

**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**

B E T W E E N:

2437653 ONTARIO INC.

Applicant

- and -

**ENTOURAGE HEALTH CORP., ENTOURAGE BRANDS
CORP., 2686912 ONTARIO LIMITED, 2686913 ONTARIO INC.,
STARSEED HOLDINGS INC., NORTH STAR WELLNESS INC.
and CANNTX LIFE SCIENCES INC.**

Respondents

**FIRST REPORT OF THE MONITOR
DATED JUNE 25, 2026**

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INTRODUCTION

1. On June 17, 2026, 2437653 Ontario Inc. (the “**Applicant**”), in its capacity as the primary and senior secured lender to Entourage Health Corp. (“**EHC**”), Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Inc., Starseed Holdings Inc., North Star Wellness Inc., and Canntx Life Sciences Inc. (each, a “**Debtor**” and collectively, the “**Debtors**” or the “**Entourage Group**”) brought an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) seeking an initial order in respect of the Debtors pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”).
2. On that same day, the Court granted an initial order (the “**Initial Order**”) in these CCAA proceedings (the “**CCAA Proceedings**”) that, among other things:
 - a. appointed Ernst & Young Inc. (“**EYI**”) as monitor of the Debtors (in such capacity, the “**Monitor**”);
 - b. granted certain enhanced powers to the Monitor with respect to the financial affairs of the Debtors and the Property (as defined in the Initial Order);
 - c. ordered a stay of proceedings in favour of the Debtors until and including June 29, 2026 (the “**Stay Period**”); and
 - d. granted certain Court-ordered charges (the “**Court-ordered Charges**”).
3. The comeback motion is scheduled to be heard on June 29, 2026.

PURPOSE

4. The purpose of this first report of the Monitor (the “**First Report**”) is to provide information to the Court on:
 - a) the Debtors’ operations and communications with stakeholders since the granting of the Initial Order;
 - b) the Monitor’s activities since its appointment;
 - c) the Debtors’ updated cash flow forecast (the “**Updated Cash Flow Forecast**”) for the period from June 29, 2026 to August 28, 2026;

- d) the Applicant's motion for an amended and restated Initial Order (the "**ARIO**") substantially in the form attached to the Applicant's motion record, which, among other things:
- i. amends certain of the Court-ordered Charges (as defined below) granted pursuant to the Initial Order;
 - ii. approves the DIP Term Sheet (as defined below) to a maximum cash draw amount available to the Debtors under the DIP Facility (as defined below) of \$1,100,000; and
 - iii. extends the Stay Period to August 28, 2026; and
- e) the Applicant's motion for an Order (the "**SISP Order**") that authorizes the Monitor to conduct a proposed sale and investment solicitation process (the "**SISP**") in respect of the Debtors' businesses and assets.

TERMS OF REFERENCE

5. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, discussions with management of the Entourage Group ("**Management**"), discussions with the advisors to the Applicant (the "**LPF Advisors**") (collectively, the "**Information**"). Except as described in this First Report in respect of the Cash Flow Forecast:
- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CAS in respect of the Information; and
 - b) some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

6. Future-oriented financial information referred to in this First Report was prepared based on the estimates and assumptions of Management. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise indicated, the Monitor's understanding of factual matters expressed in this First Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
8. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

BACKGROUND INFORMATION WITH RESPECT TO THE DEBTORS

9. This First Report should be read in conjunction with the Pre-filing Report of the Monitor dated June 16, 2026 (the "**Pre-Filing Report**") and the affidavit of Greg Buxton-Forman sworn June 15, 2026 (the "**Buxton-Forman Affidavit**") for additional background and financial information with respect to the Debtors.
10. The Entourage Group operates a federally licensed cannabis processing and distribution business for medical and adult-use recreational markets under the *Cannabis Act*, SC 2018, c 16, as amended (the "**Cannabis Act**") and the *Cannabis Regulations*, SOR/2018-144, as amended (the "**Cannabis Regulations**"). The Buxton-Forman Affidavit provides an overview of the principal business activities of the Debtors, summarized as follows:
 - a) The Entourage Group operates a 26,000 square foot extraction and processing facility located at 250 Elm St, Aylmer, Ontario (the "**Aylmer Facility**").
 - b) The Debtors maintain a portfolio of retail cannabis brands, including Color Cannabis, Dime Bag and Saturday Cannabis, which are distributed through provincial agencies across Canada. The Entourage Group distributes its medical use cannabis through the Starseed Medical Brand, which is the exclusive partner for locals of the Labourers' International Union of North America ("**LiUNA**").

11. As described in greater detail in the Buxton-Forman Affidavit, the LiUNA Pension Fund of Central and Eastern Canada (“**LPF**”) became Entourage Group’s principal financial stakeholder through a series of equity and debt investments made over time. Beginning with an initial equity investment in 2019, LPF subsequently provided substantial additional financing under a subordinated credit facility and later acquired the Debtors’ senior debt from Bank of Montreal. In 2025, an LPF affiliate acquired all of the outstanding equity of EHC—which is a Debtor in these CCAA Proceedings and the ultimate parent of the other Debtors—through a plan of arrangement. As a result of these steps, LPF (through its affiliates) now stands as both the Debtors’ senior secured creditor and their ultimate indirect equity owner.

Employees

12. As described in the Buxton-Forman Affidavit, in early June 2026, the Debtors significantly reduced their workforce by terminating approximately 53 employees in connection with the wind-down of its adult-use business. As of the date of this First Report, the Debtors employ 22 people.

Liabilities

13. As described in the Buxton-Forman Affidavit, as of May 15, 2026, the Debtors were indebted to the Applicant in the aggregate amount of approximately \$240.1 million under the senior and subordinated credit facilities (inclusive of accrued and unpaid interest), with the indebtedness continuing to increase due to accruing interest and the absence of debt service payments.
14. According to the Debtors’ books, they owe approximately \$961,000 in excise tax related to the period from March 1 to May 31, 2026.
15. In addition, the Debtors’ accounting records indicate significant unsecured liabilities of over \$3,300,000 as of the date of this First Report.
16. The Monitor understands from Management that the Debtors are current with their source deduction remittance obligations.

UPDATE ON THE DEBTORS' ACTIVITIES AND COMMUNICATIONS

17. Since the issuance of the Initial Order, the Entourage Group has focused on stabilizing operations. Management, with the assistance of the Monitor, has engaged in active discussions with stakeholders, including employees, suppliers, and customers. With the assistance and in consultation with the Monitor, the Entourage Group has maintained their business operations without significant disruption.

18. The Monitor has reviewed certain communications from the Entourage Group to various stakeholder groups and has found such communications to be fair and transparent. These communications and efforts include, among others:
 - a) outreach with suppliers and other stakeholders, updating them on the effect of these CCAA Proceedings;
 - b) holding meetings with employees; and
 - c) providing a list of frequently asked questions, along with answers to such questions, to employees.

19. Since the Initial Order was granted, the Monitor has:
 - a. monitored the Debtors' receipts and disbursements by reviewing information provided by the Debtors, including via read-only access to the Debtors' bank accounts;
 - b. assisted the Debtors in their discussions and communications with creditors and stakeholders;
 - c. held discussions with the Debtors regarding operational matters and restructuring strategies, including a potential SISP;
 - d. participated in discussions with the LPF Advisors regarding the Debtors' financial and operational matters, as well as the SISP;
 - e. assisted the Debtors in reviewing financial and operational information to prepare the Updated Cash Flow Forecast and the proposed SISP, as further described below; and

- f. responded to inquiries received from creditors and other parties regarding these CCAA Proceedings.
20. The Monitor has established a case website at www.ey.com/ca/entourage (the “**Monitor’s Website**”) to disseminate information to stakeholders and post all publicly available Court materials related to these CCAA Proceedings. Pursuant to the Initial Order:
- a. the Monitor posted copies of the Initial Order, the Pre-Filing Report, the Application Record and the Service List on the Monitor’s Website;
 - b. on June 23, 2026, the Monitor posted on the Monitor’s Website a list showing the Debtors’ known creditors and the estimated amount of their claims;
 - c. on June 23, 2026, the Monitor provided notice of these CCAA Proceedings to creditors with claims greater than \$1,000 appearing in the Debtors’ books and records as of the date of the Initial Order; and
 - d. the Monitor arranged for the notice of these CCAA Proceedings to be published in the National Post, which was first published on June 23, 2026.
21. In addition to the Monitor’s Website and the communications noted above, the Monitor has set up an email address (Entourage.monitor@ca.ey.com) and hotline phone number (1-833-453-2978) that are specific to these CCAA Proceedings in order to respond to inquiries from creditors and other stakeholders.

THE ARIO

22. The Initial Order provided for two super-priority Court-ordered Charges (as defined in the Initial Order) on the current and future assets, undertakings and property of the Debtors, wherever located, including all proceeds thereof that rank in the following order:
- a) first, the Administration Charge; and
 - b) second, the Directors’ Charge.

23. The proposed ARIO provides for certain amendments to the Initial Order and seeks to grant additional relief. Certain of the material amendments and requested relief are summarized below.

Increases to Court-ordered Charges

24. The proposed ARIO seeks to increase the Court-ordered Charges as described above and establishes the following priorities for the Court-ordered Charges granted thereunder:
- a) first, the Administration Charge (to the maximum amount of \$500,000);
 - b) second, the DIP Charge (as defined herein) (to the maximum amount of \$1,100,000, plus interest, fees, costs and other charges under the DIP Term Sheet); and
 - c) third, the Directors' Charge (to the maximum amount of \$500,000).

Administration Charge

25. Pursuant to the Initial Order, this Court granted the administration charge up to the maximum amount of \$250,000, in favour of the Monitor, counsel to the Monitor, and counsel to the Debtors (collectively, the “**Secured Professionals**”) as security for their professional fees incurred prior to and during the initial Stay Period prior to the comeback hearing (the “**Administration Charge**”).
26. The Applicant seeks to increase the quantum of the Administration Charge from \$250,000 to \$500,000. This increase in quantum considers the estimated fees of the Secured Professionals to be incurred during the extended Stay Period.
27. The increased quantum of the Administration Charge has been established based on the Secured Professionals' previous history and experience with restructurings of similar scope and complexity. The Monitor believes that such an increase is required and reasonable in the circumstances.

DIP Charge

28. As described in the Pre-Filing Report, the Entourage Group indicated that they intended to return to Court to seek an ARIO including the requirement for a debtor-in-possession (“**DIP**”)

financing facility to provide additional liquidity and fund if needed the ongoing operations and restructuring of the business. As of the date of the Pre-Filing Report, the Applicant indicated a willingness to provide the DIP financing facility, subject to customary terms and conditions, including the granting of a Court-ordered charge (the “**DIP Charge**”).

29. In order to provide the required additional liquidity to fund ordinary course operations and these CCAA Proceedings, the Applicant now seeks the approval of the aforesaid debtor-in-possession financing facility (the “**DIP Facility**”) to be provided by the Applicant (in such capacity, the “**DIP Lender**”) in accordance with the term sheet dated June 24, 2026 (the “**DIP Term Sheet**”) attached hereto as **Appendix “A”**. A blackline comparison showing certain revisions made to the DIP Facility term sheet dated as of June 16, 2026 attached as Exhibit “6” to the Buxton-Forman Affidavit is attached hereto as **Appendix “B”**.
30. In connection therewith in the ARIO, the Applicant proposes to grant the DIP Charge up to a maximum amount of \$1,100,000 (the principal amount of the DIP Facility), plus interest, fees, costs and other charges under the DIP Term Sheet, on the Property (as defined in the Initial Order) in favour of the DIP Lender. The DIP Charge will rank subordinate only to the Administration Charge.
31. The following is a summary of the material terms of the DIP Term Sheet:
 - a. The DIP Facility is a super-priority, non-revolving credit facility in the maximum principal amount of \$1,100,000;
 - b. The DIP Facility shall be used (i) to fund general operating expenses during these CCAA Proceedings, including fees and expenses of the Monitor, Monitor’s counsel, and Debtors’ counsel, (ii) to pay the DIP Lender’s expenses; and (iii) to pay the interest, fees, and other amounts owing to the DIP Lender under the DIP Term Sheet;
 - c. The DIP Facility matures on the earliest of the following (the “**Maturity Date**”): (i) the occurrence of any Event of Default (as defined in the DIP Term Sheet) which is continuing and has not been cured within the applicable cure period; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceedings into a receivership or a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iv) the date on which the DIP Obligations are voluntarily prepaid in full and the DIP

Facility is terminated; and (v) the Outside Date (as defined in the DIP Term Sheet) of August 28, 2026. The Maturity Date may be extended from time to time at the request of the Debtors (in consultation with the Monitor) and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the DIP Lender may agree in its sole discretion;

- d. Interest shall be payable on (a) the principal amount of the Advances and (b) overdue interest, fees and the DIP Lender Expenses outstanding from time to time at a rate equal to 5% per annum, payable monthly in arrears in cash on the last Business Day of each month (all terms as defined in the DIP Term Sheet);
- e. The Debtors shall pay recoverable expenses incurred by the DIP Lender in connection with (i) the DIP Term Sheet; and (ii) all of the DIP Lender's costs of realization or enforcement, in each case in connection with or related to the DIP Facility, the DIP Charge, the DIP Term Sheet, or the CCAA Proceedings.

- 32. After comparing the terms of the DIP Term Sheet to court-approved DIP facilities in other cannabis sector restructuring proceedings since January 2024, the Monitor has concluded that the terms and interest rate of the DIP Term Sheet are reasonable in the circumstances. Notably, the DIP Term Sheet does not require the payment of commitment fees, exit fees, or other fees by the Debtors, and the interest rate thereunder falls well within the reasonable range for such credit facilities. Based on discussions with LPF and having regard to the status of the Debtors' operations and the challenges facing the cannabis industry, the Monitor believes that it is highly unlikely that any third-party lender would provide further financing to the Debtors on terms better than what is proposed in the DIP Term Sheet.
- 33. As described in the Updated Cash Flow Forecast attached hereto as **Appendix "C"**, the Debtors have a requirement for interim financing to fund operations and to complete the restructuring during the Cash Flow Forecast period. The liquidity risk is exacerbated by significant uncertainty in collections. Without access to the proposed DIP Facility, the Debtors are projected to exhaust their liquidity by the end of July, which could lead to operational disruptions and hinder their ability to pursue a restructuring or sale transaction. Accordingly, the Monitor is of the view that the Applicant's request for approval of the DIP Term Sheet and the related DIP Charge is necessary and reasonable in the circumstances.

Directors' Charge

34. Pursuant to the Initial Order, this Court granted a Charge to secure an indemnity in favour of the current directors and officers of the Debtors against obligations and liabilities that they may incur as a director or officer of the Debtors after the commencement of these CCAA Proceedings, except to the extent that the obligation or liability is incurred as a result of such director's or officer's gross negligence or willful misconduct (the "**Director's Charge**"). The Debtors are currently reviewing options available to extend their existing directors' and officers' insurance policy (the "**D&O Insurance Policy**"), which is set to expire in early July 2026. The directors and officers are only entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under the existing D&O Insurance Policy, such coverage is insufficient to pay an indemnified amount, or such coverage is denied by the insurance provider.
35. The Applicant seeks to increase the maximum amount of the Directors' Charge from \$250,000 to \$500,000. This increase in quantum reflects the estimated directors' and officers' exposure in respect of accrued payroll costs, vacation pay and sales taxes and excise duty obligations during the longer Stay Period.
36. The Monitor is of the view that the increased amount of the Directors' Charge is required and is reasonable in these circumstances.

STATUS OF OPERATIONS

37. Prior to the CCAA Proceedings, the Debtors commenced the process of winding down their adult-use business. During the initial Stay Period, the Debtors continued the orderly wind-down of the adult-use business, while maintaining the operation of their medical business.
38. Since the filing date, the Debtors have continued to advance the orderly disposition of the existing adult-use cannabis inventory, including:
 - a. shipping certain finished goods to provincial distributors;
 - b. selling flower inventory to other licensed companies in the bulk market; and
 - c. developing a plan to sell or dispose of all remaining adult-use inventory items in the near future.

39. The Entourage Group’s medical business has continued to operate in the ordinary course without significant disruption. Management, with the assistance of the Monitor, has reached out to certain critical suppliers to advise them of the CCAA Proceedings and to engage in discussions regarding post-filing supply and other continuing business arrangements.

PRE-FILING MARKETING PROCESS

40. As described in the Buxton-Forman Affidavit, beginning in or around May 2026, the Debtors initiated efforts to explore strategic alternatives (the “**Pre-filing Marketing Process**”).
41. As part of the Pre-filing Marketing Process, the Debtors contacted several potentially interested parties regarding sale transactions involving all or a portion of the Entourage Group’s businesses or assets. The Debtors prepared marketing materials and a data room (the “**Data Room**”) that contains non-public financial and operational information in connection with these marketing efforts.
42. The Debtors received expressions of interest through the Pre-filing Marketing Process; however, no executable transaction was identified prior to the commencement of the CCAA Proceedings.
43. Following the issuance of the Initial Order, the Debtors, with the assistance of the Monitor, continued to engage with certain interested parties that participated in the Pre-filing Marketing Process and provided additional information to address their ongoing due diligence.

PROPOSED SISP

Leveraging the Pre-filing Marketing Process

44. The Monitor has had discussions with Management and LPF Advisors to review feedback received in the Pre-filing Marketing Process. Based on these discussions, the Applicant is of the view that pursuing an expedited SISP and leveraging the groundwork performed during the Pre-filing Marketing Process, represents an appropriate next step to solicit and evaluate available transaction alternatives for the Debtors’ businesses and assets.

Ongoing Preparatory Work

45. The Monitor has been working closely with the Debtors to review financial and operational information in preparation for the proposed SISP. The ongoing preparatory work includes:
- a. drafting a teaser letter (the “**Teaser Letter**”) that provides an overview of the Debtors’ businesses (the “**Businesses**”) and outlines the process under the proposed SISP;
 - b. creating a confidential information memorandum (“**CIM**”) that details the Businesses and Property;
 - c. updating the Data Room to facilitate due diligence requests;
 - d. developing a list of potential interested parties (the “**Known Potential Bidders**”); and
 - e. preparing a non-disclosure agreement (“**NDA**”).
46. The Monitor’s team includes merger and acquisition (“**M&A**”) professionals from Ernst & Young Parthenon Corporate Finance Inc. (“**EYP**”, and together with EYI, “**EY**”), who have industry knowledge and transaction expertise in the cannabis sector.

Timeline of the Proposed SISP

47. Below is a summary of the proposed SISP. Reference should be made to the complete text of the proposed SISP attached as Appendix “D” to this First Report and Schedule “A” to the proposed SISP Order. Terms not otherwise defined in this section are as defined in the SISP.

Milestone	Date
Commencement of SISP	June 29, 2026
Distribution of Teaser Letter and NDA	As soon as reasonably practicable following the commencement of the SISP
The Monitor will arrange for SISP Notice (as defined herein) to be published in a newspaper.	As soon as reasonably practicable following commencement of the SISP
Deadline for Insiders and affiliates to provide notice of participation as a bidder	July 6, 2026 (5:00 pm Eastern Time) (“ Insider Deadline ”)
Bid Deadline	July 30, 2026
Selection of Successful Bid(s) and Back-up Bid(s) (if any)	August 7, 2026
Deadline for Sale Approval Hearing (subject to Court availability)	August 17, 2026
Outside Date for Closing	August 28, 2026

Key Aspects of the Proposed SISP

48. The proposed SISP is intended to solicit proposals for acquiring, financing or investing in all or substantially all or part of the Businesses and Property, or selling the Businesses through a liquidation, merger, reorganization, recapitalization, primary equity issuance or other similar transaction within a specified timeframe, as described above.

