Court File No. 542329

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Mernova Medicinal Inc. and Creso Canada Limited.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act,* R.S.C., 1985, c. C-36, as amended

THIRD REPORT TO THE COURT
SUBMITTED BY GRANT THORNTON LIMITED
IN ITS CAPACITY AS MONITOR

July 30, 2025

Doane Grant Thornton

Grant Thornton Limited
Monitor

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Introduction

1. Pursuant to an order issued on April 16, 2025 ("**Initial Order**") by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**"), Mernova Medicinal Inc. ("**Mernova**") and Creso Canada Limited ("**Creso**", and together with Mernova, the "**Companies**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. *C-36* (the "**CCAA**").

2. The Initial Order, amongst other things:

   (a) appointed Grant Thornton Limited ("**GTL**") as monitor (in such capacity, the "**Monitor**") in the CCAA proceedings ("**CCAA Proceedings**") pursuant to section 11.7 (1) of the CCAA;

   (b) established an initial stay of proceedings up to and including April 25, 2025 (the "**Stay of Proceedings**");

   (c) granted an administration charge of $100,000 (the "**Administration Charge**") securing the fees and expenses of the Monitor, counsel to the Monitor, and counsel to the Companies in respect of the CCAA Proceedings;

   (d) granted a directors and officers charge of $150,000 (the "**D&O Charge**") as protection against the potential liability the Companies' directors and officers may incur in such capacity in the CCAA Proceedings; and

   (e) granted approval for the Companies, with the consent of the Monitor, to make certain payments to suppliers, contractors, subcontractors and other creditors for amounts owing prior to the date of the Initial Order where such payments are deemed by the Companies to be critical and necessary for the ongoing operations of the Companies and the preservation of its business and property (the "**Critical Suppliers**") up to an aggregate amount of $65,000 ("**Critical Supplier Pool**").

3. On April 25, 2025, the Court granted an Amended and Restated Initial Order ("**ARIO**") which provided for certain relief for the Companies including, amongst other things:

   (a) an extension of the Stay of Proceedings to July 18, 2025;

   (b) an increase to the Administration Charge to $250,000;

   (c) an increase to the D&O Charge to $300,000;

(d) approving the Companies' key employee retention plan ("**KERP**") of $200,000 and an accompanying charge ("**KERP Charge**");

(e) approval for the Companies to obtain and borrow interim financing ("**Interim Financing**") up to a maximum of $500,000 from the Companies' secured creditor, La Plata Capital, LLC ("**La Plata**", or in such capacity as, "**Interim Financing Lender**"); and

(f) granting an accompanying charge for the Interim Financing ("**Interim Financing Charge**") for the amounts advanced by the Interim Financing Lender up to the maximum of $500,000.

4. On April 25, 2025, the Court granted an order ("**SISP Order**") for the Monitor, in consultation with the Companies, to administer a sales and investment solicitation process ("**SISP**"). The purpose of the SISP was to solicit interest in and opportunities for a sale or investment in all, substantially all, or in one or more components of the Companies' assets and business operations.

5. On April 25, 2025, the Court granted an order ("**April Confidentiality Order**") providing for the sealing of the confidential appendices of the Monitor's first report to July 18, 2025.

6. On July 26, 2025, the Court granted an order ("**July Stay Extension Order**") for, amongst other things:

(a) an extension of the Stay of Proceedings to September 30, 2025;

(b) an amendment of the Interim Financing term sheet, with the only amendment being an extension of the maturity date to September 30, 2025; and

(c) approval of the activities of the Monitor since the date of the pre-filing report of GTL in its capacity as proposed Monitor.

7. A copy of the July Stay Extension Order is attached hereto as **Appendix "A"**.

8. On July 26, 2025, the Court granted an order ("**July Confidentiality Order**") for, amongst other things:

(a) extension of the April Confidentiality Order to October 14, 2025; and

(b) the sealing of the confidential addendum to the section report of the Monitor ("**Confidential Addendum to the Second Report**").

9. This third report of the Monitor ("**Third Report**"), previous Court reports, and all information in respect of the CCAA Proceedings are posted to the Monitor's case management website ("**Case Website**") at www.DoaneGrantThornton.ca/Mernova. Readers are encouraged to read the following reports of the Monitor, the materials filed with the Court in relation to these CCAA Proceedings and orders issued by the Court to provide additional information on the Companies' background and insolvency proceedings:

Reports to the Court:

10. The following reports have previously been filed by the Monitor:

(a) Pre-Filing Report of the Monitor, dated April 10, 2025;

(b) First Report of the Monitor, dated April 23, 2025; and

(c) Second Report of the Monitor ("**Second Report**"), dated July 7, 2025.

