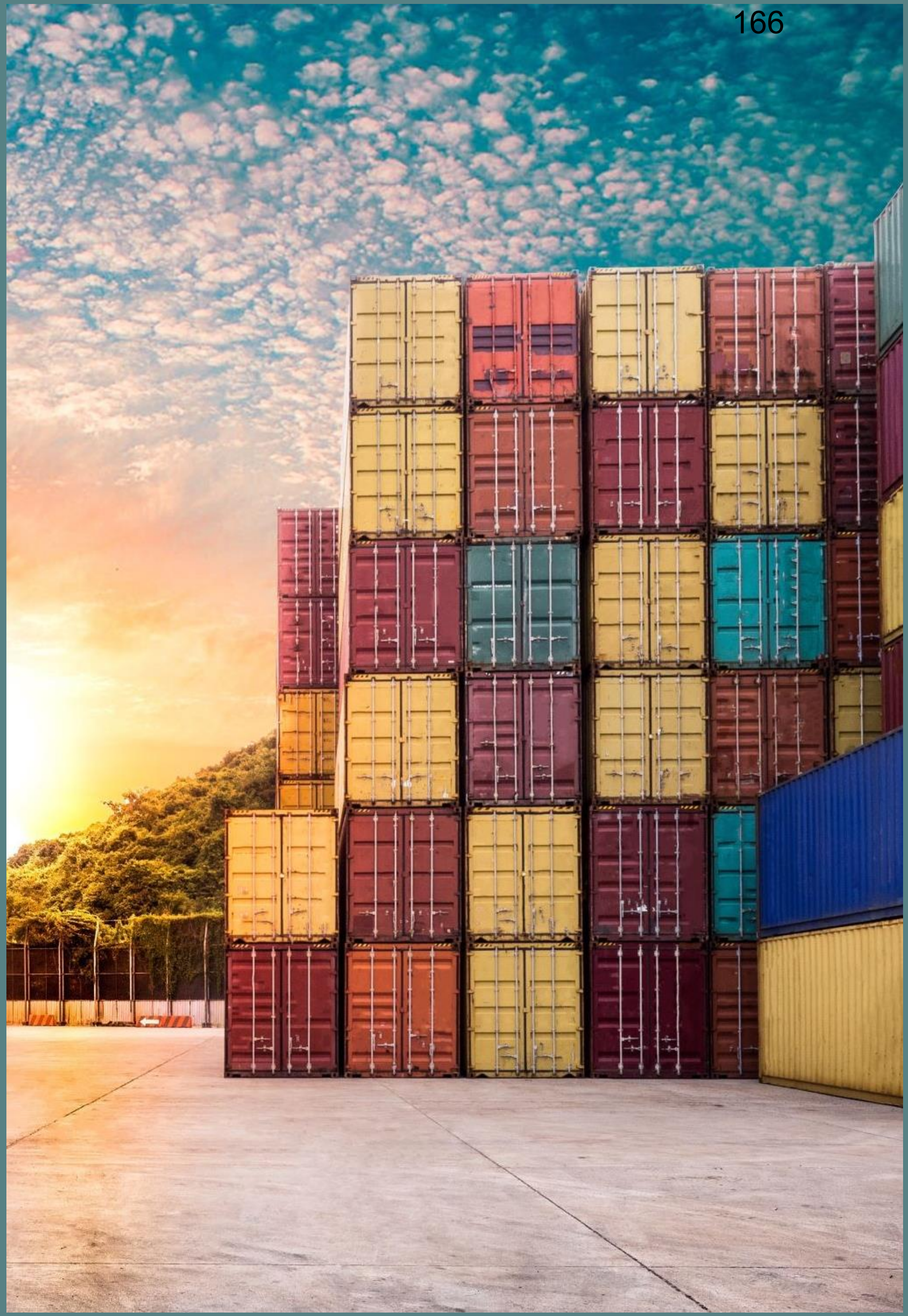


CBRE

Property Valuation

Income Approach

Industrial Investment Sale

Our Valuation Range is as follows:

$26,700,000 - $27,700,000 ($124 - $129/ sq. ft.)

Our suggested Listing Price is as follows:

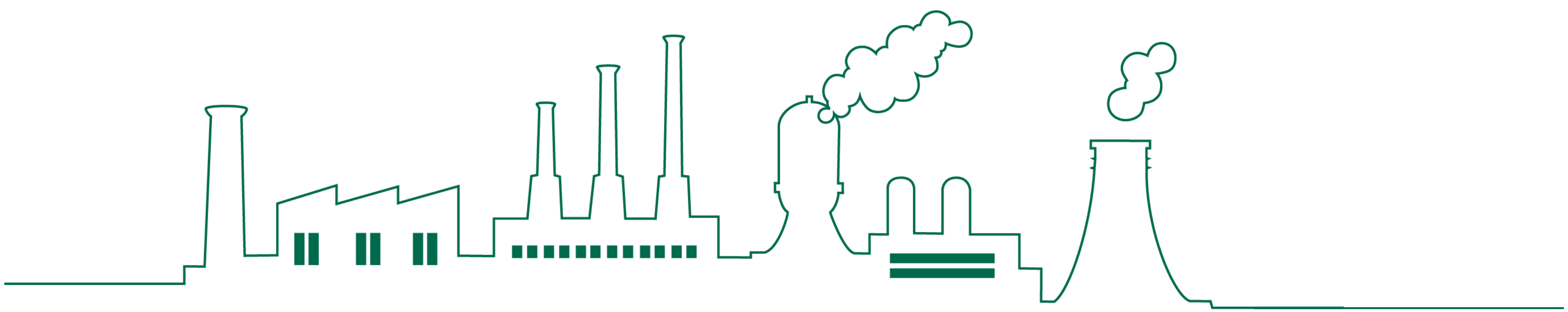
$31,000,000 ($144.00 / sq. ft.)

Based on:

- ± 215,000 sq. ft. building on ± 16.96 acres

NO ALLOWANCE HAS BEEN MADE FOR ANY ENVIRONMENTAL ISSUES, ANY LATENT OR STRUCTURAL DEFECTS, AND/OR ROOF ISSUES.

215,000	**6.75%**	**7.00%**	**7.25%**	**7.50%**
$8.00	$25,481,481 $118.52	$24,571,429 $114.29	$23,724,138 $110.34	$22,933,333 $106.67
$8.50	$27,074,074 $125.93	$26,107,143 $121.43	$25,206,897 $117.24	$24,366,667 $113.33
$9.00	$28,666,667 $133.33	$27,642,857 $128.57	$26,689,655 $124.14	$25,800,000 $120.00
$9.50	$30,259,259 $140.74	$29,178,571 $135.71	$28,172,414 $131.03	$27,233,333 $126.67
$10.00	$31,851,852 $148.15	$30,714,286 $142.86	$29,655,172 $137.93	$28,666,667 $133.33



CBRE

Marketing Team

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CBRE

Marketing Team

Fisher/Shouldice Industrial Team | London

Larin Shouldice, SIOR

Vice President
Sales Representative
D 519 286 2019
C 519 851 7654
larin.shouldice@cbre.com

Randy Fisher

Senior Vice President
Broker
D 519 286 2009
C 519 872 3494
randy.fisher@cbre.com

Ry-Ann Hall

Real Estate Services
Coordinator
Sales Representative
D 519 286 2035
ry-ann.hall@cbre.com