49. The Monitor will be responsible for conducting and overseeing the SISP. The Monitor’s responsibilities will include canvassing the market, facilitating information requests from

interested parties, and assisting with the closing of the Successful Bid(s). To ensure the integrity and fairness of the SISP, the DIP Lender has confirmed to the Monitor in writing (through their respective counsel) that it will not participate as a bidder in the SISP.

50. If any party who is an affiliate of the Entourage Group (including any director, officer, employee, or shareholder) intends to submit a bid pursuant to the SISP, any such party must advise the Monitor of such intention in writing by July 6, 2026. Any such party(ies) shall be entitled to participate in the SISP as a Potential Bidder, provided that, and only to the extent that, such party(ies) shall: (a) be excluded from participating in the SISP discussions in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Monitor in its sole discretion; and (b) be subject to such restrictions as the Monitor, in its sole discretion, determines to be necessary to protect the integrity of the SISP. Any insider or affiliate who fails to provide notice of an intention to participate in the SISP as a Potential Bidder by the Insider Deadline shall not be permitted to submit a bid in the SISP, whether directly or indirectly.
51. The Monitor, with the consent of the DIP Lender, may amend the SISP milestone dates described above and give appropriate notice. The Monitor may also seek Court approval for material amendments and directions related to the SISP. Any amendments to the SISP milestones shall not constitute a material modification, provided that any extensions to the Bid Deadline are not longer than fourteen calendar days.
52. The SISP allows the Monitor, in consultation with the Entourage Group and the DIP Lender, to suspend or terminate the SISP, if the Monitor determines, in its reasonable business judgment, that doing so would be in the best interests of the Entourage Group and its stakeholders, or that the SISP is unlikely to produce a Qualified Bid or executable Transaction.
53. The Monitor expects to complete the SISP preparatory work prior to the launch of the SISP on June 29, 2026. Following the SISP launch, the Monitor will take the following market canvassing activities as soon as reasonably practicable:
 - a. send the Teaser Letter and the NDA to all Known Potential Bidders; and
 - b. publish a notice of the SISP (the “**SISP Notice**”) in a newspaper and also post the SISP Notice on the Monitor’s Website.

54. Paragraph 13 of the SISP outlines the requirements (the “**Participant Requirements**”) for any interested party who wishes to participate in the process as a potential bidder (following the satisfaction of the Participant Requirements, each a “**Potential Bidder**”). To satisfy the Participant Requirements, each Potential Bidder must provide an executed NDA and written confirmation disclosing their identity and financial ability to close a Transaction.
55. Potential Bidders will be provided with the CIM and access to additional documents and information through the Data Room to enable the Potential Bidders to perform their own independent review, investigation and/or inspection as required in their due diligence review.
56. The Monitor will, in its discretion, coordinate all reasonable requests for information and due diligence access for each eligible Potential Bidder. Due diligence may include access to the Data Room, management meetings, on-site visits and other reasonable requests.
57. The deadline for bidders to submit a binding Sale Proposal or Investment Proposal (each as defined in the SISP) is July 30, 2026 (5:00 p.m. Eastern Time), or such later date as may be communicated by the Monitor to bidders in accordance with the SISP. In order to be considered as a Qualified Bid, each binding Sale Proposal or Investment Proposal must at a minimum meet the criteria outlined in paragraph 24 of the SISP.
58. The Monitor, shall evaluate bids based on various factors with a view to selecting the best bid as the “**Successful Bid(s)**”. The Monitor may with the consent of the applicable bidders, treat multiple bids as one or more single combined bid, which may be treated as a Successful Bid or Back-Up Bid. In addition, the Monitor may designate one or more bids to serve as Back-Up Bid(s).
59. Following the selection of the Successful Bid(s) and the Back-Up Bid(s), the SISP contemplates that, as soon as reasonably practicable, the Monitor will use reasonable efforts to negotiate definitive documents and bring a motion to the Court to approve the Successful Bid(s) (the “**Sale Approval Hearing**”). Subject to the Court’s availability, the Sale Approval Hearing shall be held on or before August 17, 2026.
60. The proposed Outside Date for closing date for any definitive agreement shall be no later than August 28, 2026.

Monitor's Assessment

61. The Monitor has developed the proposed SISP in consultation with the DIP Lender and the Debtors, which is aimed at seeking the best alternatives for the benefit of the Debtors and their stakeholders while ensuring a fair and transparent sale process, particularly in the context of the Debtors' limited liquidity resources.
62. The Monitor is leading the preparation of materials for the proposed SISP to support a robust and a competitive sale process. The SISP timeline accounts for the estimated time needed to complete the necessary preparatory work and the Debtors' remaining liquidity, which relies primarily on the DIP Facility.
63. To ensure the effectiveness and fairness of the sale process, the proposed SISP provides that the Monitor shall oversee and conduct the SISP, under the ultimate oversight and supervision of the Court.
64. The Monitor's outreach will, among other things, include Known Potential Bidders and will generate potential market interest through publishing the SISP Notice in a major daily newspaper.
65. The proposed SISP milestones are permitted to be amended or extended in certain circumstances. The Monitor is of the view that this flexibility is appropriate to ensure the best possible outcome from the SISP.
66. The Monitor believes that the proposed SISP is reasonably designed and will effectively explore sale, restructuring, and recapitalization options for the benefit of the Debtors and its stakeholders. The proposed timeline is reasonable, taking into account the Pre-filing Marketing Process, time needed to prepare for the SISP and the Debtors' liquidity constraints.

LIQUIDATION SOLICITATION PROCESS

67. As part of the SISP, the Monitor, with the assistance of the Debtors, intends to solicit proposals from:
 - a. reputable and experienced liquidation firms in respect of all or part of the non-cannabis assets, including equipment (each a "**Liquidation Proposal**");

- b. qualified real estate brokers (each a “**Real Estate Listing Proposals**”) with experience in marketing and selling comparable properties for the marketing of the Aylmer Facility and to assist with the disposition of the Aylmer Facility.
68. This comprehensive approach is intended to facilitate an efficient assessment of available alternatives and preserve value for the benefit of stakeholders.
69. The Liquidation Proposal solicitation process is expected to include:
- a. the distribution of a targeted request for proposals to a group of recognized liquidation firms;
 - b. a request that proposals include, among other things, guaranteed recovery structures, commission-based arrangements and proposed realization timelines; and
 - c. an evaluation by the Monitor of such proposals, with a view to maximizing net recoveries and minimizing execution risk.
70. In addition, the Monitor will solicit proposals from qualified real estate brokers with experience in marketing and selling comparable properties to assist with the disposition of Aylmer Facility
71. The Real Estate Listing Proposal process is expected to include:
- a. Identification and outreach to brokers with relevant market expertise;
 - b. Receipt of proposals outlining marketing strategies, listing approaches, expected realizations, and commission structures; and
 - c. Selection of one or more brokers, to market the Aylmer Facility.
72. Any Liquidation Proposal or Real Estate Listing Proposal, if accepted, will be subject to the Court’s approval.

EXTENDING THE STAY PERIOD

73. The Stay Period is currently set to expire on June 29, 2026. The Applicant is requesting an extension of the Stay Period to and including August 28, 2026.
74. The Monitor believes that the requested stay extension is appropriate for the following reasons:
- (i) the Debtors require the extension to further review their business and affairs and to develop

restructuring strategies, including the implementation of the SISP and liquidating solicitation process; (ii) the Monitor will collaborate closely with the Debtors and LPF regarding the development of these restructuring strategies; and (iii) the Debtors have continued to operate in good faith and with due diligence since the date of the Initial Order.

75. Based on the Updated Cash Flow Forecast and the availability of advances under the proposed DIP Facility, subject to court approval, the Entourage Group believes that it will have sufficient liquidity for the duration of the extended Stay Period.

CONCLUSIONS AND RECOMMENDATIONS

76. Based on the foregoing, the Monitor respectfully recommends that this Court grant:
- a. the proposed ARIO; and
 - b. the SISP Order, as submitted by the Applicant.

All of which is respectfully submitted this 25th day of June, 2026.

**ERNST & YOUNG INC., in its capacity
as Monitor of the Debtors, and not in its
corporate or personal capacity**

per:



David Saldanha
Senior Vice-President

per:



Allen Yao
Senior Vice-President

Appendix A

DIP FACILITY TERM SHEET

This term sheet dated as of June 24, 2026 (this “**Term Sheet**”) sets out the terms on which 2437653 Ontario Inc. (the “**DIP Lender**”) is prepared to provide debtor-in-possession financing to the Borrowers (as defined below).

Background:

The Borrowers have requested that the DIP Lender provide the DIP Facility (as defined below) in connection with the pendency of the proceedings concerning the Borrowers under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”, and such proceedings the “**CCAA Proceedings**”) commenced before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by way of an initial order dated June 17, 2026 (the “**Initial Order**”) and in accordance with the terms and conditions set out herein.

The DIP Lender has agreed to provide the DIP Facility pursuant to and in accordance with, among other terms, those terms set out below:

1. **BORROWERS:** Entourage Health Corp., Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Limited, Starseed Holdings Inc., North Star Wellness Inc., and CannTX Life Sciences Inc. (the “**Borrowers**”).
2. **DIP LENDER:** 2437653 Ontario Inc. (the “**DIP Lender**”).
3. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this Term Sheet have the meanings given thereto in Schedule “A”.
4. **DIP FACILITY ADVANCES:** A senior secured, superpriority, debtor-in-possession, interim, non-revolving, multiple draw credit facility (the “**DIP Facility**”) up to a maximum principal amount of One Million One Hundred Thousand Dollars (\$1,100,000.00) (as such amount may be increased or reduced from time to time pursuant to the terms hereof, the “**Facility Amount**”), subject to the terms and conditions contained herein.

The DIP Facility shall be made available to the Borrowers by way of one or more advances (each, an “**Advance**”) in Canadian dollars by wire transfer of immediately available funds.

Each Advance shall be deposited by the DIP Lender into the Operating Account within two (2) Business Days following receipt by the DIP Lender of a written request from the Borrowers, each of which must be approved by the Monitor in writing, and the satisfaction of the Advance Conditions, provided that the aggregate principal amount of all Advances made under the DIP Facility shall not exceed the Facility Amount.

Each Borrower shall be jointly and severally liable to the DIP Lender for the full and timely payment and performance of all DIP Obligations.

5. **PURPOSE AND PERMITTED PAYMENTS:**

The Borrowers shall apply the proceeds of the DIP Facility solely for the following purposes and in the following order:

- (a) to fund their restructuring fees and expenses and general operating expenses during the CCAA Proceedings, including the reasonable and documented fees and expenses of the Monitor, Monitor's counsel, and Borrowers' counsel;
- (b) to pay the reasonable and documented DIP Lender Expenses; and
- (c) to pay the interest, fees and other amounts owing to the DIP Lender under this Term Sheet.

For greater certainty, the Borrowers may not use the proceeds of the DIP Facility to pay any category of any other obligations without the prior written consent of the DIP Lender.

6. **ADVANCE CONDITIONS:**

The DIP Lender's agreement to make the Facility Amount available to the Borrowers and to make any Advance to the Borrowers is subject to the satisfaction of the following conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:

- (a) The Court shall have issued an amended and restated Initial Order (as amended from time to time, the "**ARIO**") in substantially the form attached hereto as Schedule "B" and with such minor revisions as are acceptable to the Borrowers, the Monitor and the DIP Lender, each acting reasonably. The ARIO shall, without limitation, (i) approve this Term Sheet and authorize the DIP Facility, and the borrowing of any Advances to be secured by the DIP Lender Charge, and (ii) grant the DIP Lender a priority charge (the "**DIP Lender Charge**") on the Borrowers' Collateral as security for the payment of Advances, which DIP Lender Charge shall have priority over all Liens on the Borrowers' Collateral other than the Permitted Priority Liens, and such ARIO shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified, without the written consent of the DIP Lender, acting reasonably.
- (b) No Default or Event of Default shall have occurred or will occur as a result of the requested Advance.
- (c) The Borrowers shall have executed and delivered this Term Sheet.
- (d) The Borrowers' cash management system shall continue in the manner approved by the ARIO unless otherwise consented to in writing by the DIP Lender and the Monitor in their reasonable discretion.

- (e) There shall be no order of the Court in the CCAA Proceedings that contravenes this Term Sheet so as to materially adversely impact the rights or interests of the DIP Lender, as determined by the DIP Lender.

7. **COSTS AND EXPENSES:**

The Borrowers shall reimburse the DIP Lender for all reasonable and documented out-of-pocket legal and financial advisory fees and expenses incurred before or after the Filing Date related to this DIP term sheet and the CCAA Proceedings (collectively, the “**DIP Lender Expenses**”) in connection with the DIP Facility, the DIP Credit Documents, and the DIP Lender’s participation in the CCAA Proceedings. The DIP Lender Expenses shall form part of the DIP Obligations secured by the DIP Lender Charge.

All accrued DIP Lender Expenses incurred prior to the Filing Date in connection with the DIP Facility and the preparation for and initiation of the CCAA Proceedings shall be paid in full through deduction from the first Advance.

8. **DIP LENDER CHARGE:**

All DIP Obligations shall be secured by the DIP Lender Charge, in connection with which the DIP Lender may, in its reasonable discretion, require the execution, filing or recording of any security agreements, pledge agreements, financing statements or other documents or instruments, in order to obtain, or further evidence, a Lien on such Collateral. For greater certainty, the execution, filing or recording of any security agreements, pledge agreements, financing statements or other documents or instruments shall not be an Advance Condition except and unless the DIP Lender has provided the Borrowers with seven (7) Business Days’ notice that the execution, filing or recording of such security agreements, pledge agreements, financing statements or other documents or instruments is required.

9. **PERMITTED LIENS AND PRIORITY:**

All Collateral will be free and clear of all Liens, except for the Permitted Liens.

The DIP Lender Charge shall rank in priority to any and all Liens on the Borrowers’ Collateral other than the Permitted Priority Liens. As among the DIP Lender Charge, the Administration Charge and the Directors’ Charge, the relative priority shall be as follows:

- (a) *first*, the Administration Charge;
- (b) *second*, the DIP Lender Charge; and
- (c) *third*, the Directors’ Charge.

10. **REPAYMENT:**

The DIP Facility and the DIP Obligations shall be due and repayable in full on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured within the applicable cure period; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceedings into a receivership or a proceeding under the

Bankruptcy and Insolvency Act (Canada); (iv) the date on which the DIP Obligations are voluntarily prepaid in full and the DIP Facility is terminated; and (v) the Outside Date (the earliest of such dates being the “**Maturity Date**”). The Maturity Date may be extended from time to time at the request of the Borrowers (in consultation with the Monitor) and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the DIP Lender may agree in its sole discretion.

Without the consent of the DIP Lender, acting in its sole discretion, no Court Order sanctioning a Plan shall discharge or otherwise affect in any way the DIP Obligations, other than after the permanent and indefeasible payment in cash to the DIP Lender of all DIP Obligations on or before the date such Plan is implemented.

11. **EVIDENCE OF INDEBTEDNESS:** The DIP Lender’s accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

12. **PREPAYMENTS:** Provided the Monitor consents in writing, the Borrowers may prepay any DIP Obligations at any time prior to the Maturity Date without premium or penalty. Any amount repaid may not be reborrowed without the prior written consent of the DIP Lender, which may be withheld in its sole discretion, and the Monitor.

Provided the Monitor consents in writing, the Borrowers may, at any time, negotiate and enter into another interim financing facility that provides for the prepayment of the DIP Obligations in full, and the concurrent termination of the DIP Facility and this Term Sheet.

13. **INTEREST RATE:** Interest shall be payable on (a) the principal amount of the Advances and (b) overdue interest, fees and the DIP Lender Expenses outstanding from time to time at a rate equal to 5% *per annum*, payable monthly in arrears in cash on the last Business Day of each month.

All interest shall be computed daily on the basis of a calendar year of 365 or 366 days, as applicable, and, if not paid when due, shall compound monthly. Whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number of days used in the basis for such determination.

14. **CURRENCY** Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada and all payments made by the Borrowers under this Term Sheet shall be in Canadian dollars. If any payment is received by the DIP Lender hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in any currency (the “**Original Currency**”)

into another currency (the “**Other Currency**”), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the DIP Lender is able to purchase the Other Currency with the Original Currency after any costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

15. **MANDATORY REPAYMENTS:**

Subject to the permanent and indefeasible repayment in full in cash of all amounts secured by the Permitted Priority Liens, unless otherwise consented to in writing by the DIP Lender, the net cash proceeds of any sale, realization or disposition of, or with respect to, any of the Collateral (including obsolete, excess or worn-out Collateral) out of the ordinary course of business, or any insurance proceeds paid to the Borrowers in respect of such Collateral, shall be paid to the DIP Lender and applied to reduce the DIP Obligations and permanently reduce and cancel an equivalent portion of the Facility Amount in an amount equal to the net cash proceeds of such sale, realization, disposition or insurance (for greater certainty, net of transaction fees and applicable taxes in respect thereof). Any amount repaid may not be reborrowed.

16. **REPS AND WARRANTIES:**

Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIO, the Borrowers represent and warrant to the DIP Lender, upon which the DIP Lender is relying in entering into this Term Sheet and the other DIP Credit Documents, that:

- (a) The Borrowers have been duly formed and are validly existing under the law of their jurisdiction of incorporation;
- (b) The transactions contemplated by this Term Sheet and the other DIP Credit Documents, upon the granting of the ARIO:
 - (i) are within the powers of the Borrowers;
 - (ii) have been duly executed and delivered by or on behalf of the Borrowers;
 - (iii) constitute legal, valid and binding obligations of the Borrowers, enforceable against the Borrowers in accordance with their terms;
 - (iv) do not require any material authorization from, the consent or approval of, registration or filing with, or any other action by, any governmental authority or any third party; and
 - (v) will not violate the charter documents, articles, by-laws or other constating documents of the Borrowers or any Applicable Law relating to the Borrowers.

- (c) The Borrowers own their assets with good and marketable title thereto, subject only to Permitted Liens;
- (d) The business operations of the Borrowers have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out, including without limitation, all federal, provincial or other laws and regulations with respect to the cultivation, production, purchase and sale (including import and export) of cannabis (“**Cannabis Laws and Regulations**”);
- (e) The Borrowers have maintained and paid current their obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and are not in arrears of their statutory obligations to pay or remit any amount in respect of these obligations;
- (f) Other than as will be stayed pursuant to the Initial Order or the ARIO (once granted), there is not now pending or, to the knowledge of any of the senior officers of the Borrowers, threatened against the Borrowers, nor have the Borrowers received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;
- (g) Except as disclosed to the DIP Lender in writing by the Borrowers, there are no agreements of any kind between any of the Borrowers and any other third party or any holder of debt or Equity Securities of any of the Borrowers with respect to any Restructuring Transaction, which remain in force and effect as of the Filing Date;
- (h) No Default or Event of Default has occurred and is continuing; and
- (i) All written information furnished by or on behalf of the Borrowers to the DIP Lender or its advisors for the purposes of, or in connection with, this Term Sheet, the other DIP Credit Documents, or any other relevant document or any other transaction contemplated thereby, is true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not misleading at such time in light of then-current circumstances.