Orders of the Court:

11. The following are the Orders that have been issued by the Court:

(a) Initial Order, dated April 16, 2025;

(b) ARIO, dated April 25, 2025;

(c) April Confidentiality Order, dated April 25, 2025;

(d) SISP Order, dated April 25, 2025;

(e) July Stay Extension Order, dated July 26, 2025; and

(f) July Confidentiality Order, dated July, 26, 2025.

Purpose of the Third Report

12. This Third Report has been prepared by the Monitor to provide the Court and the Companies' stakeholders with the following:

(a) an update on the Companies' activities since the date of the Second Report;

(b) an update on the Monitor's activities since the date of the Second Report;

(c) an update with regards to certain of the Companies' creditors;

(d) an update with regards to the actual results of the Companies' operations relative to the October Cash Flow Forecast as referenced in the Second Report;

(e) an update with regards to the status of the SISP since of the date of the Second Report; and

(f) the Monitor's understanding, views, and recommendations regarding the Companies' motion seeking:

a. approval of the selection of the successful bidder pursuant to the SISP, being Canada's Island Garden Inc. ("**CIG**", or the "**Successful Bidder**");

b. approval of the proposed transaction ("**Proposed Transaction**") between the Successful Bidder and the Companies pursuant to the executed share purchase agreement dated July 29, 2025 (the "**SPA**"), the closing of which is subject to the issuance of a reverse vesting order ("**RVO**");

c. granting an order providing the Monitor certain enhanced powers over Creso, upon the filing of a Monitor's certificate confirming that the Proposed Transaction has closed and the sole director of Creso has resigned;

d. granting a declaration that the Companies are employers of any terminated employees at the closing of the Proposed Transaction, pursuant to the *Wage Earner Protection Program Act* ("**WEPP**") and the *Wage Earner Protection Program Regulations* ("**WEPP Regulations**");

e. pursuant to and in connection with the Proposed Transaction, an order granting releases in favour of (i) the Companies' current director, officer, employees and legal counsel, (ii) the Monitor and its legal counsel, together with each respective present and former directors, officers, partners, employees and advisors, (iii) the Interim Financing Lender and its current and former directors, officers, employees, legal counsel and advisors, and (iv) the Successful Bidder, its legal counsel and their respective present and former directors, officers, employees and advisors; and

f. approval of the activities of the Monitor and the Monitor's counsel since the date of the Initial Order.

Terms of Reference

13. In preparing this Third Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Companies, discussions with management of the Companies ("**Management**"), discussions with the Companies' legal counsel, and financial information provided by other stakeholders (collectively, the "**Information**"). While the Monitor has reviewed the Information for reasonableness and believes that the information provides a fair summary of the transactions and underlying financial position as reflected in the documents of the Companies, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

14. Some of the Information used in preparing this Third Report consists of forward-looking information. The Monitor cautions that such information is based on assumptions about future events and conditions that are not yet ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

15. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, directors of the Companies, and other stakeholders within the context in which the Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor requested that Management, directors and other stakeholders bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Third Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Companies, Management and other stakeholders.

16. This Third Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and these proposed CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought by the Companies. Accordingly, the reader is cautioned that this Third Report may not be appropriate for any other purpose. The Monitor does not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Third Report contrary to the provisions of this paragraph.

17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in prior reports of the Monitor, orders of the Court, previous affidavits of Micheline MacKay sworn on various dates throughout the proceedings, or the SPA, as applicable.

Activities of the Companies since the Second Report

18. Since the date of the Second Report, the Monitor understands the Companies have, amongst other things:

(a) managed the day-to-day operations of the business in the ordinary course;

(b) assisted the Monitor in the administration of the SISP, including, amongst other things, the selection of the Successful Bidder;

(c) assisted the Monitor in weekly reporting of financial results of the Companies to both the Interim Financing Lender and the Successful Bidder;

(d) participated in various meetings and communications with the Successful Bidder to discuss, amongst other things:

a. Mernova's continued operations and financial results;

b. communication to employees of both Mernova and the Successful Bidder regarding the Proposed Transaction; and

c. developing a transition plan leading up to and post closing of the Proposed Transaction;

(e) reviewed and provided commentary regarding the Proposed Transaction to the Successful Bidder;

(f) assisted the Monitor in negotiations and subsequently executing the SPA for the Proposed Transaction;

(g) maintained communication with the Monitor and the Interim Financing Lender throughout these CCAA proceedings; and

(h) assisted legal counsel and the Monitor with information required in the preparation of this Third Report and the Companies' application.