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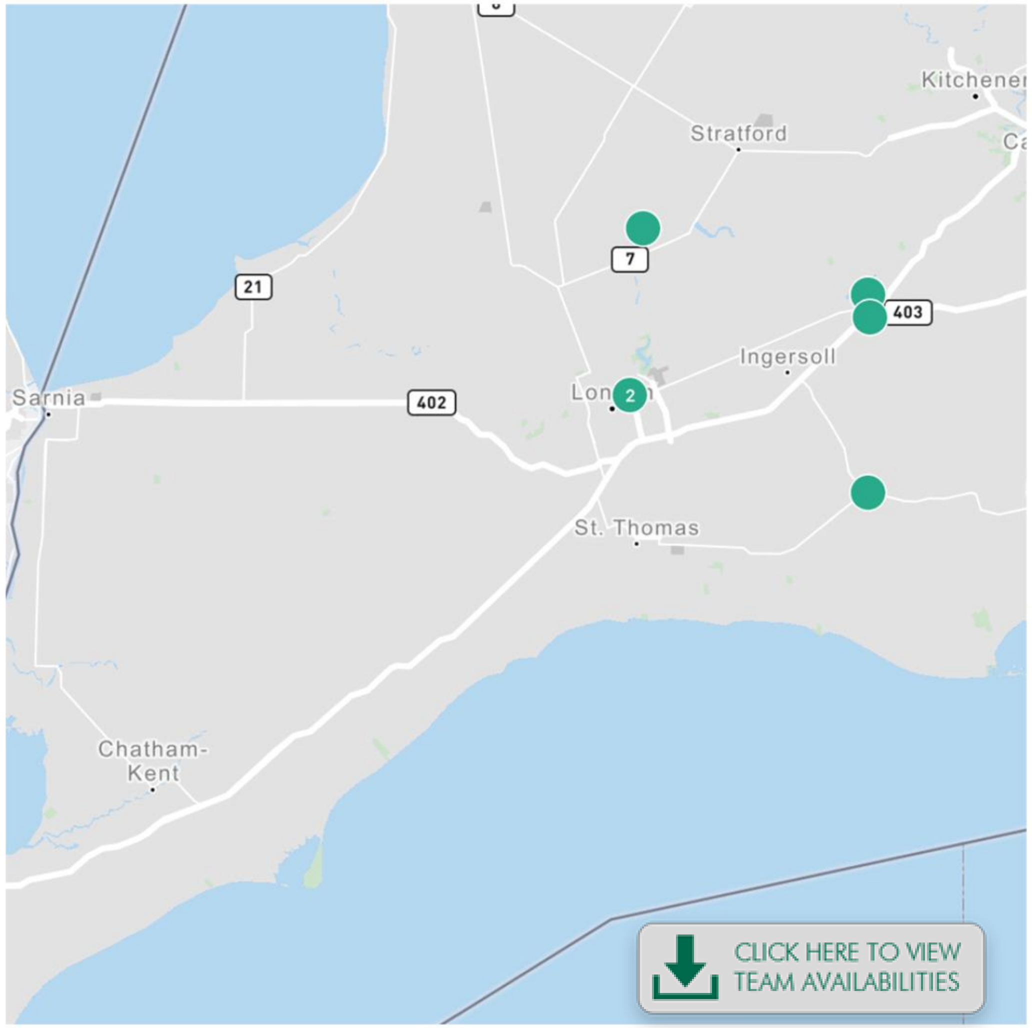
The Fisher/Shouldice Industrial Team has
SOLD &/OR LEASED
since January 2022
1.5 MILLION SQ. FT.
& 430 ACRES
in Southwestern, ON

The team of Randy Fisher, Larin Shouldice and Ry-Ann Hall has over 68 collective years of commercial real estate experience in assisting local, national and international corporations with their real estate needs. Utilizing the world's largest real estate platform, Randy, Larin, and Ry-Ann work tirelessly to promote and protect their clients' interest and ultimately improve their profitability.

Randy and Larin are commercial real estate specialists focused on the selling and leasing of properties and development sites. The team puts the most trusted and complete commercial real estate company to work behind them and is able to offer their clients unparalleled service in Southwestern Ontario. The team's full-service approach and ability to systematically achieve their client's objectives in sale and lease negotiations, site selections, and portfolio analysis have solidified their presence as a premiere commercial real estate brokerage team in the market.

Marketing Team

Fisher/Shouldice Industrial Team | Recent Activity



LONDON

AVAILABLE FOR LEASE

847 HIGHBURY AVENUE N

LEASE: $12.50 / sq. ft. Net

- ± 150,000 sq. ft.
- ± 32 ft. to ± 38 ft. clear
- 14 truck docks & 2 drive-ins
- Light Industrial Zoning (LI1, 2, 2-11)

TILLSONBURG

CONDITIONALLY SOLD

100-120 TOWNLINE ROAD

SALE: $21,000,000 :: $116.00 / sq. ft.

- ± 164,574 sq. ft. (100 Townline)
- ± 16,470 sq. ft. (120 Townline)
- ± 11.76 acres plus ± 1 acre lot
- General Industrial Zoning (MG)

ST. MARYS

CONDITIONALLY SOLD

1865 PERTH ROAD 139

SALE: $12,500,000 :: $126.00 / sq. ft.

- ± 98,800 sq. ft.
- ± 160.00 acres
- ± 20 ft. to ±24 ft. clear
- General Industrial & Ag Zoning

LONDON

LEASED

847 HIGHBURY AVENUE N, B3

LEASED: $9.55 / sq. ft. Net AVG
6 years commencing Sep. 2023

- ± 126,284 sq. ft.
- ± 18 ft. to ± 20 ft. clear
- Light Industrial Zoning (LI1, 2, 2-11)

WOODSTOCK

LEASED

353 GRIFFIN WAY

LEASED: $13.49 / sq. ft. Net AVG
10 years commencing Sep. 2023

- ± 148,050 sq. ft.
- ± 28 ft. clear
- General Industrial (M3)

WOODSTOCK

LEASED

1400 COMMERCE WAY, UNIT C

LEASED: $11.37 / sq. ft. Net AVG
5 years commencing Dec. 2023

- ± 66,010 sq. ft.
- ± 30 ft. clear
- General Industrial (M3-1)

Marketing Strategy

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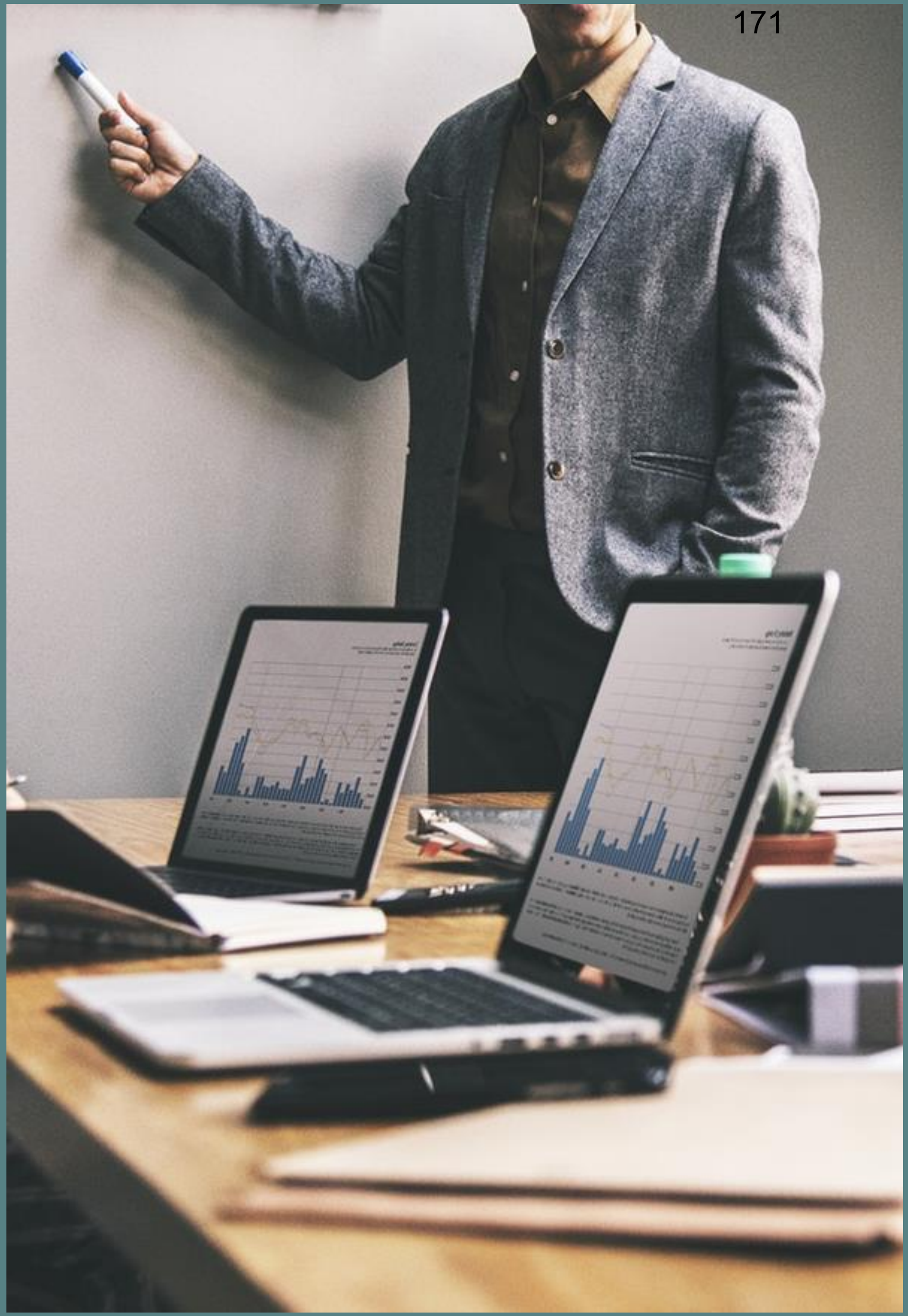