17. **AFFIRMATIVE COVENANTS:**

Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIO, the Borrowers agree to do, or cause to be done, the following until the DIP Obligations are permanently and indefeasibly repaid in full:

- (a) (i) Allow representatives or advisors of the DIP Lender reasonable access to the books, records, financial information and

electronic data rooms of or maintained by any of the Borrowers, and (ii) cause management, the financial advisor and/or legal counsel of any of the Borrowers to cooperate with reasonable requests for information by the DIP Lender and its legal and financial advisors in connection with matters reasonably related to the DIP Facility, the CCAA Proceedings, or compliance of the Borrowers with their obligations pursuant to this Term Sheet, in each case subject to applicable privacy laws, solicitor-client privilege, and any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;

- (b) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers and the CCAA Proceedings, including all matters relating to their pursuit of a Restructuring Transaction, in each case subject to any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;
- (c) Deliver to the DIP Lender the monthly reporting and other information and reporting from time to time reasonably requested by the DIP Lender and as set out in this Term Sheet;
- (d) Use the proceeds of the DIP Facility only in accordance with the restrictions set out in this Term Sheet and Court Orders;
- (e) Comply with the provisions of the Initial Order, the ARIIO and all other Court Orders;
- (f) Preserve, renew and keep in full force their corporate existence;
- (g) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;
- (h) Comply with Applicable Law, including the Cannabis Laws and Regulations, in all material respects, except to the extent not required to do so pursuant to any Court Order;
- (i) Maintain all licenses and authorizations required under Applicable Law, including the Cannabis Laws and Regulations, to permit it to carry on its business, including all the licenses maintained by the Borrowers under the applicable Cannabis Laws and Regulations ("**Cannabis Licenses**") except to the extent any such licenses are no longer required as a result of wind-down measures consented to by the DIP Lender or approved by Court Orders;

- (j) Take all commercially reasonable actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the DIP Lender relating to the DIP Facility or the DIP Lender Charge;
- (k) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, subject to any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;
- (l) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrowers;
- (m) Provide the DIP Lender and its advisors from time to time, on a confidential basis, with such information regarding the progress of the Borrowers' pursuit of a Restructuring Transaction as may be reasonably requested by the DIP Lender, subject to any disclosure restrictions contained in any Court Order, or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;
- (n) Promptly upon becoming aware thereof, provide details of any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result, individually or in the aggregate, in a judgment in excess of \$100,000; and
- (o) Act diligently and in good faith in the pursuit of the CCAA Proceedings.

18. **NEGATIVE COVENANTS:**

Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIO, the Borrowers covenant and agree not to do, or cause not to be done, the following, until the DIP Obligations are permanently and indefeasibly repaid in full, other than with the prior written consent of the DIP Lender and Monitor or with the express consent required as outlined below:

- (a) Transfer, lease or otherwise dispose of all or any material part of their property, assets or undertaking outside of the ordinary course of business, except for the disposition of obsolete,

redundant or ancillary assets or pursuant to a Court-approved Restructuring Transaction;

- (b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of any obligation of the Borrowers arising or relating to the period prior to the Filing Date;
- (c) Create or permit to exist any indebtedness other than (i) the indebtedness existing as of the Filing Date, (ii) the DIP Obligations, (iii) any obligation expressly permitted to be incurred pursuant to any Court Order (including indebtedness secured under the Permitted Priority Liens) and (iv) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business on or following the Filing Date in accordance with the Initial Order or the ARIO;
- (d) Make (i) any distribution, dividend, return of capital or other distribution in respect of Equity Securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of Equity Securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon);
- (e) Issue any Equity Securities nor create any new class of Equity Securities or amend any terms of their existing Equity Securities, other than in connection with a Restructuring Transaction approved pursuant to a Court Order;
- (f) Consent to or take any steps in furtherance of the exercise of any conversion right under any Equity Securities issued by them;
- (g) Except as authorized by a Court Order, increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management, or pay any bonuses whatsoever;
- (h) Except as authorized by a Court Order, make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise;
- (i) Create or permit to exist any Liens on any of their properties or assets other than the Permitted Liens;
- (j) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change their corporate or capital structure (including their organizational documents) except as may be approved by Court Order or undertaken pursuant to a Court-approved Restructuring Transaction;

- (k) Seek, obtain, support, make or permit to be made any Court Order or any change, amendment or modification to any Court Order that would materially and adversely affect the rights or protections of the DIP Lender under or in connection with the DIP Facility or the DIP Lender Charge;
- (l) Enter into any settlement agreement or agree to any settlement arrangements with any Governmental Authority or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against them;
- (m) Without the approval of the Court, cease to carry on their business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business, except as permitted in Section 18(a) hereof;
- (n) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction; or
- (o) Seek or consent to the lifting of the stay of proceedings in the Initial Order or the ARIIO, as applicable, in favour of any of the Borrowers.

19. **EVENTS OF DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (each an “**Event of Default**”) under this Term Sheet:

- (a) Failure of the Borrowers to pay: (i) principal, interest or other amounts when due pursuant to this Term Sheet or any other DIP Credit Documents; or (ii) the DIP Lender Expenses within ten (10) Business Days of being invoiced therefor, and such failure, in the case of items (i) and (ii) remains unremedied for more than three (3) Business Days after written notice of same is provided to the Borrowers and Monitor;
- (b) Failure of the Borrowers to perform or comply with any term, condition, covenant or obligation pursuant to this Term Sheet, and such failure remains unremedied for more than three (3) Business Days after written notice of same is provided to the Borrowers and Monitor, *provided that*, where another provision in this Section 19 expressly provides for a shorter or no cure period in respect of a particular Event of Default, such other provision shall apply;
- (c) Any representation or warranty by any of the Borrowers made or deemed to be made in this Term Sheet or any other DIP Credit Document is or proves to be incorrect or misleading in any material respect as of the date made;

- (d) Except as stayed by order of the Court or any other court with jurisdiction over the matter, a default (other than a default resulting from the insolvency of any of the Borrowers or the commencement of the CCAA Proceedings by the Borrowers including, for greater certainty, as result of failure to pay pre-filing amounts as result of the commencement of the CCAA Proceedings) under any Material Contract or any material amendment of any Material Contract unless agreed to by the DIP Lender in writing;
- (e) Issuance of any Court Order (i) dismissing the CCAA Proceedings or lifting the stay of proceedings therein to permit the enforcement of any security against any of the Borrowers or their Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any of the Borrowers, in each case which order is not stayed pending appeal thereof; (ii) granting any other Lien in respect of any of the Borrowers' Collateral that is in priority to or *pari passu* with the DIP Lender Charge other than a Permitted Priority Lien, (iii) modifying this Term Sheet or any other DIP Credit Document in a manner that is adverse to the DIP Lender without the prior written consent of the DIP Lender; or (iv) staying, reversing, vacating or otherwise modifying any Court Order in respect of the DIP Facility or the DIP Lender Charge in a manner that is adverse to the DIP Lender without the prior written consent of the DIP Lender;
- (f) Unless consented to in writing by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Initial Order or the ARIO;
- (g) The denial or repudiation by any of the Borrowers of the legality, validity, binding nature or enforceability of this Term Sheet or any other DIP Credit Documents or the DIP Obligations; or
- (h) Except as stayed by order of the Court or any other court with jurisdiction over the matter, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of \$500,000 in the aggregate, against any of the Borrowers or their Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy.

20. **REMEDIES:**

Upon the occurrence of an Event of Default, and subject to the Court Orders, the DIP Lender may, in its sole discretion, elect to terminate the commitments hereunder and declare the DIP Obligations to be immediately due and payable and refuse to permit further Advances. In addition, upon the occurrence of an Event of Default, the DIP Lender may, with leave of the Court on four (4) Business Days' notice to the Borrowers and the Monitor, and in accordance with the Court Orders:

- (a) apply to the Court for the appointment of a receiver, interim receiver or receiver and manager over any or all of the Borrowers or all or certain of their Collateral, or for the appointment of a trustee in bankruptcy in respect of any or all of the Borrowers;
- (b) set-off or combine any amounts then owing by the DIP Lender to the Borrowers against the DIP Obligations; and
- (c) exercise against any of the Borrowers the powers and rights of a secured party pursuant to the *Personal Property Security Act* (Ontario).

21. **INDEMNITY AND RELEASE:**

The Borrowers agree to indemnify and hold harmless the DIP Lender and its affiliates and their respective directors, officers, employees, agents, counsel and advisors (all such persons and entities being referred to hereafter as “**Indemnified Persons**”) from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, “**Claims**”) as a result of or arising out of or in any way related to the DIP Facility or this Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrowers shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of any of the Borrowers. The Borrowers shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

Notwithstanding anything to the contrary herein, the indemnities granted under this Term Sheet shall survive any termination of the DIP Facility.

22. **TERMINATION BY BORROWERS:**

The Borrowers shall be entitled to terminate this Term Sheet upon notice to the DIP Lender: (i) in the event that the DIP Lender has failed to fund the Facility Amount when required to do so under this Term Sheet, or (ii) at any time following the indefeasible payment in full in immediately available funds of all of the outstanding DIP Obligations. Effective

immediately upon such termination, all obligations of the Borrowers and the DIP Lender under this Term Sheet shall cease, except for those obligations that explicitly survive termination. For greater certainty, all outstanding DIP Obligations in respect of all Advances shall become immediately due and payable concurrently with such termination and the DIP Lender shall not be required to make any further extensions of credit under this Term Sheet.

Section 7 hereof shall survive the termination of the Term Sheet.

23. **STRATEGIC PROCESS:** The Borrowers and the DIP Lender agree that the Monitor (in consultation with the Borrowers) shall pursue a sales and investment solicitation process (the “SISP”) approved pursuant to a Court Order in respect of a potential Restructuring Transaction that may be available to the Borrowers and the SISP shall be on terms agreed to by the DIP Lender acting reasonably.
24. **ASSIGNMENT:** The DIP Lender may assign its rights and obligations under the DIP Facility and the DIP Credit Documents, in whole or in part, to any Person acceptable to the DIP Lender with the prior written consent of (i) prior to an Event of Default, the Borrowers, such consent not to be unreasonably withheld; and (ii) the Monitor based solely on the Monitor being satisfied, in its reasonable discretion, that (A) the proposed assignee has the financial capacity to act as the DIP Lender and (B) the proposed assignment will not have an adverse impact on the SISP or the CCAA Proceedings. Notwithstanding the foregoing, the DIP Lender shall be entitled to assign its rights and obligations hereunder to an affiliate without the consent of the Borrowers provided the Monitor has given its prior written consent as set forth in (ii) of the preceding sentence.
- Neither this Term Sheet nor any right and obligation hereunder or in respect of the DIP Facility may be assigned by any of the Borrowers.
25. **FURTHER ASSURANCES:** The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, all such further acts and things as the DIP Lender may reasonably request for the purpose of giving effect to this Term Sheet.
26. **ENTIRE AGREEMENT; CONFLICT:** This Term Sheet, including the schedules hereto, constitute the entire agreement between the parties relating to the subject matter hereof.
27. **AMENDMENTS, WAIVERS, ETC.:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing (including by e-mail) by the DIP Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.

No consent required by any person hereunder shall be effective unless given expressly in writing.

28. **NO THIRD PARTY BENEFICIARY:** No Person, other than the Borrowers, the DIP Lender, the Indemnified Persons and the Monitor, is entitled to rely upon this Term Sheet, and the parties expressly agree that this Term Sheet does not confer rights upon any other party.
29. **COUNTERPARTS AND SIGNATURES:** This Term Sheet may be executed in any number of counterparts and delivered by electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
30. **NOTICES:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by e-mail and any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel. Such notice, request or other communications shall be delivered as follows:
- (a) if to the Borrowers, to:
- Entourage Brands Corp.
250 Elm Street
Aylmer, Ontario N5H 2M8
- Email: george.scorsis@entouragecorp.com
Attention: George Scorsis, Chief Executive Officer
- With a copy to:
- Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1
- Email: robert.kennedy@dentons.com
Attention: Robert J. Kennedy
- (b) if to the DIP Lender, to:
- 2437653 Ontario Inc.
1315 North Service Road East, 6th Floor
Oakville, Ontario L6H 1A7
- Email: ddagostini@lpfcec.org
Attention: Administrator
- With copies to:
- Fengate Capital Management Ltd.
Suite 700, 2275 Upper Middle Road East
Oakville, Ontario L6H 0C3

Email: greg.buxton-forman@fengate.com;
ross.sinclair@fengate.com;
Attention: Greg Buxton-Forman; Ross Sinclair

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Email: jlatham@goodmans.ca; dwiseman@goodmans.ca
Attention: Joe Latham; David Wiseman

(c) if to the Monitor, to:

Ernst & Young Inc.
EY Tower, 100 Adelaide Street West
Toronto, ON M5H 0B3

Email: david.saldanha@parthenon.ey.com;
allen.yao@parthenon.ey.com
Attention: David Saldanha; Allen Yao

With a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Email: dchochla@fasken.com; mstephenson@fasken.com
Attention: Dylan A. Chochla; Mitch Stephenson

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

31. **ENGLISH LANGUAGE:** The parties hereto confirm that this Term Sheet and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*
32. **GOVERNING LAW AND JURISDICTION:** This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein. Without prejudice to the ability of the DIP Lender to enforce this Term Sheet in any other proper jurisdiction, the Borrowers irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed by their duly authorized representatives as of the date first written above.

2437653 ONTARIO INC., as DIP Lender

Per: Greg Buxton-Forman
Name: Greg Buxton-Forman
Title: President

ENTOURAGE HEALTH CORP., as Borrower

Per: _____
Name:
Title:

ENTOURAGE BRANDS CORP., as Borrower

Per: _____
Name:
Title:

2686912 ONTARIO LIMITED, as Borrower

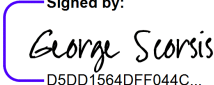
Per: _____
Name:
Title:

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed by their duly authorized representatives as of the date first written above.

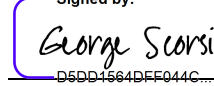
2437653 ONTARIO INC., as DIP Lender

Per: _____
Name:
Title:

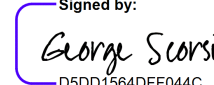
ENTOURAGE HEALTH CORP., as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

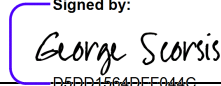
ENTOURAGE BRANDS CORP., as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

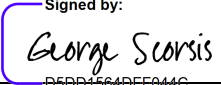
2686912 ONTARIO LIMITED, as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

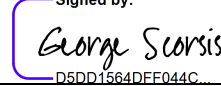
2686913 ONTARIO LIMITED, as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

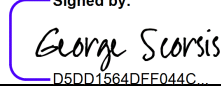
STARSEED HOLDINGS INC., as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

NORTH STAR WELLNESS INC., as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

CANNTX LIFE SCIENCES INC., as Borrower

Per:  Signed by:
D5DD1564DFF044C...
Name: George Scorsis
Title: CEO

SCHEDULE “A” DEFINED TERMS

“**Administration Charge**” means a Court-ordered priority charge over the Collateral granted by the Court to secure the fees and expenses of (i) the Borrowers and their legal counsel, and (ii) the Monitor and its legal counsel, such charge in an aggregate amount not to exceed (a) \$250,000.00 in the Initial Order or (b) \$500,000.00 in the ARIO.

“**Advance**” means an amount of the DIP Facility advanced to the Borrowers pursuant to the terms hereof from time to time.

“**Advance Conditions**” has the meaning given thereto in Section 6.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

“**ARIO**” has the meaning given thereto in Section 6(a).

“**Borrowers**” has the meaning given thereto in Section 1.

“**Business Day**” means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Canada.

“**Cannabis Laws and Regulations**” has the meaning given thereto in Section 16(d).

“**Cannabis Licenses**” has the meaning given thereto in Section 17(i).

“**CCAA**” has the meaning given thereto in the Recitals.

“**CCAA Proceedings**” has the meaning given thereto in the Recitals.

“**Claims**” has the meaning given thereto in Section 21.

“**Collateral**” means, in respect of a Person, all current or future assets, businesses, undertakings and properties of such Person, including all proceeds thereof.

“**Court**” has the meaning given thereto in the Recitals.

“**Court Order**” means any order of the Court in the CCAA Proceedings.

“**Default**” means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

“**DIP Credit Documents**” means this Term Sheet and all other loan and security documents executed by the Borrowers in connection with this Term Sheet from time to time.

“**DIP Facility**” has the meaning given thereto in Section 4.

“**DIP Obligations**” means (i) all Advances made under the DIP Facility, (ii) all other principal, interest, fees due hereunder and (iii) DIP Lender Expenses, in each case to the extent incurred or arising after the Filing Date.

“**DIP Lender Expenses**” has the meaning given thereto in Section 7.

“**DIP Lender**” has the meaning given thereto in Section 2.

“**DIP Lender Charge**” has the meaning given thereto in Section 6(a).

“**Directors’ Charge**” means a Court-ordered priority charge over the Collateral granted by the Court in favour of the directors and officers of the Borrowers and their affiliates, such charge in an aggregate amount not to exceed (a) \$250,000.00 in the Initial Order or (b) \$500,000.00 in the ARIO.

“**Equity Securities**” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and nonvoting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

“**Event of Default**” has the meaning given thereto in Section 19.

“**Facility Amount**” has the meaning given thereto in Section 4.

“**Filing Date**” means the date on which the Initial Order is granted by the Court in the CCAA Proceedings.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Indemnified Persons**” has the meaning given thereto in Section 21.

“**Initial Order**” has the meaning given thereto in the Recitals.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts (including deemed, statutory and constructive trusts), encumbrances, security interests, and statutory preferences of every kind and nature whatsoever.

“**Material Contract**” means any contract, license or agreement: (i) to which any of the Borrowers is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any such Borrower; and (iii) which such Borrower cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

“**Maturity Date**” has the meaning given thereto in Section 10.

“**Monitor**” means the Person appointed by the Court to act as the monitor of the Borrowers in the CCAA Proceedings, contemplated as of the date hereof to be Ernst & Young Inc.

“**Operating Account**” means a bank account of the Borrowers designated by the Borrowers to receive Advances.

“**Original Currency**” has the meaning given thereto in Section 14.

“**Other Currency**” has the meaning given thereto in Section 14.

“**Outside Date**” means July 31, 2026.

“Permitted Liens” means (i) the Permitted Priority Liens; (ii) the DIP Lender Charge; (iii) the Directors’ Charge; (iv) any charges created under the Initial Order or other Court Order subsequent in priority to the DIP Lender Charge; (v) Liens existing prior to the Filing Date; and (vi) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business.

“Permitted Priority Liens” means (i) the Administration Charge and (ii) any Lien in respect of amounts payable by the Borrowers for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of input credits), income tax and workers compensation claims, in the case of each of the items listed in this clause (ii), solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts has not been subordinated to the DIP Lender Charge granted by the Court.

“Person” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“Plan” means any plan of compromise or arrangement pursuant to the CCAA in respect of the Borrowers.

“Restructuring Transaction” means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, Plan or other material transaction of, or in respect of, the Borrowers or all or substantially all of their business, assets or obligations.

“SISP” has the meaning given thereto in Section 23.

“Term Sheet” has the meaning given thereto in the preamble.