Activities of the Monitor since the Second Report

19. Since the date of the Second Report the Monitor and its counsel have, amongst other things:

(a) assisted the Companies and their counsel in communicating weekly financial results of the Companies with the Interim Financing Lender and the Successful Bidder;

(b) in consultation with the Companies and the Interim Financing Lender, selected the Successful Bidder;

(c) reviewed and provided commentary with regards to the SPA and Proposed Transaction to both the Companies and the Successful Bidder;

(d) communicated with various creditors and stakeholders regarding these CCAA proceedings;

(e) attended calls with the Companies, their counsel, and the Monitor's counsel in respect of matters relating to the SISP and these CCAA proceedings;

(f) attended calls with the Companies, their counsel, Monitor's counsel and the Successful Bidder and its counsel in respect of matters relating to the SPA and Proposed Transaction;

(g) attended calls with Management to discuss the cash flow reporting and weekly financial reporting to the Monitor, the Interim Financing Lender and the Successful Bidder;

(h) maintained the Case Website as well as a dedicated e-mail address for inquires: Mernova@Doane.GT.ca;

(i) prepared this Third Report; and

(j) reviewed the Companies' motion materials in respect of their requested relief summarized in paragraph 12(f) of this Second Report.

Creditor Update

Nova Scotia Power

20. As noted within the Second Report, the Companies have not yet received an invoice from Nova Scotia Power ("**NSP**") for post-CCAA electricity usage. Since the date of the Second

Report, the Companies have only received an invoice for the deposit requested from NSP, being $127,800 based on NSP's estimate of two months of average usage.

21. On July 21, 2025, NSP provided an update to the Monitor and the Companies regarding its billing, stating that the post-CCAA electricity usage will not be invoiced until August 16, 2025, being just prior to the target closing date of the Proposed Transaction. A copy of the email from NSP confirming this is attached hereto as **Appendix "B"**.

22. The Monitor understands that the Companies have disputed NSP's invoice for the deposit as:

    (a) a deposit for NSP's estimate of two months of power usage is excessive in the circumstances and may not reflect actual usage; and

    (b) the terms of the deposit are that it is to be returned to the Companies in two years, which is impractical given the pending completion of the CCAA proceedings and the Proposed Transaction.

23. As discussed further herein, the terms of the Proposed Transaction include the assumption of post-CCAA amounts owing to suppliers by the Successful Bidder. Should NSP invoice the Companies on August 16, 2025, the Successful Bidder will be responsible for payment of this invoice, which will include all amounts incurred by the Companies post filing.

24. The Monitor understands the Companies are further of the view that, given that the Proposed Transaction is expected to close within a month of the date of this Third Report, should a deposit be required by NSP of the Successful Bidder, the amount, terms and conditions of that deposit should be negotiated by NSP and the Successful Bidder after the closing of the Proposed Transaction.

25. The Monitor intends to ensure NSP is notified and served with the motion materials, and is of the view that NSP is not prejudiced given the assumption of post-CCAA amounts owing to suppliers by CIG, should the Proposed Transaction be approved.

<u>Canada Revenue Agency</u>

26. The Monitor understands, based on its review of the actual results of the Companies' operations relative to the October Cash Flow Forecast, that the Companies' have made

all post-CCAA excise tax payments to the Canada Revenue Agency ("**CRA**") in the ordinary course.

27. The Monitor also understands that the Companies are current with regards to post CCAA HST filings and remittances, where applicable, however the 2024 T2 returns are outstanding as of July 1, 2025. The terms of the Proposed Transaction provide that the Successful Bidder is to file any and all outstanding tax returns of Mernova.

28. As noted within the Second Report, CRA has been conducting a review of Mernova's HST account for the period of April 1, 2025 to April 16, 2025. CRA has since issued an assessment based on its review, providing for an assessed balance of $43,464.12 owing by Mernova for pre-CCAA HST. A copy of this assessment is attached hereto as **Appendix "C"**.