CBRE

Marketing Strategy

CBRE's assignment can be summarized by the following: "Find a Buyer/Investor in the shortest time reasonable and conclude a Sale with terms that maximize financial return." CBRE is able to bring the dynamic force of the world's largest commercial real estate company to position the property in the marketplace. We are able to capitalize on the strength of leveraging the databases of our international company to market the property on a local, regional, national and international level.

The recommended marketing plan is based on a strategy to target all Industrial Buyer/Investor.

The Marketing Plan Includes:

1. **Brochure:** CBRE shall design a high quality marketing brochure for both print and electronic distribution. This powerful marketing tool will promote the availability of the property through direct mail, email and online distribution.

2. **Signage:** Professionally designed signage will be erected in a highly visible locations on the site, to maximize its exposure as an available property, and to help capture the interest of potential prospects touring the area.

3. **Internet Marketing:** CBRE is committed to providing our clients with the most up-to-date information available in whatever medium. Campaign Logic, a web based e-campaign system that provides tools for mass email distribution with tracking and reporting, will be used. Your property will be featured on the CBRE website at www.cbre.ca. The interface is client/user-friendly and shall increase traffic and viewing time for all commercial property types. Your property will also be placed on www.realtor.ca.

Marketing Strategy

4. **Target Marketing:** CBRE has strong relationships with many Buyer/Investor in the market and the marketing team will rely heavily on these relationships to promote this opportunity. Targeted mail, email and direct calls will be performed to prospective Buyer/Investor which would appreciate the location, utility and unique features of the property.

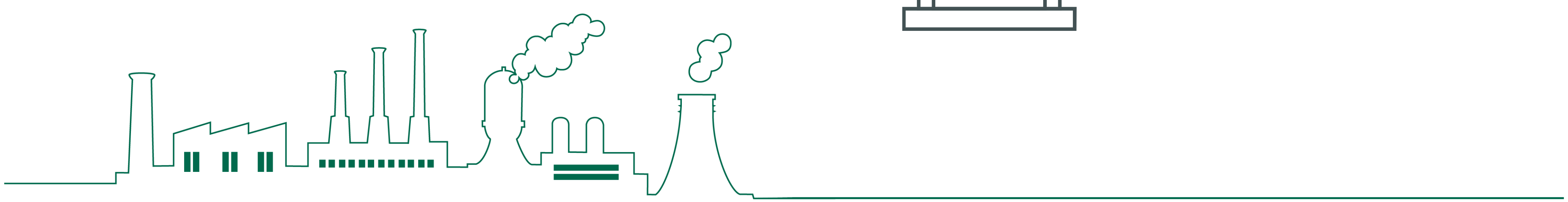
5. **In House Promotion:** The Marketing Team will ensure a broad distribution to CBRE Realtors, and specifically all Local and National CBRE offices. Your CBRE brokerage professionals will be available at all times to show the property to agents and their prospects, answer any questions, and supply them with accurate information. This direct contact provides you with the insight necessary to successfully negotiate with prospects.

6. **Regional Agencies:** Economic Development Offices in each community are valuable sources of information for out-of-town users and Real Estate Brokers. We will ensure that the availability of the property will be communicated directly to the Chatham-Kent Economic Development Services.

7. **Co-operating Brokers:** The Marketing Team maintains a current list of commercial real estate brokers and salespeople throughout the marketplace. The offering will be provided to co-operating brokerage firms as well as individual producers. Our interaction with other firms encourages them to present the property to their clients. CBRE leads its competition in successful co-brokered transactions.

8. **Follow Up Reports:** Regular reports will be filed summarizing prospects interested in the property, recent marketing activities, and results from the marketing program.

9. **Marketing Costs:** CBRE will assume the cost for the marketing program.



Engagement Structure

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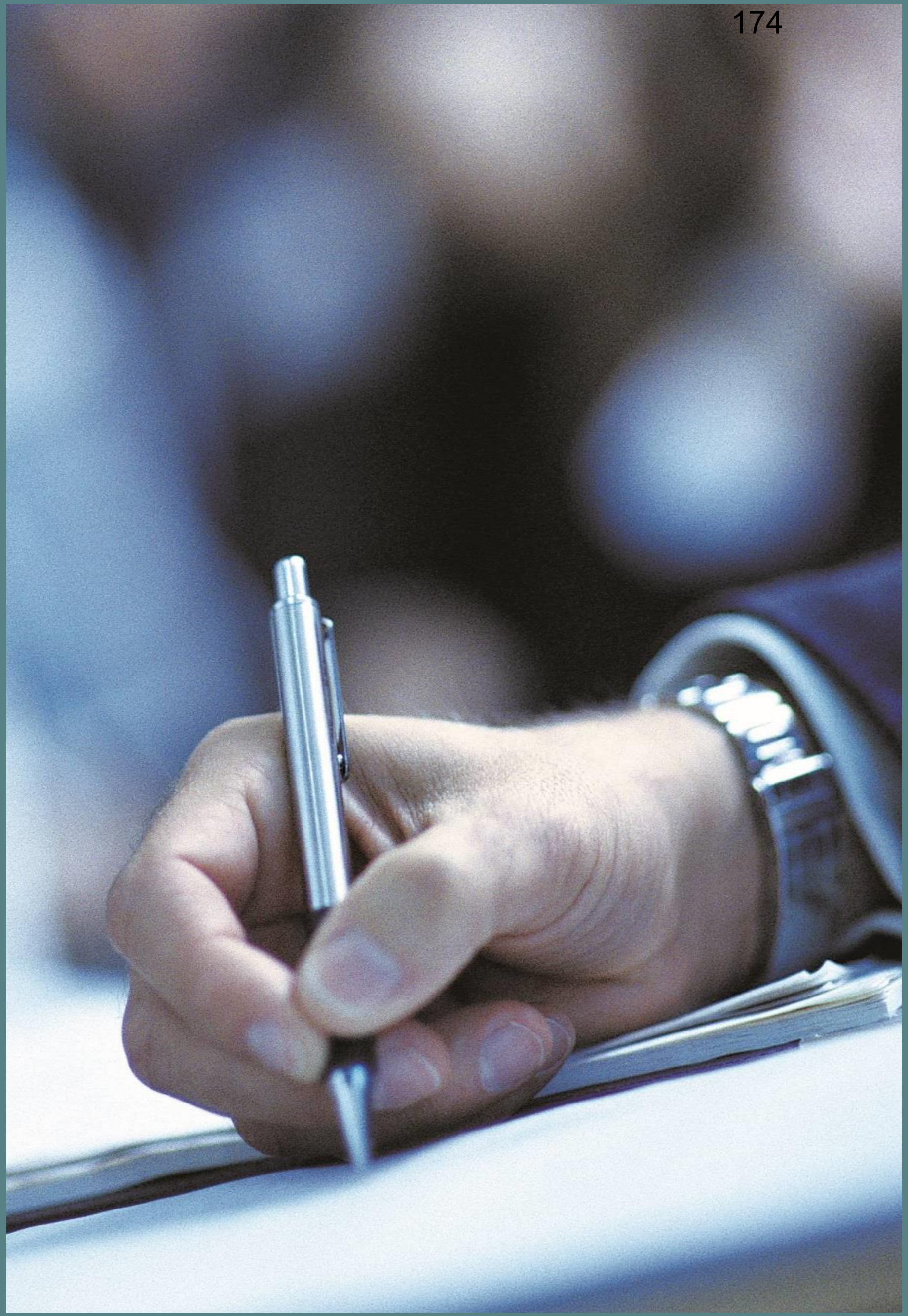

CBRE

Engagement Structure

Sale Commission

The Sale commission shall be a percentage of the final negotiated purchase price, plus applicable taxes (HST).