SCHEDULE "B"

FORM OF ARIO

See attached.

**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**

THE HONOURABLE) MONDAY, THE 29TH
JUSTICE MYERS) DAY OF JUNE, 2026

B E T W E E N

2437653 ONTARIO INC.

Applicant

- and -

ENTOURAGE HEALTH CORP., ENTOURAGE BRANDS CORP., 2686912 ONTARIO LIMITED, 2686913 ONTARIO INC., STARSEED HOLDINGS INC., NORTH STAR WELLNESS INC. and CANNTX LIFE SCIENCES INC.

Respondents

**AMENDED AND RESTATED INITIAL ORDER
(amending and restating the Initial Order dated June 17, 2026)**

THIS MOTION, made by 2437653 Ontario Inc. (the "**LPF Lender**"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at via Zoom videoconference in Toronto, Ontario.

ON READING the affidavit of Greg Buxton-Forman sworn June 15, 2026 and the Exhibits thereto (the "**Buxton-Forman Affidavit**") and the pre-filing report of Ernst & Young Inc. ("**EY**") dated June 16, 2026 (the "**Pre-Filing Report**") in its capacity as the proposed monitor of Entourage Health Corp., Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Inc., Starseed Holdings Inc., North Star Wellness Inc. and CannTX Life Sciences Inc.

(collectively, the “**Debtors**”), and the first report of EY, in its capacity as monitor of the Debtors (in such capacity, the “**Monitor**”), dated June [●], 2026 (the “**First Report**”) and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the LPF Lender, the Debtors and the Monitor, and such other counsel present, 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, the Motion Record, the Pre-filing Report and the First Report are 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 Buxton-Forman Affidavit.

3. THIS COURT ORDERS that references in this Order to the “date of this Order”, the “date hereof” or similar phrases refer to the date of the Initial Order of this Court that was granted in these proceedings, being June 17, 2026 (the “**Initial Order**”).

AMENDMENT

4. The definition of “Debtors” is hereby amended, *nunc pro tunc*, to substitute “2686913 ONTARIO LIMITED” with “2686913 ONTARIO INC.”, such that the title of this proceeding, as hereby amended, shall read:

Court File No. CL-26-00000281-0000

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**

B E T W E E N

2437653 ONTARIO INC.

Applicant

- and -

ENTOURAGE HEALTH CORP., ENTOURAGE BRANDS CORP., 2686912 ONTARIO LIMITED, 2686913 ONTARIO INC., STARSEED HOLDINGS INC., NORTH STAR WELLNESS INC. and CANNTX LIFE SCIENCES INC.

Respondents

APPLICATION

5. THIS COURT ORDERS AND DECLARES that the Debtors are companies to which the CCAA applies.

PLAN OF ARRANGEMENT

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

POSSESSION OF PROPERTY AND OPERATIONS

7. THIS COURT ORDERS that the Debtors shall remain in possession and control of their current and future assets, licenses, 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 Debtors shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Debtors are authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants and such other persons (collectively "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

8. THIS COURT ORDERS that the Debtors shall be entitled to continue to utilize the central cash management system currently in place as described in the Buxton-Forman Affidavit or 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 Debtors 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 Debtors, 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 ("**Plan**") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

9. THIS COURT ORDERS that the Debtors shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements.
- (b) subject to the prior consent of the Monitor, the fees and disbursements of any Assistants retained or employed by the Debtors in respect of these proceedings, at their standard rates and charges.

10. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Debtors shall be entitled but not required to pay all reasonable expenses incurred by the Debtors 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 Debtors following the date of this Order.

11. THIS COURT ORDERS that the Debtors are authorized to 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, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Debtors in connection with the sale of goods and services by the Debtors, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order;
- (c) any taxes, duties or other payments required under the Cannabis Legislation (as defined below) (collectively, "**Cannabis Taxes**"), but only where such Cannabis Taxes are accrued following the date of this Order, or where such Cannabis 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
- (d) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Debtors.

12. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Debtors shall pay, with the consent of the Monitor, 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 Debtors 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.

13. THIS COURT ORDERS that, except as specifically permitted herein, the Debtors 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 Debtors to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of the Debtors' Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business or pursuant to this Order or any other order of the Court.

RESTRUCTURING

14. THIS COURT ORDERS that the Monitor shall, in consultation with the LPF Lender and subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right, for and on behalf of and in the name of the Debtors, to:

- (a) permanently or temporarily cease, downsize or shut down any of the Debtors' business or operations, and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$500,000 in the aggregate;
- (b) terminate the employment of such of the Debtors' employees or temporarily lay off such of their employees as the Monitor, for and on behalf of and in the name of the applicable Debtor, deems appropriate;
- (c) disclaim, in whole or in part, with the prior consent of the LPF Lender or further Order of the Court, any of the arrangements or agreements of any nature whatsoever and with whomsoever, whether oral or written, of the Debtors, as the Monitor, for and

on behalf of and in the name of the Debtors, deems appropriate, in accordance with section 32 of the CCAA; and

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

all of the foregoing to permit the orderly restructuring of the Business (the "**Restructuring**").

15. THIS COURT ORDERS that the Debtors shall provide each of the relevant landlords with notice of the Debtors' 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 Debtors' 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 Debtors, or by further Order of this Court upon application by the Monitor on at least two (2) days notice to such landlord and any such secured creditors. If the Debtors disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, they 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 Debtors' claim to the fixtures in dispute.

16. 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 Debtors 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 Debtors 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 DEBTORS OR THE PROPERTY

17. THIS COURT ORDERS that until and including August 28, 2026, 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 Debtors or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, except with the written consent of the Debtors and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

18. THIS COURT ORDERS that, to the extent any prescription, time or limitation relating to any Proceeding against or in respect of any Debtor that is stayed pursuant to this Order may expire, the term of such prescription, time or limitation period shall hereby be deemed to be extended by a period equal to the Stay Period.

NO EXERCISE OF RIGHTS OR REMEDIES

19. 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 Debtors or the Monitor (or their respective employees, agents and representatives acting in such capacity), or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Debtors and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Debtors to carry on any business which the Debtors 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

20. THIS COURT ORDERS that during the Stay Period, no Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, rescind, terminate or cease to perform any right, renewal right, contract, agreement, term sheet, lease, sublease, licence, authorization or

permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Monitor, or leave of this Court. Without limiting the foregoing, no right, option, remedy, and/or exemption in favour of the relevant Debtor shall be or shall be deemed to be negated, suspended, waived and/or terminated as a result of the insolvency of the Debtors, the commencement of the within proceedings, or any related recognition proceedings, or this Order.

21. THIS COURT ORDERS that, no Person shall be entitled to set off any amounts that: (i) are or may become due to the Debtors in respect of obligations arising prior to the date hereof with any amounts that are or may become due from the Debtors in respect of obligations arising on or after the date of this Order; or (ii) are or may become due from the Debtors in respect of obligations arising prior to the date hereof with any amounts that are or may become due to the Debtors in respect of obligations arising on or after the date of this Order, in each case without the consent of the Monitor, or leave of this Court, provided that nothing in this Order shall prejudice any arguments any Person may make in seeking leave of the Court or following the granting of such leave.

CONTINUATION OF SERVICES

22. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Debtors 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, cash management systems, payroll and benefit services, insurance, transportation services, utility, agreements with licensed cannabis producers, processors, distributors, retailers, and other suppliers of cannabis or cannabis products, any equipment lease or rental agreement, or other services to the Business or the Debtors, 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 Debtors, and that the Debtors 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 Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and each of the Debtors and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

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

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

24. 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 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Debtors, if one is filed, is sanctioned by this Court or is refused by the creditors of the Debtors or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

25. THIS COURT ORDERS that the Debtors shall indemnify their directors and officers against obligations and liabilities that they may incur as directors or officers of the Debtors 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.

26. THIS COURT ORDERS that the directors and officers of the Debtors shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 47 and 49 herein.

27. 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 Debtors' 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 24 of this Order.

APPOINTMENT OF MONITOR

28. 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 Debtors with the powers and obligations set out in the CCAA or set forth herein and that the Debtors and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Debtors 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.

29. 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 Debtors' receipts and disbursements, Business and dealings with the Property;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Debtors, to the extent required by the Debtors, in their dissemination, to the LPF Lender and its counsel on a weekly basis of financial and other information as agreed to between the Debtors and the LPF Lender which may be used in these proceedings including reporting on a basis to be agreed with the LPF Lender;
- (d) advise the Debtors in their preparation of the Debtors' cash flow statements and reporting required by the LPF Lender, which information shall be reviewed with the

- Monitor and delivered to the LPF Lender and its counsel on a periodic basis as agreed to by the LPF Lender and the Monitor;
- (e) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Debtors, to the extent that is necessary to adequately assess the Debtors' business and financial affairs or to perform its duties arising under this Order;
 - (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
 - (g) perform such other duties as are required by this Order or by this Court from time to time;
 - (h) advise the Debtors in its development of the Plan and any amendments to the Plan; and
 - (i) assist the Debtors, to the extent required by the Debtors, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan.

30. THIS COURT ORDERS that, subject to compliance at all times with Cannabis Legislation (as defined below), paragraph 35 of this Order, and further Orders of the Court, in addition to the powers outlined in paragraphs 27 and 28, the Monitor is hereby authorized and empowered, but not required, for and on behalf of and in the name of the Debtors (and not in its personal or corporate capacity), as the Monitor considers necessary or desirable, in consultation with the LPF Lender, to:

- (a) conduct and control the financial affairs of the Debtors, including, without limitation:
 - (i) controlling the Debtors' receipts and disbursements;
 - (ii) executing banking and other transactions and executing any documents or taking any other action that is necessary or appropriate for the purpose of the exercise of this power;
 - (iii) executing such documents as may be necessary in connection with any proceedings before this Court or pursuant to any Order of this Court;

- (iv) taking actions or steps pursuant to the CCAA, this Order or further Order of this Court, including making distributions or payments;
 - (v) applying to the Court for any orders which may be necessary or appropriate in order to convey the Property of any Debtor to a purchaser or purchasers thereof;
 - (vi) settling, extending or compromising any indebtedness owing to or by the Debtors;
 - (vii) initiating, prosecuting and continuing the prosecution of any and all proceedings and defending all proceedings now pending or hereafter instituted with respect to the Debtors, the Business, the Property or the Monitor and to settle or compromise any such proceeding;
 - (viii) providing instruction and direction to the Assistants of the Debtors; and
 - (ix) engaging a chief restructuring officer and/or other Assistants as may be necessary or desirable to ensure compliance with Cannabis Legislation.
- (b) preserve, protect and exercise control over the Property, or any parts thereof, including, without limitation, to:
- (i) receive, collect and exercise control over all proceeds of sale of any of the Property;
 - (ii) exercise all remedies of the Debtors in collecting monies owed or hereafter owing to the Debtors and to enforce any security held by the Debtors;
 - (iii) execute, assign, issue and endorse documents of whatever nature in respect of any of the Property for any purpose pursuant to this Order;
- (c) take any steps, enter into any agreements, execute any documents, incur any obligations or take any other action necessary, useful or incidental to the exercise of any of the aforesaid powers, and in each case where the Monitor takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person.

31. THE COURT ORDERS that the Monitor shall, subject to the Cash Management System, be authorized and empowered, but not required, to operate and control, for and on behalf of and in the name of the Debtors, all of the Debtors' existing accounts at any financial institution (each

an “Account” and, collectively, the “Accounts”) in such manner as the Monitor, in its sole discretion, deems necessary or appropriate, including, without limitation, to:

- (a) exercise control over the funds credited to or deposited in the Accounts;
- (b) effect any disbursement from the Accounts permitted by this Order or any other Order of this Court;
- (c) give instructions from time to time with respect to the Accounts and the funds credited or deposited therein, including to transfer the funds credited to or deposited in such Accounts to such other account or accounts as the Monitor may direct; and add or remove Persons having signing authority with respect to any Account or to direct the closing of any Account.

32. THE COURT ORDERS that the Debtors and their directors, officers, employees, agents, accountants and auditors shall cooperate with the Monitor in discharging its duties and forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Debtors.

33. THIS COURT ORDERS that nothing in this Order shall cause or deem the Monitor, nor any employee, representative or agent of the Monitor, to: (i) be a director, officer, employee or trustee of the Debtors, (ii) be a legal representative or Person to whom section 150(3) of the *Income Tax Act* (Canada) applies; or (iii) assume any obligation of the Debtors or any one of them, unless the Monitor, in fact, assumes such role or obligation in carrying out its duties under this Order.

34. THIS COURT ORDERS that the Monitor shall not be liable for any employee-related liabilities in respect of the employees of the Debtors, including any successor employer liabilities as provided for in Section 11.8(1) of the CCAA. Nothing in this Order shall cause the Monitor to be liable for any employee-related liabilities in respect of the employees of the Debtors, including wages, severance pay, termination pay, vacation pay, and pension or benefits amounts.

35. 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*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and 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.

36. The Monitor shall not take Possession of (or be deemed to take Possession of), or exercise (or be deemed to have exercised) any rights of control over any activities in respect of the Property for which a permit or licence is issued or required pursuant to any provision of any federal, provincial or other law respecting, among other things, the manufacturing, possession, processing, and distribution of cannabis or cannabis products, including, without limitation, under the *Cannabis Act*, S.C. 2018, c. 16, as amended, the *Controlled Drugs and Substances Act*, S.C. 1996, c. 19, as amended, the *Criminal Code*, R.S.C. 1985, c. C-46, as amended, the *Excise Act, 2001*, S.C. 2002, c. 22, as amended, the *Alberta Gaming, Liquor and Cannabis Act*, R.S.A. 2000, c. G-1, as amended, the *Alberta Gaming, Liquor and Cannabis Regulation*, Alta. Reg. 143/996, as amended, the *Ontario Cannabis Licence Act*, S.O. 2018, c. 12, Sched. 2, as amended, the *Ontario Cannabis Control Act*, S.O. 2017, c. 26, Sched. 1, as amended, the *Ontario Cannabis Retail Corporation Act*, 2017, S.O. 2017, c. 26, as amended, the *British Columbia Cannabis Control and Licensing Act*, S.B.C. 2018, c. 29, the *British Columbia Cannabis Distribution Act*, S.B.C. 2018, c. 28, *The Cannabis Control (Saskatchewan) Act*, S.S. 2018, c. C-2.111, as amended, the *Saskatchewan Cannabis Control (Saskatchewan) Regulations*, R.R.S. c. C-2.111 Reg. 1, the *Manitoba The Liquor, Gaming and Cannabis Control Act*, C.C.S.M. c. L153, as amended, the *Manitoba Cannabis Regulation*, M.R. 120/2018, as amended, the *Nova Scotia Cannabis Control Act*, S.N.S. 2018, c 3, as amended, the *Nova Scotia Cannabis Retail*

Regulations, NS. Reg. 203/2019, the Yukon *Cannabis Control and Regulation Act*, S.Y. 2018, c. 4, as amended, the Yukon *Cannabis Control and Regulation*, YOIC. 2018/139, the Yukon *Cannabis Control and Regulation General Regulation*, YOIC. 2018/184, the Yukon Cannabis Licensing Regulation, YOIC.2019/43, the Yukon Cannabis Remote Sales Regulation, YOIC. 2022/29, the Northwest Territories Cannabis Legalization and Regulation Implementation Act, S.N.W.T. 2018, c.6, as amended, the Nunavut *Cannabis Act*, S.Nu. 2018, c. 7, or such other applicable federal, provincial or other legislation or regulations (collectively, the “**Cannabis Legislation**”), and shall take no part whatsoever in any activity prohibited by Cannabis Legislation, including the management or supervision of the management of any part of the Business that is prohibited by Cannabis Legislation, and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, that is prohibited by Cannabis Legislation.

37. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Debtors and the LPF Lender with information in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Debtors 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 Debtors may agree.

38. 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 employees and representatives acting in 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, without limitation, 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.

39. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the Debtors and counsel to the LPF Lender shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Debtors as part of the costs of these proceedings.

The Debtors are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor, counsel to the Debtors and counsel for LPF Lender on such terms as the parties may agree.

40. 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.

41. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Debtors' counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 47 and 49 hereof.

DIP FINANCING

42. THIS COURT ORDERS that the Debtors are hereby authorized and empowered to obtain and borrow under a credit facility from the LPF Lender (in such capacity, the "**DIP Lender**") in order to finance the Debtors' working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed the principal amount of \$1,100,000 (excluding interest and expenses) unless permitted by further Order of this Court.

43. 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 Debtors and the DIP Lender dated as of June 24, 2026 (the "**DIP Term Sheet**"), filed.

44. THIS COURT ORDERS that the Debtors 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 Debtors 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.

45. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 47 and 49 hereof.

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

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon four Business Days' notice to the Debtors and the Monitor, may exercise any and all of its rights and remedies against the Debtors or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Debtors and set off and/or consolidate any amounts owing by the DIP Lender to the Debtors against the obligations of the Debtors 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 Debtors and for the appointment of a trustee in bankruptcy of the Debtors; 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 Debtors or the Property.

47. THIS COURT ORDERS that no action, inaction or acquiescence by the DIP Lender, including, without limitation, funding the Debtors' ongoing operations under the DIP Term Sheet and this Order, shall be deemed to be or shall be considered as evidence of any alleged consent by the DIP Lender to a charge against any of their Collateral (as defined in the DIP Term Sheet)

pursuant to the CCAA, other than the Charges (as defined below) and the DIP Lenders should not be subject to any other charges on their Collateral, including any surcharges or any limitation on the scope of their Collateral.

48. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any Plan, or any proposal filed by the Debtors under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

49. THIS COURT ORDERS that this Order is subject to provisional execution and that if any of the provisions of this Order in connection with the DIP Term Sheet, the Definitive Documents or the DIP Lender’s Charge shall subsequently be stayed, modified, varied, amended, reversed or vacated in whole or in part (a “**Variation**”), such Variation shall not in any way impair, limit or lessen the priority, protections, rights or remedies of the DIP Lender, whether under this Order (as made prior to the Variation), the DIP Term Sheet, the Definitive Documents or the DIP Lender’s Charge with respect to any advances made or obligations incurred prior to the DIP Lender receiving notice of the Variation, and the DIP Lender shall be entitled to rely on this Order as issued (including, without limitation, the DIP Lender’s Charge) for all advances so made and other obligations set out in the DIP Term Sheet or the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

50. THIS COURT ORDERS that the priorities of the Directors’ Charge, the DIP Lender’s Charge and the Administration Charge (collectively, the “**Charges**”), as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$500,000);

Second – DIP Lender’s Charge; and

Third - Directors’ Charge (to the maximum amount of \$500,000).

51. 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.

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

53. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Debtors shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Debtors also obtain the prior written consent of the Monitor, the LPF Lender and the beneficiaries of the Charges, or further Order of this Court.

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

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Debtors of any Agreement to which the applicable Debtor(s) 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 Debtors entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery, or performance of the Definitive Documents; and
- (c) the payments made by the Debtors pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

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

“STATUS QUO” OF THE DEBTORS’ LICENCE

56. The status quo in respect of the Debtors' Health Canada licences and the cannabis excise license (collectively, the “**Licences**”) shall be preserved and maintained during the pendency of the Stay Period, including, without limitation, the Debtors' ability to possess, test, produce, and sell cannabis in the ordinary course under the Licences and the Debtors' ability to order and affix Canada Revenue Agency excise stamps, and to the extent one or more of the Licences may expire during the Stay Period, the term of such Licences shall be deemed to be extended by a period equal to the Stay Period.