29. The Monitor understands that the Companies do not intend to appeal or object to CRA's assessment.

30. The Monitor is of the view that the assessed amount is a pre filing claim that would be considered by the Monitor in a future distribution application should the Proposed Transaction be approved and subsequently close. Based on the terms of the Proposed Transaction and the RVO, the amount of this assessment will be vested from Mernova to Creso, should the Court grant the requested relief.

<u>Health Canada</u>

31. The Monitor understands that Health Canada has continued to supply cannabis regulatory stamps to Mernova post-CCAA to allow Mernova's operations to continue in the ordinary course.

32. Following approval of the Proposed Transaction, if granted by the Court, the Monitor understands that the Companies will be notifying Health Canada of the Proposed Transaction and the change of control regarding Mernova's operations to the Successful Bidder pursuant to the appropriate regulations.

Performance Relative to the October Cash Flow Forecast

33. The Companies' budget to actual results of the October Cash Flow Forecast is attached hereto as **Appendix "D"**. The Monitor has summarized these results in the table below:

Mernova Group Extended Cash Flow Forecast – Variance of Weeks 13-14 June 30, 2025 to July 13, 2025				
	Budget	**Actual**	**Variance**	**Actual Weeks 1-14**
Cannabis revenues	543,377	484,474	(58,903)	3,541,057
Operating disbursements	(594,858)	(596,417)	(1,559)	(2,878,234)
Net operating cash flows	**(51,481)**	**(111,943)**	**(60,462)**	**662,824**
Restructuring fees	(159,876)	(155,070)	4,805	(415,564)
Net cash flows	**(211,357)**	**(267,013)**	**(55,656)**	**247,259**
Opening cash	1,103,275	1,103,275	-	-
Interim Financing	-	-	-	499,899
Closing cash	**892,019**	**836,262**	**(55,757)**	**836,262**

34. The Companies provided the Monitor with bi-weekly updates regarding the actual results compared to the Extended Cash Flow Forecast. The Monitor continuously shared these results with La Plata in its capacity as Interim Financing Lender.

35. The Monitor understands that the key variances to the Extended Cash Flow Forecast are as follows:

(a) Cannabis revenues lower than forecast by $59k primarily due to a delay in collecting a receivable, which was subsequently received in Week 15;

(b) Operational disbursements overall lower than forecast by approximately $2k due mostly to:

a. Supplies over forecast by $68k due to timing of purchase orders from customers being higher than forecast;

b. Excise taxes over forecast $217k due to timing of payment to CRA; and

c. Utilities under forecast $300k due to no invoice having yet been received from NSP.

Update Regarding the Sales and Investment Solicitation Process

36. The Monitor discussed in paragraphs 36-61 of its Second Report the details and efforts of the Monitor, in conjunction with the Companies, to administer the SISP. A copy of the Second Report, without appendices, is attached hereto as **Appendix "E"**.

Selection of the Successful Bidder

37. Since the date of the Second Report, the Monitor continued its discussions with the Companies, the Interim Lender and CIG and on July 10, 2025, the Monitor confirmed with CIG that it was selected as the Successful Bidder pursuant to s. 43 of the SISP bidding procedures ("**SISP Bidding Procedures**"). Prior to the selection of the Successful Bidder, the Monitor confirmed with the Companies and the Interim Lender that both were supportive of CIG becoming the Successful Bidder.

38. While the Monitor is confident that the Proposed Transaction will close as intended with the Successful Bidder, should it be approved by the Court, the Monitor also selected La Plata's credit bid as the back-up bid ("**Back-up Bid**") pursuant to s. 4 of Schedule B to the SISP Bidding Procedures. The purpose of the selection of the Back-up Bid was to avoid the Monitor having to resume the SISP and provide the option to pivot to the next best offer received within the SISP, in the unlikely event that the Proposed Transaction does not close.