Commission shall be based on the following criteria:

- The Sale commission shall be four percent (4%) of the final purchase price, payable upon closing, plus applicable taxes (HST).

CBRE will co-operate with all other Brokers and pay a co-operating Broker fee of one point five percent (1.5%) from the total commission.

Listing Agreement

CBRE would list the property on the Multiple Listing Service (MLS) systems for an initial period of twelve (12) months. The property would be listed on the LSTAR (London, St. Thomas Association of Realtors) MLS system, which is comprised of 22 participating Boards/Associations, covering 80% of the province. CBRE would also list the property on the Toronto Regional Real Estate Board (TRREB) MLS system.

Touring Protocol

All tours, meetings and presentations will be coordinated through the CBRE Listing Team. There will be a team member on each and every tour date proposed. This will ensure all prospects have timely, open and unencumbered access to accurate information regarding the offering.

Response Time

The Listing Team commits to being open and accessible to all prospects and brokers, and further commits to respond to all inquiries in a timely manner. Where possible, our response time shall be the same business day.

Professional Conduct

The Listing Team commits to act with the highest degree of professionalism including Respect, Integrity, Service and Excellence (RISE).

Appendix

- Zoning
- Comparables

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CBRE

Zoning Information

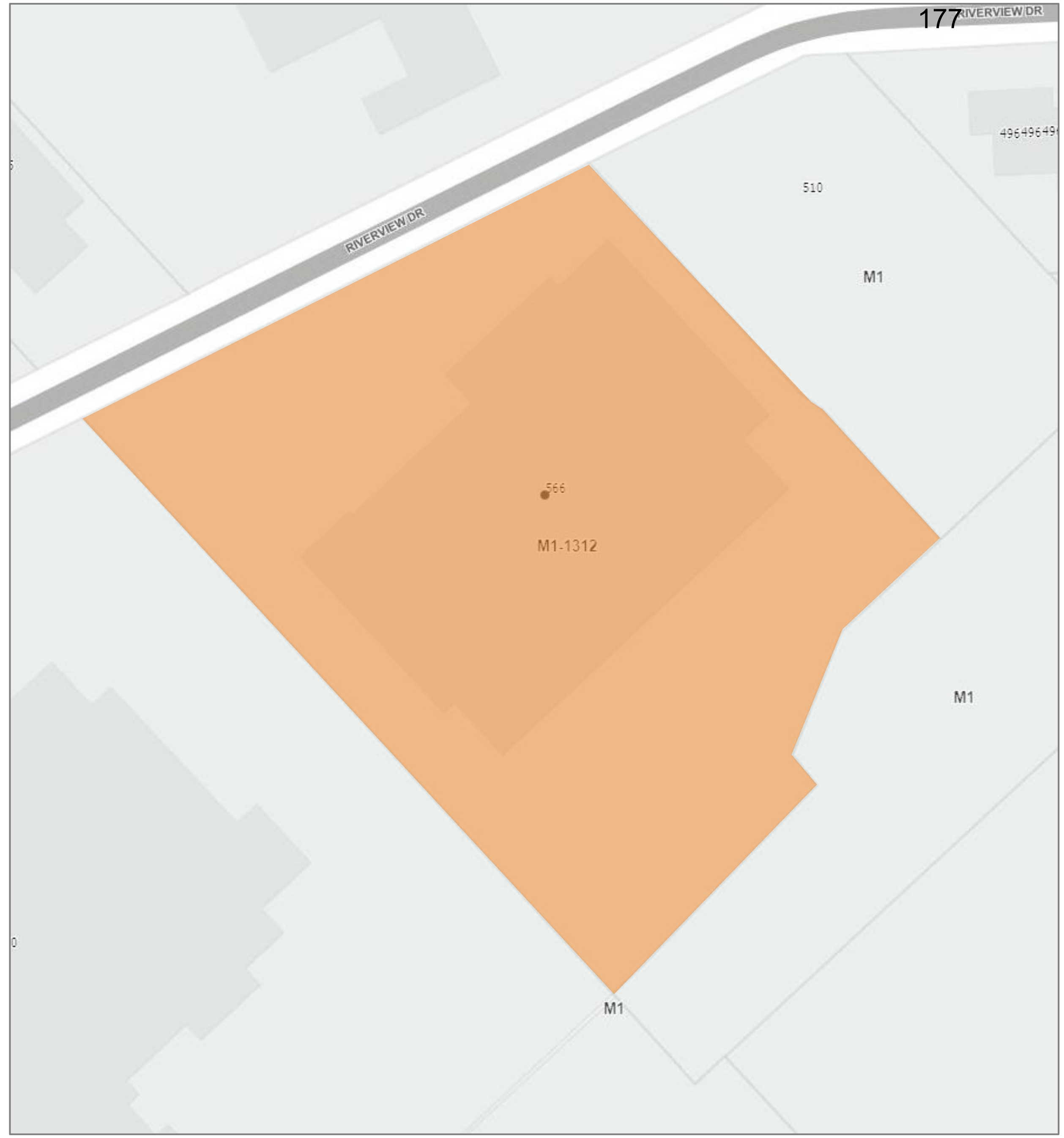
General Industrial (M1-1312)

Permitted Uses (M1):

- Agricultural Implements Sales and Service Establishment
- Animal Grooming
- Asphalt and Concrete Batching Plant
- Assembly Hall
- Automobile Body Shop
- Automobile Repair Shop
- Automobile Sales and Service Establishment
- Automobile Service Station
- Builder's Supply Yard
- Bulk Fuel Storage
- Call Centre
- Car Wash, Automatic
- Car Wash, Manual
- Commercial Entertainment and Recreational Establishment
- Commercial School
- Construction/Industrial Equipment Sales and Service Establishment
- Contractor's Yard
- Courier Service
- Dry Cleaning Establishment
- Eating Establishment (Drive-in & Take-out)
- Factory Outlet
- Garage, Public
- Gas Bar
- Grain Elevator or other Storage Facility for Farm Produce
- Industrial Mall
- Industrial Use, which is not noxious
- Laboratory or Scientific Research Facility
- Nursery
- Office
- Public Storage
- Rental Establishment
- Service or Repair Shop
- Service Trade Establishment
- Taxi Establishment
- Towing Establishment
- Train Depot
- Truck Terminal
- Warehouse
- Wholesale Business with Accessories Retail Business

Permitted Uses (M1-1312):

- Notwithstanding any other provisions of the by-law to the contrary a maximum of 60% of the lease floor area for Habitat for Humanity ReStore may be used for retail sales associated with the ReStore operation
- The permitted uses in the M1-1312 Zone shall also include a Cannabis Production Facility



Comparables

Industrial Transactions Sold in Essex & Kent, ON: 75,000 SF +

	Property	Total Sq. Ft.	Lot Size (acres)	Ceiling Height	Zoning	Sold Price	Closing Date
PORTFOLIO SALE	24 Industrial Park Road, Tilbury	79,846	11.97	26 ft.	IND	$6,746,050 ($84 PSF)	Nov. 1, 2022
PORTFOLIO SALE	418 Silver Park Road, Windsor	97,185	13.92	28 ft.	IND	$11,237,250 ($116 PSF)	Nov. 1, 2022
PORTFOLIO SALE	5245 Burke Street, Windsor	125,701	6.06	22 ft. – 35 ft.	IND	$9,455,325 ($75 PSF)	Nov. 1, 2022
PORTFOLIO SALE	5250 Outer Drive, Windsor	132,976	7.36	22 ft. – 34 ft.	IND	$10,761,375 ($81 PSF)	Nov. 1, 2022
	490 Richard Ruston Drive, Tecumseh	101,073	7.74	24 ft. to 27 ft.	IND	$11,500,000 ($114 PSF)	Oct. 15, 2021
	360 Queen Street, Harrow	116,625	15.71	51 ft.	IND	$9,200,000 ($79 PF)	Jul. 29, 2022
	650 Riverview Drive, Chatham	283,940	25.08	24 ft. – 45 ft.	IND	$27,897,708 ($98 PSF)	Mar. 1, 2022

CBRE

TAB 3

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONORABLE	)	FRIDAY, THE 4TH
	)	
JUSTICE BLACK	)	DAY OF OCTOBER, 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.