SERVICE AND NOTICE

57. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in a national newspaper 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, in the prescribed manner, a notice to every known creditor who has a claim against the Debtors of more than \$1000, 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.

58. THIS COURT ORDERS that the Guide Concerning Commercial List E-Service (the “Guide”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/files/guides/the-guide-concerning-commercial-list-e-service-en.pdf>) 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 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: www.ey.com/ca/entourage.

59. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Debtors, the Monitor, and their respective counsel 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, facsimile transmission or electronic message to the Debtors’ creditors or other interested parties at their respective addresses as last shown on the records of the Debtors and that any such service or distribution 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.

60. THIS COURT ORDERS that the Debtors, the Monitor and their respective counsel are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, including any notices, or other correspondence, by forwarding copies thereof by electronic message to the Debtors’ creditors or other interested parties and their advisors. For greater certainty, any such service or distribution shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of Subsection 3(c) of the *Electronic Commerce Protection Regulations* (SOR/2013-221).

GENERAL

61. THIS COURT ORDERS that the Debtors or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties hereunder.

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

63. 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 or any other foreign jurisdiction to give effect to this Order and to assist the Debtors, 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 Debtors 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 Debtors and the Monitor and their respective agents in carrying out the terms of this Order.

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

65. THIS COURT ORDERS that any interested party (including the Debtors and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to the Service List and 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.

66. THIS COURT ORDERS that the Initial Order is hereby amended and restated by this Order.

67. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. prevailing Eastern Time on the date of this Order without the need for entry or filing.

Appendix B

DIP FACILITY TERM SHEET

This term sheet dated as of June 16²⁴, 2026 (this “**Term Sheet**”) sets out the terms on which 2437653 Ontario Inc. (the “**DIP Lender**”) is prepared to provide debtor-in-possession financing to the Borrowers (as defined below).

Background:

The Borrowers have requested that the DIP Lender provide the DIP Facility (as defined below) in connection with the ~~commencement~~ pendency of the proceedings concerning the Borrowers under the *Companies’ Creditors Arrangement Act* (Canada) (the “**CCAA**”, and such proceedings the “**CCAA Proceedings**”), ~~which CCAA Proceedings are contemplated to be~~ commenced before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) by way of an initial order ~~(as amended from time to time, dated June 17, 2026~~ (the “**Initial Order**”) ~~to be sought on or about June 17, 2026~~ and in accordance with the terms and conditions set out herein.

The DIP Lender has agreed to provide the DIP Facility pursuant to and in accordance with, among other terms, those terms set out below:

1. **BORROWERS:** Entourage Health Corp., Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Limited, Starseed Holdings Inc., North Star Wellness Inc., and CannTX Life Sciences Inc. (the “**Borrowers**”).
2. **DIP LENDER:** 2437653 Ontario Inc. (the “**DIP Lender**”).
3. **DEFINED TERMS:** Unless otherwise defined herein, capitalized words and phrases used in this Term Sheet have the meanings given thereto in Schedule “A”.
4. **DIP FACILITY ADVANCES:** A senior secured, superpriority, debtor-in-possession, interim, non-revolving, multiple draw credit facility (the “**DIP Facility**”) up to a maximum principal amount of One Million One Hundred Thousand Dollars (\$1,100,000.00) (as such amount may be increased or reduced from time to time pursuant to the terms hereof, the “**Facility Amount**”), subject to the terms and conditions contained herein.

The DIP Facility shall be made available to the Borrowers by way of one or more advances (each, an “**Advance**”) in Canadian dollars by wire transfer of immediately available funds.

Each Advance shall be deposited by the DIP Lender into the Operating Account within two (2) Business Days following receipt by the DIP Lender of a written request from the Borrowers, each of which must be approved by the Monitor in writing, and the satisfaction of the Advance Conditions, provided that the aggregate principal amount of all Advances made under the DIP Facility shall not exceed the Facility Amount.

Each Borrower shall be jointly and severally liable to the DIP Lender for the full and timely payment and performance of all DIP Obligations.

5. **PURPOSE AND PERMITTED** The Borrowers shall apply the proceeds of the DIP Facility solely for

PAYMENTS:

the following purposes and in the following order:

- (a) to fund their restructuring fees and expenses and general operating expenses during the CCAA Proceedings, including the reasonable and documented fees and expenses of the Monitor, Monitor's counsel, and Borrowers' counsel;
- (b) to pay the reasonable and documented DIP Lender Expenses; and
- (c) to pay the interest, fees and other amounts owing to the DIP Lender under this Term Sheet.

For greater certainty, the Borrowers may not use the proceeds of the DIP Facility to pay any category of any other obligations without the prior written consent of the DIP Lender.

6. **ADVANCE
CONDITIONS:**

The DIP Lender's agreement to make the Facility Amount available to the Borrowers and to make any Advance to the Borrowers is subject to the satisfaction of the following conditions precedent (collectively, the "**Advance Conditions**"), each of which is for the benefit of the DIP Lender and may be waived by the DIP Lender in its sole discretion:

~~(a) The Court shall have issued the Initial Order in respect of the Borrowers in substantially the form attached hereto as Schedule "B" and with such minor revisions as are acceptable to the Borrowers, the Monitor and the DIP Lender, each acting reasonably.~~

(a) ~~(b)~~ The Court shall have issued an amended and restated Initial Order (as amended from time to time, the "**ARIO**") ~~on terms in~~ substantially the form attached hereto as Schedule "B" and with such minor revisions as are acceptable to the Borrowers, the Monitor and the DIP Lender, each acting reasonably. The ARIO shall, without limitation, (i) approve this Term Sheet and authorize the DIP Facility, and the borrowing of any Advances to be secured by the DIP Lender Charge, and (ii) grant the DIP Lender a priority charge (the "**DIP Lender Charge**") on the Borrowers' Collateral as security for the payment of Advances, which DIP Lender Charge shall have priority over all Liens on the Borrowers' Collateral other than the Permitted Priority Liens, and such ~~Initial Order~~ ARIO shall not have been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified, without the written consent of the DIP Lender, acting reasonably.

(b) ~~(c)~~ No Default or Event of Default shall have occurred or will occur as a result of the requested Advance.

(c) ~~(d)~~ The Borrowers shall have executed and delivered this Term

Sheet.

(d) ~~(e)~~ The Borrowers' cash management system shall continue in the manner approved by the ~~Initial Order~~ ARIO unless otherwise consented to in writing by the DIP Lender and the Monitor in their reasonable discretion.

(e) ~~(f)~~ There shall be no order of the Court in the CCAA Proceedings that contravenes this Term Sheet so as to materially adversely impact the rights or interests of the DIP Lender, as determined by the DIP Lender.

7. **COSTS AND EXPENSES:**

The Borrowers shall reimburse the DIP Lender for all reasonable and documented out-of-pocket legal and financial advisory fees and expenses incurred before or after the Filing Date related to this DIP term sheet and the CCAA Proceedings (collectively, the "**DIP Lender Expenses**") in connection with the DIP Facility, the DIP Credit Documents, and the DIP Lender's participation in the CCAA Proceedings. The DIP Lender Expenses shall form part of the DIP Obligations secured by the DIP Lender Charge.

All accrued DIP Lender Expenses incurred prior to the Filing Date in connection with the DIP Facility and the preparation for and initiation of the CCAA Proceedings shall be paid in full through deduction from the first Advance.

8. **DIP LENDER CHARGE:**

All DIP Obligations shall be secured by the DIP Lender Charge, in connection with which the DIP Lender may, in its reasonable discretion, require the execution, filing or recording of any security agreements, pledge agreements, financing statements or other documents or instruments, in order to obtain, or further evidence, a Lien on such Collateral. For greater certainty, the execution, filing or recording of any security agreements, pledge agreements, financing statements or other documents or instruments shall not be an Advance Condition except and unless the DIP Lender has provided the Borrowers with seven (7) Business Days' notice that the execution, filing or recording of such security agreements, pledge agreements, financing statements or other documents or instruments is required.

9. **PERMITTED LIENS AND PRIORITY:**

All Collateral will be free and clear of all Liens, except for the Permitted Liens.

The DIP Lender Charge shall rank in priority to any and all Liens on the Borrowers' Collateral other than the Permitted Priority Liens. As among the DIP Lender Charge, the Administration Charge and the Directors' Charge, the relative priority shall be as follows:

- (a) *first*, the Administration Charge;
- (b) *second*, the DIP Lender Charge; and

(c) *third*, the Directors' Charge.

10. **REPAYMENT:**

The DIP Facility and the DIP Obligations shall be due and repayable in full on the earlier of: (i) the occurrence of any Event of Default which is continuing and has not been cured within the applicable cure period; (ii) the completion of a Restructuring Transaction; (iii) the conversion of the CCAA Proceedings into a receivership or a proceeding under the *Bankruptcy and Insolvency Act* (Canada); (iv) the date on which the DIP Obligations are voluntarily prepaid in full and the DIP Facility is terminated; and (v) the Outside Date (the earliest of such dates being the "**Maturity Date**"). The Maturity Date may be extended from time to time at the request of the Borrowers (in consultation with the Monitor) and with the prior written consent of the DIP Lender for such period and on such terms and conditions as the DIP Lender may agree in its sole discretion.

Without the consent of the DIP Lender, acting in its sole discretion, no Court Order sanctioning a Plan shall discharge or otherwise affect in any way the DIP Obligations, other than after the permanent and indefeasible payment in cash to the DIP Lender of all DIP Obligations on or before the date such Plan is implemented.

11. **EVIDENCE OF INDEBTEDNESS:**

The DIP Lender's accounts and records constitute, in the absence of manifest error, *prima facie* evidence of the indebtedness of the Borrowers to the DIP Lender pursuant to the DIP Facility.

12. **PREPAYMENTS:**

Provided the Monitor consents in writing, the Borrowers may prepay any DIP Obligations at any time prior to the Maturity Date without premium or penalty. Any amount repaid may not be reborrowed without the prior written consent of the DIP Lender, which may be withheld in its sole discretion, and the Monitor.

Provided the Monitor consents in writing, the Borrowers may, at any time, negotiate and enter into another interim financing facility that provides for the prepayment of the DIP Obligations in full, and the concurrent termination of the DIP Facility and this Term Sheet.

13. **INTEREST RATE:**

Interest shall be payable on (a) the principal amount of the Advances and (b) overdue interest, fees and the DIP Lender Expenses outstanding from time to time at a rate equal to 5% *per annum*, payable monthly in arrears in cash on the last Business Day of each month.

All interest shall be computed daily on the basis of a calendar year of 365 or 366 days, as applicable, and, if not paid when due, shall compound monthly. Whenever any interest is calculated on the basis of a period of time other than a calendar year, the annual rate of interest to which each rate of interest determined pursuant to such calculation is equivalent for the purposes of the *Interest Act* (Canada) is such rate as so determined multiplied by the actual number of days in the calendar year in which the same is to be ascertained and divided by the number

of days used in the basis for such determination.

14. **CURRENCY**

Unless otherwise stated, all monetary denominations shall be in lawful currency of Canada and all payments made by the Borrowers under this Term Sheet shall be in Canadian dollars. If any payment is received by the DIP Lender hereunder in a currency other than Canadian dollars, or, if for the purposes of obtaining judgment in any court it is necessary to convert a sum due hereunder in any currency (the “**Original Currency**”) into another currency (the “**Other Currency**”), the parties hereby agree, to the fullest extent permitted by Applicable Law, that the rate of exchange used shall be the rate at which the DIP Lender is able to purchase the Other Currency with the Original Currency after any costs of exchange on the Business Day preceding that on which such payment is made or final judgment is given.

15. **MANDATORY REPAYMENTS:**

Subject to the permanent and indefeasible repayment in full in cash of all amounts secured by the Permitted Priority Liens, unless otherwise consented to in writing by the DIP Lender, the net cash proceeds of any sale, realization or disposition of, or with respect to, any of the Collateral (including obsolete, excess or worn-out Collateral) out of the ordinary course of business, or any insurance proceeds paid to the Borrowers in respect of such Collateral, shall be paid to the DIP Lender and applied to reduce the DIP Obligations and permanently reduce and cancel an equivalent portion of the Facility Amount in an amount equal to the net cash proceeds of such sale, realization, disposition or insurance (for greater certainty, net of transaction fees and applicable taxes in respect thereof). Any amount repaid may not be reborrowed.

16. **REPS AND WARRANTIES:**

~~The~~ Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIQ, the Borrowers represent and warrant to the DIP Lender, upon which the DIP Lender is relying in entering into this Term Sheet and the other DIP Credit Documents, that:

- (a) The Borrowers have been duly formed and are validly existing under the law of their jurisdiction of incorporation;
- (b) The transactions contemplated by this Term Sheet and the other DIP Credit Documents, upon the granting of the ~~Initial Order~~ ARIQ:
 - (i) are within the powers of the Borrowers;
 - (ii) have been duly executed and delivered by or on behalf of the Borrowers;
 - (iii) constitute legal, valid and binding obligations of the Borrowers, enforceable against the Borrowers in accordance with their terms;
 - (iv) do not require any material authorization from, the consent or approval of, registration or filing with, or

any other action by, any governmental authority or any third party; and

- (v) will not violate the charter documents, articles, by-laws or other constating documents of the Borrowers or any Applicable Law relating to the Borrowers.
- (c) The Borrowers own their assets with good and marketable title thereto, subject only to Permitted Liens;
- (d) The business operations of the Borrowers have been and will continue to be conducted in material compliance with all laws of each jurisdiction in which the business has been or is carried out, including without limitation, all federal, provincial or other laws and regulations with respect to the cultivation, production, purchase and sale (including import and export) of cannabis (“**Cannabis Laws and Regulations**”);
- (e) The Borrowers have maintained and paid current their obligations for payroll, source deductions, harmonized, goods and services and retail sales tax, and are not in arrears of their statutory obligations to pay or remit any amount in respect of these obligations;
- (f) Other than as will be stayed pursuant to the Initial Order [or the ARIO](#) (once granted), there is not now pending or, to the knowledge of any of the senior officers of the Borrowers, threatened against the Borrowers, nor have the Borrowers received notice in respect of, any material claim, potential claim, litigation, action, suit, arbitration or other proceeding by or before any court, tribunal, governmental entity or regulatory body;
- (g) Except as disclosed to the DIP Lender in writing by the Borrowers, there are no agreements of any kind between any of the Borrowers and any other third party or any holder of debt or Equity Securities of any of the Borrowers with respect to any Restructuring Transaction, which remain in force and effect as of the Filing Date;
- (h) No Default or Event of Default has occurred and is continuing; and
- (i) All written information furnished by or on behalf of the Borrowers to the DIP Lender or its advisors for the purposes of, or in connection with, this Term Sheet, the other DIP Credit Documents, or any other relevant document or any other transaction contemplated thereby, is true and accurate in all material respects on the date as of which such information is dated or certified, and not incomplete by omitting to state any material fact necessary to make such information not

misleading at such time in light of then-current circumstances.

17. **AFFIRMATIVE COVENANTS:**

~~The~~ Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIIO, the Borrowers agree to do, or cause to be done, the following until the DIP Obligations are permanently and indefeasibly repaid in full:

- (a) (i) Allow representatives or advisors of the DIP Lender reasonable access to the books, records, financial information and electronic data rooms of or maintained by any of the Borrowers, and (ii) cause management, the financial advisor and/or legal counsel of any of the Borrowers to cooperate with reasonable requests for information by the DIP Lender and its legal and financial advisors in connection with matters reasonably related to the DIP Facility, the CCAA Proceedings, or compliance of the Borrowers with their obligations pursuant to this Term Sheet, in each case subject to applicable privacy laws, solicitor-client privilege, and any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;
- (b) Keep the DIP Lender apprised on a timely basis of all material developments with respect to the business and affairs of the Borrowers and the CCAA Proceedings, including all matters relating to their pursuit of a Restructuring Transaction, in each case subject to any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers' restructuring process;
- (c) Deliver to the DIP Lender the monthly reporting and other information and reporting from time to time reasonably requested by the DIP Lender and as set out in this Term Sheet;
- (d) Use the proceeds of the DIP Facility only in accordance with the restrictions set out in this Term Sheet and Court Orders;
- (e) Comply with the provisions of the Initial Order, the ARIIO and all other Court Orders;
- (f) Preserve, renew and keep in full force their corporate existence;
- (g) Promptly notify the DIP Lender of the occurrence of any Default or Event of Default;
- (h) Comply with Applicable Law, including the Cannabis Laws and Regulations, in all material respects, except to the extent not required to do so pursuant to any Court Order;

- (i) Maintain all licenses and authorizations required under Applicable Law, including the Cannabis Laws and Regulations, to permit it to carry on its business, including all the licenses maintained by the Borrowers under the applicable Cannabis Laws and Regulations (“**Cannabis Licenses**”) except to the extent any such licenses are no longer required as a result of wind-down measures consented to by the DIP Lender or approved by Court Orders;
- (j) Take all commercially reasonable actions necessary or available to defend the Court Orders from any appeal, reversal, modifications, amendment, stay or vacating not expressly consented to in writing in advance by the DIP Lender relating to the DIP Facility or the DIP Lender Charge;
- (k) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material developments in respect of any Material Contract, subject to any disclosure restrictions contained in any Court Order or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers’ restructuring process;
- (l) Promptly provide notice to the DIP Lender and its counsel, and keep them otherwise apprised, of any material notices, orders, decisions, letters, or other documents, materials, information or correspondence received from any regulatory authority having jurisdiction over the Borrowers;
- (m) Provide the DIP Lender and its advisors from time to time, on a confidential basis, with such information regarding the progress of the Borrowers’ pursuit of a Restructuring Transaction as may be reasonably requested by the DIP Lender, subject to any disclosure restrictions contained in any Court Order, or that, in the opinion of the Borrowers (in consultation with the Monitor), each acting reasonably, are necessary to protect the Borrowers’ restructuring process;
- (n) Promptly upon becoming aware thereof, provide details of any pending, or threatened claims, potential claims, litigation, actions, suits, arbitrations, other proceedings or notices received in respect of same, against any Borrower by or before any court, tribunal, Governmental Authority or regulatory body, which would be reasonably likely to result, individually or in the aggregate, in a judgment in excess of \$100,000; and
- (o) Act diligently and in good faith in the pursuit of the CCAA Proceedings.

18. **NEGATIVE**

The Subject to the exercise of any expanded powers of the Monitor pursuant to the ARIO, the Borrowers covenant and agree not to do, or

COVENANTS:

cause not to be done, the following, until the DIP Obligations are permanently and indefeasibly repaid in full, other than with the prior written consent of the DIP Lender and Monitor or with the express consent required as outlined below:

- (a) Transfer, lease or otherwise dispose of all or any material part of their property, assets or undertaking outside of the ordinary course of business, except for the disposition of obsolete, redundant or ancillary assets or pursuant to a Court-approved Restructuring Transaction;
- (b) Make any payment, including, without limitation, any payment of principal, interest or fees, in respect of any obligation of the Borrowers arising or relating to the period prior to the Filing Date;
- (c) Create or permit to exist any indebtedness other than (i) the indebtedness existing as of the Filing Date, (ii) the DIP Obligations, (iii) any obligation expressly permitted to be incurred pursuant to any Court Order (including indebtedness secured under the Permitted Priority Liens); and (iv) post-filing trade payables or other unsecured obligations incurred in the ordinary course of business on or following the Filing Date in accordance with the Initial Order or the ARIO;
- (d) Make (i) any distribution, dividend, return of capital or other distribution in respect of Equity Securities (in cash, securities or other property or otherwise); or (ii) a retirement, redemption, purchase or repayment or other acquisition of Equity Securities or indebtedness (including any payment of principal, interest, fees or any other payments thereon);
- (e) Issue any Equity Securities nor create any new class of Equity Securities or amend any terms of their existing Equity Securities, other than in connection with a Restructuring Transaction approved pursuant to a Court Order;
- (f) Consent to or take any steps in furtherance of the exercise of any conversion right under any Equity Securities issued by them;
- (g) Except as authorized by a Court Order, increase compensation or severance entitlements or other benefits payable to directors, senior officers or senior management, or pay any bonuses whatsoever;
- (h) Except as authorized by a Court Order, make any investments or acquisitions of any kind, direct or indirect, in any business or otherwise;

- (i) Create or permit to exist any Liens on any of their properties or assets other than the Permitted Liens;
- (j) Amalgamate, consolidate with or merge into or sell all or substantially all of their assets to another entity, or change their corporate or capital structure (including their organizational documents) except as may be approved by Court Order or undertaken pursuant to a Court-approved Restructuring Transaction;
- (k) Seek, obtain, support, make or permit to be made any Court Order or any change, amendment or modification to any Court Order that would materially and adversely affect the rights or protections of the DIP Lender under or in connection with the DIP Facility or the DIP Lender Charge;
- (l) Enter into any settlement agreement or agree to any settlement arrangements with any Governmental Authority or regulatory authority or in connection with any litigation, arbitration, other investigations, proceedings or disputes or other similar proceedings which are threatened or pending against them;
- (m) Without the approval of the Court, cease to carry on their business or activities or any material component thereof as currently being conducted or modify or alter in any material manner the nature and type of their operations or business, except as permitted in Section 18(a) hereof;
- (n) Seek, or consent to the appointment of, a receiver or trustee in bankruptcy or any similar official in any jurisdiction; or
- (o) Seek or consent to the lifting of the stay of proceedings in the Initial Order or the ARIQ, as applicable, in favour of any of the Borrowers.

19. **EVENTS OF
DEFAULT:**

The occurrence of any one or more of the following events shall constitute an event of default (each an “**Event of Default**”) under this Term Sheet:

- (a) Failure of the Borrowers to pay: (i) principal, interest or other amounts when due pursuant to this Term Sheet or any other DIP Credit Documents; or (ii) the DIP Lender Expenses within ten (10) Business Days of being invoiced therefor, and such failure, in the case of items (i) and (ii) remains unremedied for more than three (3) Business Days after written notice of same is provided to the Borrowers and Monitor;
- (b) Failure of the Borrowers to perform or comply with any term, condition, covenant or obligation pursuant to this Term Sheet, and such failure remains unremedied for more than three (3) Business Days after written notice of same is provided to the

Borrowers and Monitor, *provided that*, where another provision in this Section 19 expressly provides for a shorter or no cure period in respect of a particular Event of Default, such other provision shall apply;

- (c) Any representation or warranty by any of the Borrowers made or deemed to be made in this Term Sheet or any other DIP Credit Document is or proves to be incorrect or misleading in any material respect as of the date made;
- (d) Except as stayed by order of the Court or any other court with jurisdiction over the matter, a default (other than a default resulting from the insolvency of any of the Borrowers or the commencement of the CCAA Proceedings by the Borrowers including, for greater certainty, as result of failure to pay pre-filing amounts as result of the commencement of the CCAA Proceedings) under any Material Contract or any material amendment of any Material Contract unless agreed to by the DIP Lender in writing;
- (e) Issuance of any Court Order (i) dismissing the CCAA Proceedings or lifting the stay of proceedings therein to permit the enforcement of any security against any of the Borrowers or their Collateral, the appointment of a receiver, interim receiver or similar official, an assignment in bankruptcy, or the making of a bankruptcy order or receiving order against or in respect of any of the Borrowers, in each case which order is not stayed pending appeal thereof; (ii) granting any other Lien in respect of any of the Borrowers' Collateral that is in priority to or *pari passu* with the DIP Lender Charge other than a Permitted Priority Lien, (iii) modifying this Term Sheet or any other DIP Credit Document in a manner that is adverse to the DIP Lender without the prior written consent of the DIP Lender; or (iv) staying, reversing, vacating or otherwise modifying any Court Order in respect of the DIP Facility or the DIP Lender Charge in a manner that is adverse to the DIP Lender without the prior written consent of the DIP Lender;
- (f) Unless consented to in writing by the DIP Lender, the expiry without further extension of the stay of proceedings provided for in the Initial Order [or the ARIQ](#);
- (g) The denial or repudiation by any of the Borrowers of the legality, validity, binding nature or enforceability of this Term Sheet or any other DIP Credit Documents or the DIP Obligations; or
- (h) Except as stayed by order of the Court or any other court with jurisdiction over the matter, the entry of one or more final judgements, writs of execution, garnishment or attachment representing a claim in excess of \$500,000 in the aggregate,

against any of the Borrowers or their Collateral that is not released, bonded, satisfied, discharged, vacated, stayed or accepted for payment by an insurer within 30 days after their entry, commencement or levy.

20. **REMEDIES:**

Upon the occurrence of an Event of Default, and subject to the Court Orders, the DIP Lender may, in its sole discretion, elect to terminate the commitments hereunder and declare the DIP Obligations to be immediately due and payable and refuse to permit further Advances. In addition, upon the occurrence of an Event of Default, the DIP Lender may, with leave of the Court on four (4) Business Days' notice to the Borrowers and the Monitor, and in accordance with the Court Orders:

- (a) apply to the Court for the appointment of a receiver, interim receiver or receiver and manager over any or all of the Borrowers or all or certain of their Collateral, or for the appointment of a trustee in bankruptcy in respect of any or all of the Borrowers;
- (b) set-off or combine any amounts then owing by the DIP Lender to the Borrowers against the DIP Obligations; and
- (c) exercise against any of the Borrowers the powers and rights of a secured party pursuant to the *Personal Property Security Act* (Ontario).

21. **INDEMNITY AND RELEASE:**

The Borrowers agree to indemnify and hold harmless the DIP Lender and its affiliates and their respective directors, officers, employees, agents, counsel and advisors (all such persons and entities being referred to hereafter as "**Indemnified Persons**") from and against any and all actions, suits, proceedings, claims, losses, damages, liabilities or expenses of any kind or nature whatsoever (excluding indirect or consequential damages and claims for lost profits) which may be incurred by or asserted against any Indemnified Person (collectively, "**Claims**") as a result of or arising out of or in any way related to the DIP Facility or this Term Sheet and, upon demand, to pay and reimburse any Indemnified Person for any reasonable legal or other out-of-pocket expenses incurred in connection with investigating, defending or preparing to defend any such action, suit, proceeding or claim; provided, however, the Borrowers shall not be obligated to indemnify pursuant to this paragraph any Indemnified Person against any loss, claim, damage, expense or liability (x) to the extent it resulted from the gross negligence, wilful misconduct or bad faith of any Indemnified Person as finally determined by a court of competent jurisdiction, or (y) to the extent arising from any dispute solely among Indemnified Persons other than any Claims arising out of any act or omission on the part of any of the Borrowers. The Borrowers shall not be responsible or liable to any Indemnified Person or any other person for consequential or punitive damages.

Notwithstanding anything to the contrary herein, the indemnities

granted under this Term Sheet shall survive any termination of the DIP Facility.

22. **TERMINATION BY BORROWERS:** The Borrowers shall be entitled to terminate this Term Sheet upon notice to the DIP Lender: (i) in the event that the DIP Lender has failed to fund the Facility Amount when required to do so under this Term Sheet, or (ii) at any time following the indefeasible payment in full in immediately available funds of all of the outstanding DIP Obligations. Effective immediately upon such termination, all obligations of the Borrowers and the DIP Lender under this Term Sheet shall cease, except for those obligations that explicitly survive termination. For greater certainty, all outstanding DIP Obligations in respect of all Advances shall become immediately due and payable concurrently with such termination and the DIP Lender shall not be required to make any further extensions of credit under this Term Sheet.

Section 7 hereof shall survive the termination of the Term Sheet.

23. **STRATEGIC PROCESS:** The Borrowers and the DIP Lender agree that the Monitor (in consultation with the Borrowers) shall pursue a sales and investment solicitation process (the “SISP”) approved pursuant to a Court Order in respect of a potential Restructuring Transaction that may be available to the Borrowers and the SISP shall be on terms agreed to by the DIP Lender acting reasonably.

24. **ASSIGNMENT:** The DIP Lender may assign its rights and obligations under the DIP Facility and the DIP Credit Documents, in whole or in part, to any Person acceptable to the DIP Lender with the prior written consent of (i) prior to an Event of Default, the Borrowers, such consent not to be unreasonably withheld; and (ii) the Monitor based solely on the Monitor being satisfied, in its reasonable discretion, that (A) the proposed assignee has the financial capacity to act as the DIP Lender and (B) the proposed assignment will not have an adverse impact on the SISP or the CCAA Proceedings. Notwithstanding the foregoing, the DIP Lender shall be entitled to assign its rights and obligations hereunder to an affiliate without the consent of the Borrowers provided the Monitor has given its prior written consent as set forth in (ii) of the preceding sentence.

Neither this Term Sheet nor any right and obligation hereunder or in respect of the DIP Facility may be assigned by any of the Borrowers.

25. **FURTHER ASSURANCES:** The Borrowers shall, at their expense, from time to time do, execute and deliver, or will cause to be done, all such further acts and things as the DIP Lender may reasonably request for the purpose of giving effect to this Term Sheet.

26. **ENTIRE AGREEMENT; CONFLICT:** This Term Sheet, including the schedules hereto, constitute the entire agreement between the parties relating to the subject matter hereof.

27. **AMENDMENTS, WAIVERS, ETC.:** No waiver or delay on the part of the DIP Lender in exercising any right or privilege hereunder will operate as a waiver hereof or thereof unless made in writing (including by e-mail) by the DIP Lender and delivered in accordance with the terms of this Term Sheet, and then such waiver shall be effective only in the specific instance and for the specific purpose given.
- No consent required by any person hereunder shall be effective unless given expressly in writing.
28. **NO THIRD PARTY BENEFICIARY:** No Person, other than the Borrowers, the DIP Lender, the Indemnified Persons and the Monitor, is entitled to rely upon this Term Sheet, and the parties expressly agree that this Term Sheet does not confer rights upon any other party.
29. **COUNTERPARTS AND SIGNATURES:** This Term Sheet may be executed in any number of counterparts and delivered by electronic transmission including "pdf email", each of which when executed and delivered shall be deemed to be an original, and all of which when taken together shall constitute one and the same instrument.
30. **NOTICES:** Any notice, request or other communication hereunder to any of the parties shall be in writing and be well and sufficiently given if delivered personally or sent by e-mail and any such notice, request or other communication hereunder shall be concurrently sent to the Monitor and its counsel. Such notice, request or other communications shall be delivered as follows:
- (a) if to the Borrowers, to:
- Entourage Brands Corp.
250 Elm Street
Aylmer, Ontario N5H 2M8
- Email: george.scorsis@entouragecorp.com
Attention: George Scorsis, Chief Executive Officer
- With a copy to:
- Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1
- Email: robert.kennedy@dentons.com
Attention: Robert J. Kennedy
- (b) if to the DIP Lender, to:
- 2437653 Ontario Inc.
1315 North Service Road East, 6th Floor
Oakville, Ontario L6H 1A7

Email: ddagostini@lpfcec.org
Attention: Administrator

With copies to:

Fengate Capital Management Ltd.
Suite 700, 2275 Upper Middle Road East
Oakville, Ontario L6H 0C3

Email: greg.buxton-forman@fengate.com;
ross.sinclair@fengate.com;
Attention: Greg Buxton-Forman; Ross Sinclair

Goodmans LLP
333 Bay Street, Suite 3400
Toronto, ON M5H 2S7

Email: jlatham@goodmans.ca; dwiseman@goodmans.ca
Attention: Joe Latham; David Wiseman

(c) if to the Monitor, to:

Ernst & Young Inc.
EY Tower, 100 Adelaide Street West
Toronto, ON M5H 0B3

Email: david.saldanha@parthenon.ey.com;
allen.yao@parthenon.ey.com
Attention: David Saldanha; Allen Yao

With a copy to:

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, ON M5H 2T6

Email: dchochla@fasken.com; mstephenson@fasken.com
Attention: Dylan A. Chochla; Mitch Stephenson

Any such notice shall be deemed to be given and received when received, unless received after 5:00 p.m. Eastern Time or on a day other than a Business Day, in which case the notice shall be deemed to be received the next Business Day.

31. **ENGLISH
LANGUAGE:**

The parties hereto confirm that this Term Sheet and all related documents have been drawn up in the English language at their request. *Les parties aux présentes confirment que le présent acte et tous les documents y relatifs furent rédigés en anglais à leur demande.*

32. **GOVERNING LAW
AND**

This Term Sheet shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada

JURISDICTION:

applicable therein. Without prejudice to the ability of the DIP Lender to enforce this Term Sheet in any other proper jurisdiction, the Borrowers irrevocably submit and attorn to the non-exclusive jurisdiction of the Court.

[signature pages follow]

IN WITNESS WHEREOF, the parties hereto have caused this Term Sheet to be executed by their duly authorized representatives as of the date first written above.

2437653 ONTARIO INC., as DIP Lender

Per: _____
Name:
Title:

ENTOURAGE HEALTH CORP., as Borrower

Per: _____
Name:
Title:

ENTOURAGE BRANDS CORP., as Borrower

Per: _____
Name:
Title:

2686912 ONTARIO LIMITED, as Borrower

Per: _____
Name:
Title:

2686913 ONTARIO LIMITED, as Borrower

Per: _____
Name:
Title:

STARSEED HOLDINGS INC., as Borrower

Per: _____
Name:
Title:

NORTH STAR WELLNESS INC., as Borrower

Per: _____
Name:
Title:

CANNTX LIFE SCIENCES INC., as Borrower

Per: _____
Name:
Title:

SCHEDULE "A"

DEFINED TERMS

"Administration Charge" means a Court-ordered priority charge over the Collateral granted by the Court to secure the fees and expenses of (i) the Borrowers and their legal counsel, and (ii) the Monitor and its legal counsel, such charge in an aggregate amount not to exceed (a) \$250,000.00 in the Initial Order or (b) \$500,000.00 in the ARIO.

"Advance" means an amount of the DIP Facility advanced to the Borrowers pursuant to the terms hereof from time to time.

"Advance Conditions" has the meaning given thereto in Section 6.

"Applicable Law" means, in respect of any Person, property, transaction or event, all applicable laws, statutes, rules, by-laws and regulations and all applicable official directives, orders, judgments and decrees of any Governmental Authority having the force of law.

"ARIO" has the meaning given thereto in Section ~~6(b)~~6(a).

"Borrowers" has the meaning given thereto in Section 1.

"Business Day" means each day other than a Saturday or Sunday or a statutory or civic holiday that banks are open for business in Canada.

"Cannabis Laws and Regulations" has the meaning given thereto in Section 16(d).

"Cannabis Licenses" has the meaning given thereto in Section 17(i).

"CCAA" has the meaning given thereto in the Recitals.

"CCAA Proceedings" has the meaning given thereto in the Recitals.

"Claims" has the meaning given thereto in Section 21.

"Collateral" means, in respect of a Person, all current or future assets, businesses, undertakings and properties of such Person, including all proceeds thereof.

"Court" has the meaning given thereto in the Recitals.

"Court Order" means any order of the Court in the CCAA Proceedings.

"Default" means an event or circumstance which, after the giving of notice or the passage of time, or both, will result in an Event of Default.

"DIP Credit Documents" means this Term Sheet and all other loan and security documents executed by the Borrowers in connection with this Term Sheet from time to time.

"DIP Facility" has the meaning given thereto in Section 4.

“**DIP Obligations**” means (i) all Advances made under the DIP Facility, (ii) all other principal, interest, fees due hereunder and (iii) DIP Lender Expenses, in each case to the extent incurred or arising after the Filing Date.

“**DIP Lender Expenses**” has the meaning given thereto in Section 7.

“**DIP Lender**” has the meaning given thereto in Section 2.

“**DIP Lender Charge**” has the meaning given thereto in Section ~~6(b)~~6(a).

“**Directors’ Charge**” means a Court-ordered priority charge over the Collateral granted by the Court in favour of the directors and officers of the Borrowers and their affiliates, such charge in an aggregate amount not to exceed (a) \$250,000.00 in the Initial Order or (b) \$500,000.00 in the ARIIO.

“**Equity Securities**” means, with respect to any Person, any and all shares, interests, participations, rights in, or other equivalents (however designated and whether voting and nonvoting) of, such Person’s capital, whether outstanding on the date hereof or issued after the date hereof, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any and all rights, warrants, debt securities, options or other rights exchangeable for or convertible into any of the foregoing.

“**Event of Default**” has the meaning given thereto in Section 19.

“**Facility Amount**” has the meaning given thereto in Section 4.

“**Filing Date**” means the date on which the Initial Order is granted by the Court in the CCAA Proceedings.

“**Governmental Authority**” means any federal, provincial, state, municipal, local or other government, governmental or public department, commission, board, bureau, agency or instrumentality, domestic or foreign and any subdivision, agent, commission, board or authority of any of the foregoing.

“**Indemnified Persons**” has the meaning given thereto in Section 21.

“**Initial Order**” has the meaning given thereto in the Recitals.

“**Liens**” means all liens, hypothecs, charges, mortgages, trusts (including deemed, statutory and constructive trusts), encumbrances, security interests, and statutory preferences of every kind and nature whatsoever.

“**Material Contract**” means any contract, license or agreement: (i) to which any of the Borrowers is a party or is bound; (ii) which is material to, or necessary in, the operation of the business of any such Borrower; and (iii) which such Borrower cannot promptly replace by an alternative and comparable contract with comparable commercial terms.

“**Maturity Date**” has the meaning given thereto in Section 10.

“**Monitor**” means the Person appointed by the Court to act as the monitor of the Borrowers in the CCAA Proceedings, contemplated as of the date hereof to be Ernst & Young Inc.

“**Operating Account**” means a bank account of the Borrowers designated by the Borrowers to receive Advances.

“**Original Currency**” has the meaning given thereto in Section 14.

“**Other Currency**” has the meaning given thereto in Section 14.

“**Outside Date**” means July 31, 2026.

“**Permitted Liens**” means (i) the Permitted Priority Liens; (ii) the DIP Lender Charge; (iii) the Directors’ Charge; (iv) any charges created under the Initial Order or other Court Order subsequent in priority to the DIP Lender Charge; (v) Liens existing prior to the Filing Date; and (vi) inchoate statutory Liens arising after the Filing Date in respect of any accounts payable arising after the Filing Date in the ordinary course of business.