Applicants

ORDER

(APPROVAL AND REVERSE VESTING ORDER)

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order, among other things: (a) approving the binding letter of intent dated September 18, 2024 (the "**Binding LOI**") from Shalcor Management Inc. on behalf of Callisto Capital Corp. (the "**LP Purchaser**") and 2596690 Ontario Inc., on behalf of a corporation to be incorporated by it (the "**Facility Purchaser**", and together the LP Purchaser, "**Purchasers**") wherein the proposed Purchasers agreed to acquire, directly or indirectly, Atlas Global Brands Inc. ("**Atlas Global**"), GreenSeal Nursery, Ltd., AgMedica Bioscience Inc. ("**AgMedica**"), 5047346 Ontario Inc. ("**FacilityCo**"), 8050678 Canada Inc., and Tavivat Naturals Inc. (collectively, the "**Purchased Entities**"); (b) approving a form of purchase agreement dated **[October]** ●, 2024 between Atlas Global and the Purchasers (the "**Purchase Agreement**") for the acquisition of the Purchased Entities on substantially the terms of the Binding LOI, (together with all other corporate proceedings and transactions set forth therein, the "**Transactions**"); (c) adding 2650751 Alberta Inc. ("**ResidualCo**") as an Applicant to these CCAA proceedings (the "**CCAA Proceedings**"); (d) transferring and vesting all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities (each as defined in the Purchase Agreement) to and in ResidualCo; (e) authorizing and directing Atlas Global to issue the Purchased Company Shares (as defined in the Purchase Agreement), and vesting in and to the LP Purchaser all right, title and interest in and to the Purchased Company Shares, free and clear of any Claims and Encumbrances (in each case, as hereinafter defined), subject to the applicable Transaction Regulatory Approvals and the Partial Revocation Order; (f) authorizing and directing AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares (as defined in the Purchase Agreement), and vesting in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances (as hereinafter defined); (g) authorizing and directing, AgMedica to issue the New AgMedica Shares (as defined in the Purchase Agreement) to Atlas Global, (h) terminating and cancelling all of the Existing Shares (as defined in the Purchase Agreement) of each of Atlas Global and AgMedica, other than the Purchased Company Shares and the New AgMedica Shares, in each case, for no consideration; (i) granting certain releases; (j) approving the fees and disbursements of the Monitor and its counsel, and approving the Monitor's Reports (as hereinafter defined) and the activities and conduct of the Monitor referred therein; (k) approving the sealing of the Fourth Confidential Cervi Affidavit (as hereinafter defined) (l) extending the Stay Period (as defined in the TARIO); and (m) granting certain ancillary relief, was heard by videoconference on October 4, 2024.

ON READING the Motion Record of the Applicants, including the Affidavit of Jason Cervi sworn September 29, 2024 and Exhibits thereto (the "**Cervi Affidavit**"), the confidential affidavit of Jason Cervi to be affirmed and Exhibits thereto ("**Fourth Confidential Cervi Affidavit**"), and the Third Report of Ernst & Young Inc. ("**EY**"), in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated September ●, 2024 (the "**Third Report**") and the affidavits of Karen Fung sworn September ●, 2024 and Trevor Courtis sworn September ●, 2024 (collectively, the "**Fee Affidavits**") attached thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and those other parties listed on Counsel Slip, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn September ●, 2024.

SERVICE

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

DEFINED TERMS

2. **THIS COURT ORDERS** that capitalized terms not otherwise defined herein shall have the meanings given to them in the Purchase Agreement or, if not defined therein, the Third Amended and Restated Initial Order dated July 9, 2024 (the "**TARIO**").

OSC MATTERS

3. **THIS COURT ORDERS** that upon receipt from the Ontario Securities Commission of an order (the "**Partial Revocation Order**") pursuant to Section 144 of the *Securities Act* and Section 34 of the National Policy 11-207 *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions* partially revoking the Cease Trade Order (In the Matter of Atlas Global Brands Inc.) dated August 8, 2023, for the sole purpose of completing the Transactions, Atlas Global shall be authorized to execute the Purchase Agreement.

APPROVAL AND VESTING

4. **THIS COURT ORDERS** that the Binding LOI and Purchase Agreement (collectively, the "**Transaction Agreements**") and the Transaction, be and are hereby approved and that the execution of the Binding LOI and, upon receipt of the Partial Revocation Order, the Purchase Agreement by Atlas Global is hereby authorized and approved, with such minor amendments as the parties thereto may deem necessary with the approval of the Monitor. Atlas Global is hereby authorized and directed to perform its obligations under the Transaction Agreements upon receipt of the Partial Revocation Order and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions, including the cancellation of the Issued Shares of AgMedica and Atlas Global the issuance of the Purchased Company Shares to the LP Purchaser, the transfer of the FacilityCo Shares to the Facility Purchaser and the issue of the New AgMedica Shares to Atlas Global.

5. **THIS COURT ORDERS** that, prior to closing of the Transactions, the LP Purchaser in its sole discretion is entitled but not obligated to assign its rights and obligations under the Purchase Agreement to an assignee that it may designate in its sole discretion ("**Assignee**"). If such assignment is made, (a) all references in this Order to "LP Purchaser" and, as applicable, the "Purchasers", shall be deemed to refer to and include the Assignee; and (b) the Monitor shall and is hereby directed to name the Assignee as the "LP Purchaser" in the Monitor's Closing Certificate (defined below) filed with the Court.

6. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Purchased Entities to proceed with the Transactions, and that no shareholder or other approval shall be required in connection therewith, other than as contemplated by the applicable Transaction Regulatory Approvals and the Partial Revocation Order.

7. **THIS COURT ORDERS** that upon the delivery of the Monitor's certificate (the "**Monitor's Closing Certificate**") to the Purchased Entities and the Purchasers in accordance with the Purchase Agreement (the "**Closing Time**"), substantially in the form attached as **Schedule "A"** hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

(a) first, all of the Purchased Entities' right, title and interest in and to the Excluded Contracts shall vest absolutely and exclusively in ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Contracts in accordance with paragraph 14 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all of the Purchased Entities' right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, with all applicable Claims and Encumbrances continuing to attach to the Excluded Assets in accordance with paragraph 14 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(c) third, all Excluded Liabilities shall be channeled to, assumed by and vested absolutely and exclusively in ResidualCo, such that the Excluded Liabilities shall become the obligations of ResidualCo, and shall no longer be obligations of the Purchased Entities and all of the Purchased Entities' respective assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate, including property held in trust for the Purchased Entities (the "**Purchased Entities' Property**"), shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and all Encumbrances affecting or relating to the Purchased Entities' Property are to be expunged and discharged as against the Purchased Entities' Property;