“**Permitted Priority Liens**” means (i) the Administration Charge; and (ii) any Lien in respect of amounts payable by the Borrowers for wages, vacation pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the Excise Tax Act (Canada) (net of input credits), income tax and workers compensation claims, in the case of each of the items listed in this clause (ii), solely to the extent such amounts are given priority by Applicable Law and only to the extent that the priority of such amounts has not been subordinated to the DIP Lender Charge granted by the Court ~~and (iii) such other Liens existing as of the Filing Date that have not been subordinated to the DIP Lender Charge granted by the Court.~~

“**Person**” means an individual, partnership, corporation, business trust, joint stock company, limited liability company, trust, unincorporated association, joint venture, Governmental Authority or other entity of whatever nature.

“**Plan**” means any plan of compromise or arrangement pursuant to the CCAA in respect of the Borrowers.

“**Restructuring Transaction**” means any restructuring, financing, refinancing, recapitalization, sale, liquidation, workout, Plan or other material transaction of, or in respect of, the Borrowers or all or substantially all of their business, assets or obligations.

“**SISP**” has the meaning given thereto in Section 23.

“**Term Sheet**” has the meaning given thereto in the preamble.

SCHEDULE "B"

FORM OF ~~INITIAL ORDER~~ARIO

See attached.

1384-6392-9888

Appendix C

Entourage Health Corp. and Subsidiaries

Cash Flow Forecast for the Period of June 29, 2026 to August 30, 2026

\$CDN in Thousands

<i>Week ending</i>	<i>Notes</i>	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Total
		Jul 5	Jul 12	Jul 19	Jul 26	Aug 2	Aug 9	Aug 16	Aug 23	Aug 30	
Receipts	1	\$ 187	\$ 52	\$ 120	\$ 81	\$ 157	\$ 59	\$ 127	\$ 53	\$ -	\$ 837
Disbursements											
Payroll & Benefits	2	-	205	-	145	-	145	-	115	-	609
Operating & Maintenance	3	178	129	83	85	43	17	17	69	17	637
Selling, General & Administrative Expense	4	44	83	83	83	64	-	-	-	-	358
Taxes	5	-	-	-	-	101	-	-	-	-	101
Restructuring Costs	6	243	220	153	136	110	104	104	54	36	1,159
Total Disbursements		464	637	319	449	317	266	121	238	53	2,864
Net Cash Receipts/(Disbursements)		(278)	(585)	(199)	(367)	(160)	(206)	6	(185)	(53)	(2,027)
Cash Balance											
Opening Balance	7	\$ 1,046	\$ 768	\$ 183	\$ (16)	\$ 217	\$ 57	\$ 350	\$ 357	\$ 172	\$ 1,046
Net Cash Receipts / (Disbursements)		(278)	(585)	(199)	(367)	(160)	(206)	6	(185)	(53)	(2,027)
DIP Draws / (Repayments)		-	-	-	600	-	500	-	-	-	1,100
Interest		-	-	-	-	-	-	-	-	-	-
Ending Cash Balance		768	183	(16)	217	57	350	357	172	119	119
DIP Facility											
Opening Balance	8	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ 601	\$ 1,101	\$ 1,101	\$ 1,101	-
DIP Draws / (Repayments)	8	-	-	-	600	-	500	-	-	-	1,100
Interest	8					1	-			5	6
DIP Facility		\$ -	\$ -	\$ -	\$ 600	\$ 601	\$ 1,101	\$ 1,101	\$ 1,101	\$ 1,105	\$ 1,106

In the Matter of the CCAA of Entourage Health Corp., Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Inc., Starseed Holdings Inc., North Star Wellness Inc., and Canntx Life Sciences Inc. (collectively, the “Debtors”)

Notes to the Unaudited Cash Flow Forecast of the Debtors

Disclaimer:

In preparing this cash flow forecast (the “**Cash Flow Forecast**”), the Debtors, with the assistance of Ernst & Young Inc., in its capacity as the monitor of the Debtors (the “**Monitor**”), have relied upon unaudited financial information. The Debtors and the Monitor have not attempted to further verify the accuracy or completeness of such information. The Cash Flow Forecast includes estimates concerning the operations of the Debtors and additional assumptions discussed below with respect to the requirements and impact of a *Companies’ Creditors Arrangement Act* (“**CCAA**”) filing (the “**Probable and Hypothetical Assumptions**” or the “**Assumptions**”). Since the Cash Flow Forecast is based on Assumptions about future events and conditions that are not ascertainable, the actual results achieved during the Cash Flow Forecast period will vary from the Cash Flow Forecast, even if the Assumptions materialize, and such variation may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed Monitor pursuant to section 23(1)(b) of the CCAA, which requires a Monitor to review the debtor’s cash flow statements as to its reasonableness and to file a report with the Court on the Monitor’s findings.

Pursuant to this standard, the Monitor’s review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussions related to information supplied to it by the financial controller of the Debtors. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor’s procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Monitor also reviewed the support provided by the Debtors for the Probable and Hypothetical Assumptions and the preparation and presentation of the Cash Flow Forecast.

Based on the Monitor’s review, nothing has come to the Monitor’s attention that causes the Monitor to believe, in any material respect, that:

- (a) The Probable and Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - (b) As at the date of this report, the Probable and Hypothetical Assumptions are not suitably supported and consistent with the plans of the Debtors or do not provide a reasonable basis for the Cash Flow Forecast, given the Probable and Hypothetical Assumptions; or
 - (c) The Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.
-

Overview:

The Cash Flow Forecast includes the receipts and disbursements of the Debtors during the Cash Flow Forecast period. The Debtors, with the assistance of the Monitor, have prepared the Cash Flow Forecast based primarily on estimated receipts and disbursements related to the ongoing operations and the CCAA proceedings.

The Cash Flow Forecast does not reflect the impact of a potential sale transaction in respect of the Debtors.

Assumptions:

1. Sales Collections

The Debtors primarily sell cannabis and cannabis-derived products to retailers through provincial agencies and to other licensed holders. Additionally, sales are generated from the delivery of medical cannabis products to patients with medication needs and wholesale of bulk cannabis flower to licensed producers. Collections are based on anticipated collections from opening accounts receivable and projected sales during the forecast period.

2. Payroll & Benefits

Payroll and benefits for salaried and hourly employees are forecast based on historical run rates and anticipated staffing levels. The projected amounts include the payment of accrued vacation pay. The Debtors fund payroll bi-weekly through a third-party service provider.

3. Operating & Maintenance Expenses

These disbursements include vendor payments and utility payments related to the production and sale of cannabis products, based on expected production levels. Additionally, expenditures for licensing fees with Health Canada are included.

4. Selling, General & Administrative Expense

This category includes primarily IT, inventory destruction costs, property and business insurance payments and other general and administrative costs that are not included in the Operating & Maintenance Expenses.

5. Taxes

Taxes consist of excise taxes on projected sales over the forecast period, HST remittance and property tax obligations.

6. Restructuring Costs

Restructuring costs primarily consist of professional fees and expenses for the Debtor's counsel, the Applicant's counsel, the Monitor and its counsel related to the Debtors' CCAA proceedings.

7. Opening Balance

Represents the anticipated consolidated opening cash-on-hand balance of the Debtors as at June 29, 2026.

8. Proposed Debt-in-Possession Facility (the “DIP Facility”)

Subject to court approval, the DIP Term Sheet provides for a 5% interest rate per annum, compounded daily, payable monthly in arrears in cash on the last Business Day of each month.

Appendix D

SALE AND INVESTMENT SOLICITATION PROCESS

Introduction

On June 17, 2026, 2437653 Ontario Inc. (the “**LPF Lender**”), in its capacity as the primary and senior secured lender to Entourage Health Corp., Entourage Brands Corp., 2686912 Ontario Limited, 2686913 Ontario Inc., Starseed Holdings Inc., North Star Wellness Inc. and Canntx Life Sciences Inc. (collectively, the “**Entourage Group**”) sought and obtained an initial order (as may be amended from time to time, the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act* (the “**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 given to them in the Initial Order.

Pursuant to the Initial Order, among other things: (a) Ernst & Young Inc. was appointed as the monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings; and (b) a stay of proceedings was granted in favour of the Entourage Group.

On June 29, 2026, the LPF Lender intends to make an application to the Court for:

- a. 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 Entourage Group’s properties, assets and undertakings (the “**Property**”) and/or its business (the “**Business**”) (such transaction, a “**Transaction**”); and
- b. an amended and restated initial order approving, among other things, a debtor-in-possession (“**DIP**”) facility term sheet dated as of June 16, 2026 (“**DIP Term Sheet**”) entered into between the LPF Lender as DIP lender (in such capacity, the “**DIP Lender**”) and the Entourage Group as borrowers.

This SISP sets forth the process and procedures for: (a) soliciting binding bids from interested parties for executable Transactions involving the Property and/or Business, (b) evaluating any such bids received, (c) selecting any Successful Bid(s) (as defined below), and (d) obtaining Court approval of any Successful Bid(s). Such Transactions may include, among other things, a sale of some or all of the Property and/or Business or an investment therein, each of which shall be subject to all terms set forth in this SISP and the approval of the Court. Interested parties who wish to have their bids considered shall participate in the SISP in accordance with the terms hereof.

Opportunity

1. The SISP is intended to solicit interest in and opportunities for one or more of an investment, restructuring, recapitalization, refinancing or other form of reorganization of the business and affairs of the Entourage Group as a going concern, or a sale of all, substantially all or one or more components of the Property and/or Business operations of the Entourage Group, whether as a going concern or otherwise, and in one or more Transactions (the “**Opportunity**”).

2. 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 Entourage Group, 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 Entourage Group 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.
3. This SISP contemplates consultation with the DIP Lender at various stages. The DIP Lender has confirmed in writing that it will not, directly or indirectly, participate as a bidder in the SISP. Information may be shared with the DIP Lender for the purposes of such consultation, The DIP Lender shall act in good faith and reasonably at all times in respect of this SISP.
4. Any insider or affiliate of the Entourage Group (including any director, officer, employee, or shareholder) who wishes to participate in the SISP as a Potential Bidder must advise the Monitor of such intention in writing by the Insider Deadline. Any such insider or affiliate having provided such notice shall thereafter be entitled to participate in the SISP as a Potential Bidder but shall: (a) be excluded from receiving information or participating in the SISP discussions in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Monitor in its sole discretion; and (b) be subject to such other restrictions as the Monitor, in its sole discretion, may deem necessary or desirable to protect the integrity of the SISP. Any insider or affiliate who fails to provide notice of an intention to participate in the SISP as a Potential Bidder by the Insider Deadline shall not be permitted to submit a bid in the SISP, whether directly or indirectly.
5. Notwithstanding anything to the contrary contained herein, the Monitor shall at all times be entitled to withhold information from any person if, in the Monitor’s reasonable business judgment, the sharing of such information with such person could compromise the integrity, fairness or competitiveness 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, or orders of the Court:

Milestone	Deadline
Commencement of SISP	June 29, 2026
Distribution of the Teaser Letter and NDA	As soon as reasonably practicable following the commencement of the SISP
Publish the notice of the SISP in a	As soon as reasonably practicable

newspaper	following the commencement of the SISP
Deadline for insiders and affiliates to provide notice of participation as bidder	July 6, 2026 (5:00 p.m. Eastern Time) (“ Insider Deadline ”)
Deadline to submit binding bids	July 30, 2026 (5:00 p.m. Eastern Time) (“ Bid Deadline ”)
Deadline to select Successful Bid(s) and Back-Up Bid(s) (includes Auction, if any)	August 7, 2026 (“ Selection Deadline ”)
Deadline for Hearing of the Sale Approval Hearing (subject to Court availability)	No later than August 17, 2026
Closing of the Successful Bid Transaction(s)	No later than August 28, 2026 (the “ Outside Date ”)

If, with the consent of the DIP Lender, the Monitor determines that any of the dates identified herein should be amended, the Monitor may amend such date(s), post notice of same on the website maintained by the Monitor in respect of these CCAA Proceedings (www.ey.com/ca/entourage) and give notice of same as appropriate having regard to the stage of SISP applicable at the time. All dates herein are subject to regulatory approval(s), as they may be necessary or desirable.

Solicitation of Interest

7. As soon as reasonably practicable, the Monitor will (to the extent it has not already done so), with the assistance of the Entourage Group:
 - (a) prepare an initial list of persons who may have an interest in the Opportunity (the “**Known Potential Bidders**”), including (a) parties that have communicated to the Entourage Group or the Monitor that they have an interest in the Opportunity, (b) parties that participated in the sale process which occurred before the commencement of these CCAA Proceedings, (c) strategic and financial parties in Canada or other jurisdictions that the Entourage Group or the Monitor reasonably determine may be interested in the Opportunity, and (d) any other parties reasonably suggested by the DIP Lender 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 Monitor, in consultation with the Entourage Group, considers appropriate) (the “**Notice**”) to be published in the National Post or any other publication in Canada as the Entourage Group, with the consent of the Monitor, consider appropriate, if any;
 - (c) post the Notice of the SISP on the website maintained by the Monitor; and

- (d) prepare: (a) 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 in the Opportunity; and (b) a non-disclosure agreement in form and substance satisfactory to the Monitor, in consultation with the Entourage Group (the “**NDA**”).
- 8. The Monitor shall post in the Data Room such due diligence information related to the Entourage Group and the Opportunity as the Monitor considers appropriate in the circumstances. Except to the extent expressly provided for in any definitive agreement with a Successful Bidder that has been approved by the Court, the Monitor and the Entourage Group (a) make no representation or warranty as to the information contained in the Data Room or provided pursuant to the SISP and (b) are not responsible for, and will bear no liability with respect to, any information obtained by any person in connection with the Opportunity or any Transaction(s).
- 9. The Monitor shall send the Teaser Letter and NDA to all Known Potential Bidders by no later than June 30, 2026, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified by the Entourage Group or the Monitor as a potential bidder or who is reasonably suggested by the DIP Lender or any other stakeholder as a potential bidder as soon as reasonably practicable after such request, identification or suggestion, as applicable.
- 10. All requests for information in respect of the SISP shall be made through the Monitor.

Role of the Monitor

- 11. The Monitor’s responsibilities under the SISP include:
 - (a) administering the SISP, in consultation with the Entourage Group and the DIP Lender;
 - (b) consulting with the Entourage Group and the DIP Lender in connection with the bidding procedures included in this SISP and the closing of the Transaction(s) contemplated in the Successful Bid(s) (as defined below);
 - (c) facilitate information requests, including assisting the Entourage Group in preparing or modifying financial information provided in connection with this SISP;
 - (d) reporting to the Court in connection with the SISP, including the bidding process described in this SISP, and the closing of the Transaction(s) contemplated in the Successful Bid(s); and
 - (e) assisting the Entourage Group with the closing of the Transaction(s) contemplated in the Successful Bid(s).

In consultation with the Entourage Group and the DIP Lender, the Monitor may seek Court approval of an amendment to the SISP or may seek the Court’s directions in respect of the SISP.

The Monitor shall oversee and conduct the SISP, in all respects, and, without limitation to that supervisory role, the Monitor will participate in the SISP in the manner set out in this SISP, the SISP Order, the Initial Order and any other orders of the Court, and is entitled to receive all information in relation to the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have the jurisdiction to hear and resolve such dispute.

Expression of Intent

12. If any party who intends to submit a bid pursuant to the SISP is: (a) associated with the Board of Directors or management of the Entourage Group, (b) the LPF Lender or (c) an affiliate of the Entourage Group, must advise the Monitor of such intention in writing by July 8, 2026. Any such party(ies) shall be entitled to participate in the SISP as a Potential Bidder, provided that, and only to the extent that, such party(ies) shall: (x) be excluded from participating in the SISP discussions in any manner or capacity that would be reasonably likely to create an unfair advantage for any party or otherwise jeopardize the integrity of the SISP, as determined by the Monitor in its sole discretion; and (y) be subject to such restrictions as the Monitor, in its sole discretion, determines to be necessary to ensure compliance with (x).

Participant Requirements

13. Any party who wishes to participate in the SISP (a “**Potential Bidder**”) must deliver to the Monitor at the address specified in **Schedule “A”** (including by email) prior to the Bid Deadline (collectively, the “**Participant Requirements**”):
 - (a) an executed NDA; and
 - (b) written confirmation of the identity of the Potential Bidder, the contact information for such Potential Bidder, and financial disclosure sufficient to allow the Monitor to make a reasonable determination as to the Potential Bidder’s financial and other capabilities to consummate the Transaction(s).

Access to Data Room and Due Diligence

14. The Monitor shall, in its reasonable business judgment and subject to competitive and other business considerations, afford each Potential Bidder that satisfies the Participant Requirements such access to due diligence materials and information relating to the Opportunity as it may deem appropriate.
15. Due diligence access may include management presentations, access to any electronic data room (“**Data Room**”) and other matters which a Potential Bidder may reasonably request and as to which the Monitor may agree, in consultation with the Entourage Group.
16. Only Potential Bidders that satisfy the Participant Requirements will be eligible to receive access to the Data Room.
17. The Monitor, with the assistance of the Entourage Group, will be responsible for the coordination of all reasonable requests for additional information and due diligence access,

to the extent available and/or feasible, from Potential Bidders. The Monitor shall not be obligated to furnish any due diligence information after the Bid Deadline, provided however that the Monitor may, but is not obligated to, provide further information including, without limitation, financial information to the Successful Bidder(s).

18. The Monitor reserves the right to limit the access of Potential Bidders, creditors, customers, landlords, suppliers or other stakeholders of the Entourage Group to any confidential information or any information in the Data Room where, in the opinion of the Monitor, such access could negatively impact the SISF, the ability to maintain the confidentiality of the Entourage Group's confidential or competitive information, the Business and/or the Property. For the avoidance of doubt, selected due diligence materials may be withheld from certain Potential Bidders if the Monitor determines, without limitation, that sharing such information may compromise the value of the Business and/or Property.

Submissions of Bids

19. Bidders that wish to make a formal offer to purchase ("**Sale Proposal**") or invest ("**Investment Proposal**") in the Property and/or Business of the Entourage Group (or any part thereof) shall submit a binding offer that complies with the following requirements to the Monitor at the addresses or email addresses specified in **Schedule "A"** hereto, which offer must be received no later than the Bid Deadline:
 - (a) the bid (either individually or in combination with other bids that make up one bid) must be an offer to purchase or invest in the Property and/or Business of the Entourage Group (or any part thereof) which is capable of acceptance and in the form of a duly authorized and executed, definitive Transaction document;
 - (b) the bid must indicate whether it is a Sale Proposal and/or an Investment Proposal;
 - (i) if a Sale Proposal, it must include or be accompanied by (as applicable):
 - (1) the purchase price or price range in Canadian dollars, including details of any liabilities to be assumed and key assumptions supporting the valuation;
 - (2) a description of the Property that is expected to be subject to the Transaction(s) and any of the Property expected to be excluded;
 - (3) a description of intended use of the Property expected to be subject to the Transaction(s);
 - (4) any other terms or conditions of the Sale Proposal that the bidder believes are material to the Transaction(s); and
 - (5) an executed mark up of a template share purchase agreement ("**Template SPA**") to be made available via the Data Room which reflects the bidder(s) proposed changes to the

Template SPA (together with a redline clearly showing all such changes).