(d) fourth, in consideration for a portion of the Purchase Price, (i) Atlas Global shall issue the Purchased Company Shares to the LP Purchaser, and all of the right, title and interest in and to the Purchased Company Shares shall vest absolutely in the LP Purchaser, (ii) AgMedica shall transfer the FacilityCo Shares to the Facility Purchaser and all of the right, title and interest in and to the Purchased FacilityCo Shares shall vest absolutely in the LP Purchaser; and (iii) the Purchased Entities' Property, other than the Excluded Assets and Excluded Contracts, will be retained by the Purchased Entities, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including without limiting the generality of the foregoing: (i) any encumbrances or charges created by the TARIO or any other Order of the Court in the CCAA Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry systems; and

(iii) any charges, security interests or claims evidenced by registrations pursuant to the *Land Titles Act* (Ontario), the *Registry Act* (Ontario), the *Land Registration Reform Act* (Ontario) or any other real property or real property related registry or recording system (all of which are collectively referred to as the "**Encumbrances**", which term shall not include the Permitted Encumbrances listed on **Schedule "B**" hereto);

(e) fifth, all Issued Shares of Atlas Global and AgMedica outstanding prior to the issuance of the Purchased Company Shares and New AgMedica Shares, as well as any agreement, contract, plan, indenture, deed, certificate, subscription rights, conversion rights, pre-emptive rights, options (including stock option or share purchase or equivalent plans), or other documents or instruments governing or having been created or granted in connection with the share capital of the Atlas Global and AgMedica, or otherwise relating thereto, shall be deemed terminated and cancelled without consideration and the only Issued Shares of Atlas Global and AgMedica that shall remain shall be the Purchased Company Shares and New AgMedica Shares, respectively; and

(f) lastly, the Purchased Entities shall be deemed to cease being Applicants in these CCAA Proceedings, and the Purchased Entities shall be deemed to be released from the purview of the TARIO and all other Orders of this Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to the Purchased Entities) shall continue to apply in all respects.

8. **THIS COURT ORDERS** that upon the registration in the Land Registry Office (no. 24) for the Land Titles Division of Kent of an Application for Vesting Order in the form prescribed by the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario), the applicable Land Registrar is hereby directed to vacate and expunge from title to the real property identified in **Schedule "C"** hereto all of the Claims and Encumbrances identified in **Schedule "D"** hereto.

9. **THIS COURT ORDERS** that, from and after the Closing Time, any and all persons being the registered or beneficial owners of the real property identified in **Schedule "C"** hereto shall be,

and shall be deemed to be forever irrevocably released and discharged from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any taxes (including penalties and interest thereon) of, or that relate to, said real property or any of the Purchased Entities arising under the *Municipal Act, 2002*, S.O. 2001, c. 25 and/or the *Assessment Act*, R.S.O. 1990, c. A.31, provided that such release shall not apply to taxes in respect of the real property assessed in relation to any tax period or the portion thereof beginning on or after the Closing Time.

10. **THIS COURT ORDERS** that, from and after the Closing Time, any relevant writs of execution that may have been filed with the Sheriff on or before the Closing Time as against each registered owner of the real property identified in **Schedule "C"** hereto shall not bind the real property identified in **Schedule "C"** hereto.

11. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Closing Certificate, forthwith after delivery thereof in connection with the Transactions.

12. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Purchased Entities and the Purchasers regarding the satisfaction or waiver of conditions to closing under the Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Closing Certificate.

13. **THIS COURT ORDERS** that upon delivery of the Monitor's Closing Certificate, and upon filing of a copy of this Order, together with any applicable registration fees, all governmental authorities and any other applicable registrar or government ministries or authorities exercising jurisdiction with respect to the Purchased Entities, the Purchased Entities' Property or the Excluded Assets (collectively, the "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and a copy of this Order as though they were originals and to register such transfers and interest authorizations as may be required to give effect to the terms of this Order and the Transaction Agreements. Presentment of this Order and the Monitor's Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of interest against any of the Purchased Entities' Property and the Monitor and the Purchasers are hereby specifically

authorized to discharge the registrations on the Purchased Entities' Property and the Excluded Assets, as applicable.

14. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, from and after the Closing Time, subject to the satisfaction of the CCAA Charge Amount and the Administrative Wind-down Amount, all Claims and Encumbrances transferred, assumed, released, expunged and discharged pursuant to paragraph 7 hereof, including against the Purchased Entities, the Purchased Entities' Property, the Purchased Company Shares, the Purchased FacilityCo Shares and the New AgMedica Shares, shall attach to the Excluded Assets and Excluded Contracts with the same nature and priority as they had immediately prior to the Transactions as if the Transactions had not occurred.

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, as amended, the Purchased Entities or the Monitor, as the case may be, are authorized, permitted and directed to, at the Closing Time, disclose to the Purchasers, all human resources and payroll information in the Purchased Entities' records pertaining to past and current employees of the Purchased Entities. The Purchasers shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by the Purchased Entities.

16. **THIS COURT ORDERS** that, at the Closing Time and without limiting the provisions of paragraph 7 hereof, the Purchasers, the Purchased Entities, and the Monitor shall be deemed released from any and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to the Purchased Entities, provided, as it relates to the Purchasers and the Purchased Entities, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Purchased Entities after the Closing Time; or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Purchase Agreement, including without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchasers or the Purchased Entities (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the *Income Tax Act*, R.S.C. 1985 c. 1 (5th Supp.), or any provincial or foreign tax equivalent, in connection with the

Purchased Entities. For greater certainty, nothing in this paragraph shall release or discharge any Claims against ResidualCo with respect to Taxes that are transferred to ResidualCo.

17. **THIS COURT ORDERS** that except to the extent expressly contemplated by the Purchase Agreement (and, for greater certainty, excluding the Excluded Assets, Excluded Contracts, and Excluded Liabilities), all contracts to which any of the Purchased Entities are a party at the time of delivery of the Monitor's Closing Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Closing Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

(a) any event that occurred on or prior to the Closing Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any of the Purchased Entities);

(b) the insolvency of any of the Purchased Entities or the fact that the Purchased Entities obtained relief under the CCAA;

(c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Purchase Agreement, the Transactions, the provisions of this Order, or any other Order of this Court in these CCAA Proceedings; or

(d) any transfer or assignment, or any change of control of any of the Purchased Entities arising from the implementation of the Purchase Agreement, the Transactions, or the provisions of this Order.

18. **THIS COURT ORDERS**, for greater certainty, that (a) nothing in paragraph 17 hereof shall waive, compromise or discharge any obligations of the Purchased Entities or the Purchaser, in respect of any Assumed Liabilities, (b) the designation of any Claim as an Assumed Liability is

without prejudice to any of the Purchased Entities' or the Purchasers' right to dispute the existence, validity or quantum of any such Assumed Liability, and (c) nothing in this Order or the Transaction Agreements shall affect or waive the Purchased Entities' or the Purchasers' rights and defenses, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.

19. **THIS COURT ORDERS** that from and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of any of the Purchased Entities then existing or previously committed by any of the Purchased Entities, or caused by any one of the Purchased Entities, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition, or obligation, expressed or implied in any contract, or lease existing between such Person and any of the Purchased Entities (including for certainty, those contracts, or leases constituting the Purchased Entities' Property) arising directly or indirectly from the filing by the Applicants under the CCAA and implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 17 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract, or a lease shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse any of the Purchased Entities or the Purchasers from performing their obligations under the Transaction Agreements, or be a waiver of defaults by any of the Purchased Entities or the Purchasers under the Transaction Agreements and the related documents.

20. **THIS COURT ORDERS** that, from and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchased Entities or the Purchasers relating in any way to or in respect of any Excluded Assets or Excluded Liabilities and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

21. **THIS COURT ORDERS** that from and after the Closing Time:

(a) the nature of the Assumed Liabilities, as assumed by the Purchased Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;

(b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to ResidualCo;

(c) any Person that prior to the Closing Time had a valid right or claim against any of the Purchased Entities under or in respect of any Excluded Liability (each an "**Excluded Liability Claim**") shall no longer have an Excluded Liability Claim against any of the Purchased Entities, but will have an equivalent Excluded Liability Claim against ResidualCo in respect of the Excluded Liability from and after the Closing Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against ResidualCo; and

(d) any Person with an Excluded Liability Claim against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as against ResidualCo as such Person, with an Excluded Liability Claim, had against the applicable Purchased Entities' entity prior to the Closing Time.

22. **THIS COURT ORDERS** that, as of the Closing Time:

(a) ResidualCo shall be a company to which the CCAA applies; and

(b) ResidualCo shall be added as an Applicant in these CCAA Proceedings and all references in any Order of this Court in respect of these CCAA Proceedings to (i) an "Applicant" or "Applicants" shall refer to and include ResidualCo; and (ii) "Property" shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof, of ResidualCo (collectively the "**ResidualCo Property**"), and, for greater certainty, each of the Charges (as defined in the TARIO), shall constitute a charge on the ResidualCo Property.

SET-OFF MATTERS

23. **THIS COURT ORDERS** that the right of set off is preserved to the extent that: (i) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising prior to the CCAA filing date of June 20, 2024 are applied against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising prior to the CCAA filing date of June 20, 2024 on a consolidated basis; or (ii) any amounts that are, or become, due to an Applicant or ResidualCo with respect to obligations arising after the CCAA filing date of June 20, 2024 are applied against any amounts that are, or become due, from an Applicant or ResidualCo with respect to obligations arising after the CCAA filing date of June 20, 2024.

PRIORITY PAYMENTS AND WIND-DOWN AMOUNT

24. **THIS COURT ORDERS AND DIRECTS** that the Priority Payments, the CCAA Charge Amount and the Administrative Wind-down Amount, as necessary, shall be paid by the the Monitor on the Closing Date using cash received from the Purchaser, consistent with the Implementation Steps and in accordance with the terms of the Purchase Agreement.

25. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these CCAA Proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C 195, c. B-3, as amended (the "**BIA**"), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of any of the Purchased Entities or ResidualCo;

the Transaction Agreements, the implementation of the Transactions (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo, the issuance and vesting of the Purchased Company Shares in and to the LP Purchaser, the transfer and vesting of the FacilityCo Shares in and to the Facility Purchaser, any payment of the CCAA Charge Amount and the Administrative Wind-down Amount, and any payments by or to the Purchasers, any of the Purchased Entities, ResidualCo, or the Monitor authorized herein, or pursuant to the Transaction Agreements) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Purchased Entities and/or ResidualCo and shall not be void or voidable by creditors of the Purchased Entities or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal, provincial or foreign legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

MONITOR

26. **THIS COURT ORDERS** that nothing in this Order, including the release of the Purchased Entities from the purview of these CCAA Proceedings pursuant to paragraph 7(f) hereof and the addition of ResidualCo as an Applicant in these CCAA Proceedings, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and EY shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the TARIO, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of EY in its capacity as Monitor, all of which are expressly continued and confirmed.

27. **THIS COURT ORDERS** that no action lies against the Monitor by reason of this Order or the performance of any act authorized by this Order, except with leave of the Court following a motion brought on not less than ten (10) days' notice to the Monitor and its legal counsel. The entities related or affiliated with the Monitor or belonging to the same group as the Monitor (including, without limitation, any agents, employees, legal counsel or other advisors retained or employed by the Monitor) shall benefit from the protection granted to the Monitor under the present paragraph.

28. **THIS COURT ORDERS** that the Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of the Purchased Entities or ResidualCo or to have taken or maintained possession or control of the business or property of any of the Purchased Entities or ResidualCo, or any part thereof; or (b) be deemed to be in Possession (as defined in the TARIO) of any property of the Purchased Entities or ResidualCo within the meaning of any applicable Environmental Legislation and/or Cannabis Legislation (each as defined in the TARIO) or otherwise.

29. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be, a director, officer, or employee of ResidualCo, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than any liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

30. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of ResidualCo.

RELEASES

31. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, (a) the current directors, officers, employees, consultants, legal counsel and advisors of the Applicants; (b) the current directors, officers, employees, consultants legal counsel and advisors to ResidualCo; and (c) the Monitor and its legal counsel and their respective current directors, officers, partners, employees, consultants and advisors (the Persons listed in (a), (b), and (c) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, duties, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) arising in connection with or relating to the CCAA Proceedings or any matters relating to the Applicants, the Transaction Agreements, the

consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Applicants arising in connection with or pursuant to any of the foregoing (collectively, the "**Released Claims**"), which Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, and are not vested nor transferred to ResidualCo or to any other entity and are extinguished, provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim (i) for fraud or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, (ii) against any current or former director or officer of any of the Applicants in respect of obligations or liabilities that any such director or officer may have incurred in their capacity as director or officer prior to the commencement of these CCAA Proceedings, except as expressly contemplated herein, (iii) any of the Released Parties from the performance of their obligations pursuant to the Transactions. For greater certainty, "current" in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

32. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, Shalcor Management Inc., in its capacity as the DIP Lender, and 2596690 Ontario Inc. (operating as AgriRoots Capital Management Inc.), in its capacity as mortgagee, and the Purchasers, in their capacity as the Successful Bidder (collectively, the "**Other Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future liabilities, claims (including, without limitation, claims for contribution or indemnity), indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the commencement of these CCAA proceedings and prior to the filing of the Monitor's Closing Certificate, undertaken or completed in connection with or pursuant to the terms of this Order and that relate in any manner whatsoever to the Transaction Agreements, the consummation of the Transactions, and/or any closing document, agreement, document, instrument, matter or transaction involving the Purchased Entities arising in connection with or pursuant to any of the foregoing (collectively, the "**Other Released Claims**"), which Other Released Claims are hereby

and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Other Released Parties.

33. **THIS COURT ORDERS** that, effective upon the filing of the Monitor's Closing Certificate, the current directors and officers of the Purchased Entities as well as Trevor Henry and Peter Van Mol (collectively, the "**Released D&Os**" and each a "**Released D&O**") shall be and are hereby forever irrevocably released and discharged from any and all claims, including but not limited to claims for unpaid source deductions and excise taxes, that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA proceedings in respect of the Purchased Entities, the business, operations, assets, property and affairs of the Purchased Entities and the Purchased Entities and/or these CCAA proceedings (collectively, the "**D&O Released Claims**"), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O; (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; and (c) that is a Insured Claim (as hereinafter defined). For greater certainty, "current" in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transactions, as applicable.

INSURED CLAIMS

34. **THIS COURT ORDERS** that, notwithstanding anything set out in any of the Orders made by the Court in these CCAA proceedings, any Person shall be permitted to commence or continue an action, application or other proceeding in respect of any claim or liability which is an insured claim (the "**Insured Claims**") under any insurance policy maintained by any of the Purchased Entities or ResidualCo (collectively, the "**Insurance Policies**") to the point of determination of liability, if any. The Person asserting an Insured Claim shall be entitled to recover solely from the proceeds under the Insurance Policies to the extent available in respect of any such Insured Claim,

and recovery of such Insured Claim shall be irrevocably and forever limited solely to such proceeds, without any additional rights of enforcement, recovery or recourse as against any of the Purchased Entities or the Released D&Os, and such Person shall have no right to, and shall not, directly or indirectly, make any claim or seek any recoveries from any of the Purchased Entities or any of the Released D&Os, other than enforcing such Person's rights to be paid by the applicable insurer(s) from the proceeds of the applicable Insurance Policies. Nothing herein shall prejudice, compromise, release or otherwise affect any rights or defenses of any insurer with respect to its obligations under any of the Insurance Policies.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

35. **THIS COURT ORDERS** that the Report of the Proposed Monitor dated June 20, 2024, the First Report of the Monitor dated June 27, 2024, the Supplement to the First Report of the Monitor dated July 2, 2024, the Second Supplement to the First Report of the Monitor dated July 5, 2024, the Third Supplement to the First Report of the Monitor dated July 9, 2024, the Second Report of the Monitor dated July 25, 2024 and the Third Report (collectively, the "**Monitor's Reports**"), and the activities and conduct of the Monitor referred to therein are hereby approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

36. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and its counsel, as set out in the Third Report and the Fee Affidavits, be and are hereby approved.

SEALING

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

STAY EXTENSION

38. **THIS COURT ORDERS** that the Stay Period is hereby extended until and including October 31, 2024.