- (ii) if an Investment Proposal, it must include:
 - (1) the structure of the proposed Transaction(s), including the aggregate amount of debt and/or equity to be advanced to or invested in the Business and the Entourage Group in Canadian dollars;
 - (2) the proposed treatment of existing stakeholders;
 - (3) key assumptions supporting the valuation;
 - (4) the underlying assumptions regarding the pro forma capital structure (including the form and amount of anticipated equity and/or debt levels, debt service fees, interest or dividend rates, amortization, voting rights or other protective provisions (as applicable), redemption, prepayment or repayment attributes and any other material attributes of the investment); and
 - (5) any other terms or conditions of the Investment Proposal that the bidder believes are material to the Transaction(s);
- (c) the bid must identify each person that will be directly or indirectly sponsoring or participating in the proposed Transaction(s) and the complete terms of such participation, an overview of the corporate structure of the person making the bid and any relevant experience that the person has in comparable transactions;
- (d) the bid must include specifics and evidence regarding the source(s) and availability of funding for the bid and such other form of financial disclosure that will permit the Monitor to make a reasonable assessment of the bid;
- (e) the bid must include specifics and evidence regarding availability and qualifications of the responsible person(s) required to operate the Business, if applicable, and be in compliance with all federal, provincial or other applicable laws and regulations with respect to the cultivation, production, purchase and sale (including import and export) of cannabis;
- (f) the bid must include a description of the conditions and approvals required for a final and binding offer, including any anticipated corporate, licensing, securityholder, internal, Health Canada, legal or other regulatory approvals required to close the Transaction(s), and an estimate of the anticipated time frame and any anticipated impediments for obtaining such approval;
- (g) the bid must include specific statements concerning the treatment, ongoing involvement and roles of employees of the Entourage Group;

- (h) the bid must include the key terms and provisions to be included in any order of the Court approving the contemplated Sale Proposal or Investment Proposal;
- (i) the bid cannot be conditioned on: (a) the outcome of unperformed due diligence by the bidder; (b) obtaining financing; or (c) any board of directors or similar governing body or equity holder approval but may be conditioned upon the Entourage Group receiving the required approvals or amendments relating to the licences required to operate the Business, if necessary;
- (j) the bid cannot include a request for or entitlement to any break fee, expense reimbursement or other similar type payment if the bid is not selected as the Successful Bid;
- (k) the bid must be accompanied by a refundable cash deposit (the “**Deposit**”) in the form of a wire transfer (to a bank account specified by the Monitor) in an amount equal to not less than 10% of the aggregate purchase price and/or investment amount under the bid;
- (l) the bid must include a letter providing that,
 - (i) the bid is irrevocable until the earlier of the selection of the Successful Bid(s) and the Back-Up Bid(s) (both as defined below), provided that if such bidder is selected as the Successful Bidder or Back-Up Bid, its offer shall remain irrevocable until the closing of the Transaction(s) with the Successful Bidder, subject to paragraph 34; and
 - (ii) the bid will, if not selected as the Successful Bid, serve as the next-highest or otherwise best Qualified Bid as compared to the Successful Bid (a “**Back-Up Bid**”) if selected as a Back-Up Bid pursuant to paragraph 27;
- (m) the bid must include acknowledgements and representations of the bidder that (a) 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 and (b) 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 Entourage Group, 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;
- (n) the bid must include an acknowledgement that the Sale Proposal or Investment Proposal is made on an “as is, where is” basis; and
- (o) the bid must provide for a Closing (as defined below) occurring no later than the Outside Date; and
- (p) the bid must include such other information as may reasonably be requested by the Monitor.

20. The Monitor may waive compliance with any one or more of the requirements specified above, in whole or in part, and may do so in respect of any bidder without obligation to waive compliance in respect of any other bidder.

Qualified Bids

21. A bid received from a bidder that includes all of the required bid terms and materials set out in paragraph 18 and is received by the Bid Deadline is a “**Qualified Bid**”, and such bidder is a “**Qualified Bidder**”. No bids received shall be deemed to be Qualified Bids without the approval of the Monitor, the Entourage Group and the DIP Lender. Only Qualified Bidders whose bids have been designated as Qualified Bids are eligible to become the Successful Bidder(s).
22. For greater certainty, any bidder who is deemed not to be a Qualified Bidder in accordance with the terms of the SISP will continue to be bound by the terms of the NDA and shall forthwith take any appropriate actions in accordance therewith.

Selection of Successful Bids

23. Following the Bid Deadline, if there is at least one Qualified Bid in respect of any Business, the Monitor:
 - (a) may negotiate with any Qualified Bidder(s) regarding any provision of its Qualified Bid without any obligation to negotiate identical terms with any other Qualified Bidder(s); and
 - (b) shall advise the Qualified Bidder that it may participate further in the SISP.
24. A Qualified Bid will be valued based upon numerous factors as may be considered relevant by the Entourage Group and the Monitor, in consultation with the DIP Lender, including, without limitation, items such as the following, as applicable (collectively, the “**Bid Assessment Criteria**”):
 - (a) purchase price or investment amount contemplated by the Qualified Bid;
 - (b) the net value provided by such bid;
 - (c) the claims likely to be created by such bid in relation to other bids;
 - (d) the identity, circumstances and ability of the Qualified Bidder to successfully complete such Transaction(s);
 - (e) the proposed Transaction documents;
 - (f) the effects of the bid on the stakeholders of the Entourage Group;
 - (g) factors affecting the speed, certainty and value of the Transaction(s) (including any regulatory or legal approvals or third party contractual arrangements required to close the Transactions);

- (h) the assets included or excluded from the bid and any related restructuring costs;
 - (i) the likelihood and timing of consummating the Transactions contemplated by the Qualified Bid; and
 - (j) such other considerations as the Monitor deems relevant in its reasonable business judgment.
25. The Monitor may, in consultation with the DIP Lender and with the consent of the applicable Qualified Bidders, treat multiple Qualified Bids as one or more single combined bid, which combined bid(s) may be treated as a Successful Bid or Back-Up Bid.
26. At any stage of the SISP, the Monitor may ascribe monetary values to non-monetary terms of any bid for the purposes of assessing and/or valuing such bids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed or not assumed.
27. The Qualified Bid(s) selected by the Monitor as the best or highest bid based on the factors enumerated herein, shall constitute the “**Successful Bid(s)**” and such Qualified Bidder(s), the “**Successful Bidder(s)**”.
28. The Monitor may select one or more Qualified Bids to serve as “**Back-Up Bid(s)**”, and such Qualified Bidder(s), the “**Back-Up Bidder(s)**”.
29. Following the selection of the Successful Bid, the Monitor shall take such steps as may be necessary or desirable to finalize definitive Transaction documents for the Successful Bid(s) with the Successful Bidder(s) prior to Court approval of the Successful Bid(s).
30. As soon as reasonably practicable, and by no later than the Selection Deadline, the Monitor shall advise the Qualified Bidders if Successful Bid(s) and Back-Up Bid(s) have been selected, conditionally selected or otherwise, as the case may be.
31. In the event it is not apparent which of two or more Qualified Bid(s) is superior, or if the Monitor otherwise deems it necessary or desirable, the Monitor, in consultation with the Entourage Group and the DIP Lender, 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 procedure set forth in **Schedule “B”**. The identification of any Successful Bid(s) by the Monitor, in consultation with the Entourage Group, and with the consent of the DIP Lender, shall be subject to approval by the Court.
32. Notwithstanding anything to the contrary in this SISP:
- (a) neither the Monitor nor the Entourage Group shall be under any obligation whatsoever to select any Qualified Bid(s), Successful Bid(s), or Back-Up Bid(s), or to otherwise consummate or advance any bid or Transaction; and
 - (b) the Monitor may, in consultation with the Entourage Group and the DIP Lender, at any time suspend or terminate the SISP, or any portion thereof, if the Monitor determines, in its reasonable business judgment, that (i) doing so would be in the best interests of the Entourage Group and its stakeholders and/or (ii) the SISP is

unlikely to produce a Qualified Bid or executable Transaction(s), subject to any order of the Court.

Approval Motion

33. The Monitor shall use reasonable efforts to bring a motion to the Court to approve the Successful Bid(s) as soon as practicable following the determination by the Monitor, of the Successful Bidder(s) and the execution of definitive documents (the “**Sale Approval Hearing**”). The Sale Approval Hearing shall be on or before August 17, 2026, subject to the Court’s availability. The Entourage Group will be deemed to be bound by the Successful Bid(s) only when such bid(s) is/are approved by the Court. For greater certainty, all bids received hereunder (other than the Successful Bid(s) and the Back-Up Bid(s)) shall be deemed rejected on and as of the date of approval of the Successful Bid(s) by the Court.

Closing the Successful Bid

34. The Entourage Group and the Successful Bidder(s) shall take all reasonable steps to complete the Transaction(s) contemplated by the Successful Bid(s) as soon as possible after the Successful Bid(s) is approved by the Court (“**Closing**”).

Back-Up Bidder

35. If a Successful Bidder fails to close the Transaction(s) contemplated by the Successful Bid(s) on or before the Outside Date for any reason, then such Successful Bid(s) will be automatically terminated effective immediately and, with the written consent of the Monitor, the Monitor and the Entourage Group will be deemed to have accepted the applicable Back-Up Bid(s), and the Monitor will seek Court-approval to proceed with the Transaction(s) contemplated thereby. The Back-Up Bid(s) shall remain open for acceptance until the closing of the Successful Bid(s), or such other later date as the Monitor (in consultation with the Entourage Group and DIP Lender) and the Back-Up Bidder may agree, acting reasonably (the “**Back-Up Bid Expiration Date**”).

General

36. Each bidder (including if they should become a Qualified Bidder) shall comply with all reasonable requests for additional information by the Entourage Group or the Monitor regarding such Potential Bidder and its proposed Transaction(s). Failure by a bidder to comply with requests for additional information will be a basis for the Monitor to determine that the bidder is not, or cannot continue to be, a Qualified Bidder, as the case may be.
37. All Deposits shall be held by the Monitor in a single interest-bearing account designated solely for such purpose. A Deposit made by a Successful Bidder(s) shall be dealt with in accordance with the definitive documents for the Transactions contemplated by the Successful Bid(s). Deposits, and any interest earned thereon, paid by bidders not selected as either a Successful Bidder or a Back-Up Bidder shall be returned to such bidders as soon as practicable, and in any event no later than seven (7) Business Days following Court approval of the Successful Bid(s). In the case of Back-Up Bid(s), the Deposit and any interest earned thereon shall be retained by the Monitor until the Back-Up Bid Expiration Date and returned to the Back-Up Bidder(s) as soon as practicable, and in any event no

later than seven (7) Business Days, thereafter or, if a Back-Up Bid becomes a Successful Bid, shall be dealt with in accordance with the definitive documents for the Back-Up Bid(s).

38. If a Successful Bidder breaches its obligations under the terms of the SISP, its deposit shall be forfeited to the Entourage Group as liquidated damages and not as a penalty.
39. The SISP does not and will not be interpreted to create any contractual or other legal relationship between the Monitor, the Entourage Group or the DIP Lender and any other person, other than as specifically set forth in definitive agreement(s) that may be entered into pursuant to this SISP.
40. Participants in the SISP are responsible for all costs, expenses and liabilities incurred by them in connection with participation in the SISP, including any due diligence activities and any negotiations or other actions, whether or not they lead to the consummation of a Transaction.
41. None of the Entourage Group, the Monitor, or their respective employees, officers, directors, agents, advisors and other representatives shall have any liability whatsoever for:
 - (a) any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the Transactions contemplated under the SISP arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid(s) and Back-Up Bid(s). Any such claim shall be the sole liability of the parties that submitted such Successful Bid(s) and Back-Up Bid(s); or
 - (b) any claim by any person, including without limitation, any Potential Bidder, Successful Bidder or Back-Up Bidder, or any creditor, or other stakeholder, for any act or omission related to this SISP. By submitting a bid or otherwise participating in the SISP, each bidder shall be deemed to have agreed that it has no claim against the Entourage Group, the Monitor, and their respective employees, officers, directors, agents, advisors and other representatives for any reason, matter or thing whatsoever related to this SISP.

Modifications and Termination

42. The Monitor, in consultation with the DIP Lender, shall have the right to adopt such other rules for the SISP (including rules that may depart from those set forth herein) that will better promote the sale of the Business and/or Property under this SISP. The Monitor shall apply to the Court if it wishes to materially modify or terminate the process set out in this SISP. For certainty, any amendments to the Bid Deadline or other dates set out in this SISP shall not constitute a material modification, provided that any extensions to the Bid Deadline are not longer than fourteen (14) calendar days.

Further Orders

43. At any time during the SISP, the Monitor, the Entourage Group or the DIP Lender may apply to the Court for advice and directions with respect to any aspect of this SISP,

including, but not limited to, the continuation of the SISP or with respect to the discharge of their powers and duties hereunder.

SCHEDULE "A"

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With a copy to:

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SCHEDULE "B"

AUCTION PROCEDURE

1. If the Monitor determines to conduct an Auction pursuant to the SISP, the Monitor will notify the applicable Qualified Bidders in writing and provide (x) the date, time and location of the Auction (including whether in person or by videoconference); (y) the amount of the initial Opening Bid (as defined below); and (z) the amount of the Minimum Overbid Increment (as defined below). Capitalized terms used but not defined herein have the meaning given to them in the SISP. The Auction shall be conducted by the Monitor, in consultation with the Entourage Group and the DIP Lender (each with the assistance of their respective counsel and advisors) in accordance with the following procedures:
 - (a) Participation At the Auction. Only a Qualified Bidder is eligible to participate in the Auction. Each Qualified Bidder must inform the Monitor whether it intends to participate in the Auction by no later than 12:00 p.m. (Eastern Time) on the Business Day prior to the Auction. Only the authorized representatives of each of the Qualified Bidders, the Monitor, the Entourage Group and the DIP Lender and their respective counsel and other advisors and any other parties acceptable to the Monitor shall be permitted to attend the Auction.
 - (b) Bidding at the Auction. Bidding at the Auction shall be conducted in rounds. The highest Qualified Bid at the beginning of the Auction shall constitute the "**Opening Bid**" for the first round and the highest Overbid (as defined below) at the end of each round shall constitute the "**Opening Bid**" for the following round. In each round, a Qualified Bidder may submit no more than one Overbid. Only Qualified Bidders who bid in a round (including the Qualified Bidder that submitted the Opening Bid for such round) shall be entitled to participate in the next round of bidding at the Auction.
 - (c) Monitor Shall Conduct the Auction. The Monitor and its advisors shall direct and preside over the Auction. At the start of the Auction, the Monitor shall provide the terms of the Opening Bid to all participating Qualified Bidders at the Auction. The determination of which Qualified Bid constitutes the Opening Bid for each round shall take into account any factors that the Monitor reasonably deems relevant to the value of the Qualified Bid, including, among other things, the Bid Assessment Criteria. For greater certainty, the Monitor may ascribe monetary values to non-monetary terms in Overbids for the purposes of assessing and valuing such Overbids, including without limitation, the value to be ascribed to any liabilities or contracts to be assumed. All bids made after the Opening Bid shall be Overbids, and shall be made and received on an open basis, and all material terms of the highest and best Overbid shall be fully disclosed to all other Qualified Bidders that are participating in the Auction. The Monitor shall maintain a record of the Opening Bid and all Overbids made and announced at the Auction, including the Successful Bid and the Back-Up Bid.
 - (d) Terms of Overbids. An "**Overbid**" is any bid made at the Auction subsequent to the Monitor's announcement of the Opening Bid. To submit an Overbid, in any

round of the Auction, a Qualified Bidder must comply with the following conditions:

- (i) *Minimum Overbid Increment:* Any Overbid shall be made in such increments as the Monitor may determine in order to facilitate the Auction (the “**Minimum Overbid Increment**”). The amount of the cash purchase price consideration or value of any Overbid shall not be less than the cash purchase price consideration or value of the Opening Bid, plus the Minimum Overbid Increment(s) at that time plus any additional Minimum Overbid Increments.
- (ii) *The Bid Requirements same as for Qualified Bids:* Except as modified herein, an Overbid must comply with the bid requirements contained herein, provided, however, that the Bid Deadline shall not apply. Any Overbid made by a Qualified Bidder must provide that it remains irrevocable and binding on the Qualified Bidder and open for acceptance until the closing of the Successful Bid(s).
- (iii) *Announcing Overbids:* At the end of each round of bidding, the Monitor shall announce the identity of the Qualified Bidder and the material terms of the then highest and/or best Overbid, including the nature of the proposed Transaction contemplated by the best Overbid, the assets proposed to be acquired and the obligations proposed to be assumed, the basis for calculating the total consideration offered in such Overbid, and the resulting benefit to the Entourage Group based on, among other things, the Bid Assessment Criteria.
- (iv) *Consideration of Overbids:* The Monitor reserves the right to make one or more adjournments in the Auction to, among other things: (a) facilitate discussions between the Entourage Group and individual Qualified Bidders; (b) allow individual Qualified Bidders to consider how they wish to proceed; (c) consider and determine the current highest and/or best Overbid at any given time during the Auction; and (d) give Qualified Bidders the opportunity to provide the Monitor with such additional evidence as it may require, that the Qualified Bidder has obtained all required internal corporate approvals, has sufficient internal resources, or has received sufficient non-contingent debt and/or equity funding commitments, to consummate the proposed Transaction at the prevailing Overbid amount. The Monitor may have clarifying discussions with a Qualified Bidder, and the Monitor may allow a Qualified Bidder to make technical clarifying changes to its Overbid following such discussions.
- (v) *Failure to Bid:* If at the end of any round of bidding a Qualified Bidder (other than the Qualified Bidder that submitted the then highest and/or best Overbid or Opening Bid, as applicable) fails to submit an Overbid, then such Qualified Bidder shall not be entitled to continue to participate in the next round of the Auction.

- (e) Discussion with other Bidders. A Qualified Bidder shall not strategize or discuss with other Qualified Bidders for the purpose of submitting an Overbid without the consent of the Monitor.
- (f) Additional Procedures. The Monitor may adopt rules for the Auction at or prior to the Auction that will better promote the goals of the Auction, including rules pertaining to the structure of the Auction, the order of bidding provided they are not inconsistent with any of the provisions of the SISP and provided further that no such rules may change the requirement that all material terms of the then highest and/or best Overbid at the end of each round of bidding will be fully disclosed to all other Qualified Bidders who remain in the Auction.
- (g) Closing the Auction. The Auction shall be closed after the Monitor has (a) reviewed the final Overbid of each Qualified Bidder on the basis of financial and contractual terms and the factors relevant to the sale process, including those factors affecting the speed and certainty of consummating the proposed sale, and (b) identified the Successful Bid(s) and the Back-Up Bid(s) and advised the Qualified Bidders participating in the Auction of such determination.
- (h) Finalizing Documentation. Promptly following a bid of a Qualified Bidder(s) being declared the Successful Bid(s) or the Back-Up Bid(s), the applicable Qualified Bidder(s) shall execute and deliver such revised and updated definitive Transaction agreements as may be required to reflect and evidence the Successful Bid(s) or Back-Up Bid(s).
- (i) Qualified Investment Bids. Notwithstanding any other provision of the SISP, if a Qualified Bidder submits an Investment Proposal which the Monitor considers would result in a greater value being received for the benefit of the Entourage Group's creditors than the Sale Proposal, then the Monitor may allow such Qualified Bidder to participate in the Auction, notwithstanding that such Investment Proposal may not otherwise comply with the terms of this Auction Procedure. In such case, the Monitor may adopt appropriate rules to facilitate such Qualified Bidder's participation in the Auction.

2437653 ONTARIO INC.

-and- ENTOURAGE HEALTH CORP., et al.

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

Applicant

Respondent

Court File No. CL-26-00000281-0000

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

FIRST REPORT OF THE MONITOR

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