GENERAL

39. **THIS COURT ORDERS** that in the event of a conflict between the terms of this Order and those of the TARIO or any other Order of this Court, the provisions of this Order shall govern.

40. **THIS COURT ORDERS** that, following the Closing Time, the Purchasers shall be authorized to take all steps as may be necessary to affect the discharge of the Claims and Encumbrances as against the Purchased Entities, the Purchased Shares, those Equity Interests of each of the Purchased Entities held by the Purchaser, and the Purchased Entities' Property.

41. **THIS COURT ORDERS** that, following the Closing Time, the title of these proceedings is hereby changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF GREENSEAL CANNABIS COMPANY, LTD.,
WELLWORTH HEALTH CORP., AND 2650751 ALBERTA LTD.

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

43. **THIS COURT ORDERS** that the Monitor and each of the Purchased Entities shall be authorized to apply as they may consider necessary or desirable, with or without notice, to any other court, tribunal or administrative body whether in Canada, the United States, or elsewhere, for orders which aid and complement this Order. All courts, tribunals and administrative bodies of all such jurisdictions are hereby respectfully requested to make such orders and to provide such assistance to the Purchased Entities and/or the Monitor as may be deemed necessary or appropriate for that purpose.

44. **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 Purchased Entities, 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 Purchased Entities and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect

to this Order or to assist the Purchased Entities, the Monitor and their respective agents in carrying out the terms of this Order.

45. **THIS COURT ORDERS** that this Order is effective as of 12:01 a.m. Prevailing Eastern time on the date hereof that it is made and is enforceable without any need for entry and filing.

TAB A

SCHEDULE A

FORM OF MONITOR'S CLOSING CERTIFICATE

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.

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to the Initial Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (Commercial List), (the "**Court**") dated June 20, 2024, as amended and restated on July 3, 2024, July 5, 2024 and July 9, 2024, 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 "**Atlas Global Group**") were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and Ernst & Young Inc. was appointed as the monitor of the Atlas Global Group (in such capacity, the "**Monitor**").

B. Capitalized terms not otherwise defined herein shall have the meanings given to them in the Approval and Reverse Vesting Order of this Court dated October 4, 2024 (the "**ARVO**").

C. Pursuant to the ARVO, the Court approved the Transactions contemplated by the Transaction Agreements, and ordered, *inter alia*, that: (i) all of the right, title and interest of the Purchased Entities in and to the Excluded Assets, Excluded Contracts and Excluded Liabilities be transferred and vested into and in ResidualCo; (ii) authorized and directed Atlas Global to issue the Purchased Company Shares, and vested in and to the LP Purchaser all right, title and interest in and to the Purchased Company Shares, free and clear of any Claims and Encumbrances; (iii) authorized and directed AgMedica to transfer to the Facility Purchaser, the Purchased FacilityCo Shares, and vested in and to the Facility Purchaser, all right, title and interest in and to the Purchased FacilityCo Shares, free and clear of any Claims and Encumbrances; (iv) authorized and directed AgMedica to issue the New AgMedica Shares; (v) terminated and cancelled all of the Existing Shares of each of the Atlas Global and AgMedica other than the Purchased Company Shares and the New AgMedica Shares for no consideration which vesting, terminating and cancelling is to be effective upon the delivery by the Monitor to the Purchasers and the Purchased Entities of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from the Purchased Entities and the Purchasers that all conditions to closing have been satisfied or waived by the parties to the Transaction Agreements.

THE MONITOR CERTIFIES the following:

1. The Monitor has received the Priority Payments, CCAA Charge Amount and the Administrative Wind-down Amount.

2. The Monitor has received written confirmation from the Purchased Entities and the Purchasers, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived, as applicable, by the parties to the Transaction Agreements.

3. This Monitor's closing certificate was delivered by the Monitor at Toronto on __________, 2024.

Ernst & Young Inc., in its capacity as Monitor of the Atlas Global Group and not in its personal or corporate capacity.

Per: ____________________________________

Name:

Title:

SCHEDULE B
PERMITTED ENCUMBRANCES

REAL PROPERTY

REAL PROPERTY GENERAL ENCUMBRANCES

With respect to the Chatham Facility (the "Property")

1. The reservations, limitations, provisos and conditions expressed in the original grant from the Crown.

2. Any registered or unregistered easements, servitudes, rights-of-way, licences, or restrictions, in favour of any governmental authority or public utility, that run with the land and other encumbrances and/or agreements with respect thereto including, without limiting the generality of the foregoing, easements, rights-of-way and agreements for sewers, drains, gas and water mains or electric light and power or telephone, telecommunications or cable conduits, poles, wires and cables.

3. Any encroachments, minor defects or irregularities indicated on any survey of the Property;

4. Any subdivision agreements, site plan agreements, development agreements and any other agreements registered on title to the Property with the municipality, region, publicly regulated utilities or other governmental authorities having jurisdiction.

5. Zoning (including, without limitation, airport zoning regulations), use and building by-laws and ordinances, federal, provincial or municipal by-laws and regulations, work orders, deficiency notices and any other noncompliance.

6. Inchoate liens for taxes, assessments, public utility charges, which are due but the validity of which are being contested in good faith by FacilityCo provided that FacilityCo has provided security which in the opinion of FacilityCo, acting reasonably, is necessary to avoid any lien, charge or encumbrance arising with respect thereto.

7. Plans, by-laws or transfers registered on title to the Property as of the date of the Agreement.

SPECIFIC ENCUMBRANCES

The following instruments registered on title to the Property as of the date hereof:

Chatham Facility

- By-law registered as Instrument No. 171785
- Notice of an Agreement registered as Instrument No. 340724
- Transfer of Easement registered as Instrument No. 576414
- Restrictive Covenants registered as Instrument No. CK68033
- Charge/Mortgage registered as Instrument No. CK192825
- Notice of Assignment of Rents – General registered as Instrument No. CK192826
- Notice of a Mortgage Amending Agreement registered as Instrument No. CK236693

SCHEDULE C

LEGAL DESCRIPTION OF THE REAL PROPERTY

PIN 00528 - 0224 LT

Description:

FIRSTLY: PART LOT 19 CONCESSION 1 RALEIGH PARTS 1, 2, 3, 4 & 5 24R9361; SECONDLY: PART LOT 19 CONCESSION 1 RALEIGH PARTS 1, 4 & 5 24R7621 EXCEPT PARTS 1, 2, 3, 4 & 5 24R9361; SUBJECT TO AN EASEMENT OVER PT 4 24R9361 IN FAVOUR OF PT LT 20 CON 1 RALEIGH PT 1 24R1643 AS IN 340724; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PT 1 24R1855 AS IN 164642; SUBJECT TO AN EASEMENT IN GROSS OVER PARTS 4 & 5 24R9361 AS IN 576414; SUBJECT TO AN EASEMENT OVER PART 3 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT AS IN 164642; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PT 3 24R9361 AS IN CK68020; TOGETHER WITH AN EASEMENT OVER PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; SUBJECT TO AN EASEMENT OVER PTS 1, 4 & 5 24R7621 EXCEPT PTS 1, 2, 3, 4 & 5 24R9361 IN FAVOUR OF PT LT 19 CON 1 RALEIGH PTS 1, 2, 3, 4 & 5 24R9361 AS IN CK68020; MUNICIPALITY CHATHAM-KENT

Address: 510 & 566 Riverview Drive, Chatham, Ontario, N7M 0N2

SCHEDULE D

CLAIMS AND ENCUMBRANCES TO BE DELETED FROM TITLE TO THE REAL PROPERTY

1. Notice of Lease registered as Instrument No. CK180981

2. Postponement of Interest registered as Instrument No. CK192827

3. Postponement of Interest registered as Instrument No. CK236694

IN THE MATTER OF THE 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.

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at Toronto, Ontario

APPROVAL AND VESTING ORDER

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Lawyers for the Applicants

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

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.

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
(APPROVAL AND REVERSE VESTING ORDER RETURNABLE OCTOBER 4, 2024)

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