Monitor's Views of the SISP

39. The Monitor is of the view that the SISP was fair and reasonable, given that:

(a) The SISP was (i) well defined and transparent, (ii) consistent with similar Court approved sales processes for opportunities of this nature and (iii) implemented and administered by the Monitor in order to maintain its integrity;

(b) The Monitor has both significant and recent experience with sales mandates for opportunities similar in nature in insolvency proceedings throughout Atlantic Canada;

(c) The timelines and approach of the SISP provided each qualified bidder ("**Qualified Bidder**") with sufficient time to complete their due diligence, as facilitated by the Monitor and the Companies. The SISP was designed to ensure that Qualified Bidders would have all the necessary information required to develop and submit an informed bid within a highly competitive process;

(d) The SISP opportunity was widely marketed, canvassing parties across Atlantic Canada and nationally that included those in the cannabis industry and direct competitors, private equity sponsors, strategic players and parties who had expressed interest to the Companies and Monitor directly; and

(e) The Interim Financing Lender, who financially supported the Companies during the SISP through providing the Interim Financing, was regularly updated by the Monitor, was a participant within the SISP and was supportive of the SISP Bidding Procedures and selection of CIG as the Successful Bidder.

40. The Monitor is of the view that the Proposed Transaction with the Successful Bidder is the result of an extensive and transparent SISP that represented a reasonable balance between the Companies' circumstances and the time required to successfully market and solicit bids to complete a transaction of this nature. The SISP created a competitive tension amongst the Qualified Bidders, and the fact that the SISP was implemented and administered by the Monitor ensured the continuing efficacy and integrity of the process that resulted in the Proposed Transaction.

41. The Proposed Transaction represents the best offer received for the Companies pursuant to the SISP. The Interim Financing Lender, being also the Companies' senior secured creditor, are supportive of the Proposed Transaction, as described more fully below.

Proposed Transaction

42. On July 29, 2025, the Companies entered into the SPA with the Successful Bidder, setting out the detailed terms and conditions of the Proposed Transaction. The fully executed SPA is attached hereto as **Appendix "F"**.

43. A summary of the Proposed Transaction is set out below.

<u>Canada's Island Garden</u>

44. The Monitor understands that CIG is a private company based in Prince Edward Island. A copy of the Prince Edward Island corporate registry for CIG is attached hereto as **Appendix "G"**. CIG's operations are similar to Mernova, being a cultivator and processor of cannabis. CIG has one director, Mr. Robert Smith.

45. As confirmed by CIG, the Companies and based on the above, CIG is a third party to the Companies and operates at arms-length.

<u>Details and Mechanics of the Proposed Transaction</u>

46. The Proposed Transaction contemplated by the Successful Bidder is structured in the form of an RVO and effected through the SPA, pursuant to which all existing shares of Mernova will be sold, assigned and transferred to the Successful Bidder. This will have the effect

that, upon closing, the Successful Bidder will be the sole registered and beneficial owner of any and all outstanding shares of Mernova and Mernova will be wholly owned by the Successful Bidder free and clear of all claims and encumbrances, with exception to, as defined within the SPA, the Permitted Encumbrances and Retained Liabilities. The Successful Bidder will acquire the Retained Assets and Retained Contracts as described within the SPA.

47. As defined within the SPA, upon closing the Excluded Assets and Excluded Liabilities will be vested out of Mernova into Creso. The Monitor understands that Creso currently has no assets and is a holding company and parent of Mernova.

48. While incorporating a new company for the purposes of acting as a “ResidualCo” for the Excluded Assets and Excluded Liabilities is a typical approach to transactions completed via RVO, the Companies have instead opted to use Creso in this regard. The Monitor understands that Creso was chosen as “ResidualCo” because, amongst other things:

(a) Creso is already an applicant in these CCAA proceedings;

(b) Creso has no assets which would be of beneficial interest to the Successful Bidder, nor are there assets that could otherwise be realized upon for the benefit of creditors;

(c) the cannabis license with Health Canada, being the regulatory requirement for the Companies to operate, is in the name of Mernova;

(d) the Companies’ real property and operating facility is in the name of Mernova; and

(e) using Creso avoids the need to incorporate a new company solely for the purposes of effecting the RVO.

49. The sole director of Creso is Micheline MacKay (“**Ms. MacKay**”). A copy of the corporate profile of Creso, incorporated pursuant to the *Canada Business Corporations Act*, is attached hereto as **Appendix “H”**. The Monitor notes that Ms. MacKay is also the sole director of Mernova.

50. Pursuant to the SPA, amongst other things:

(a) the Successful Bidder is purchasing the shares of Mernova for $6,250,000 (“**Purchase Price**”), subject to certain purchase price adjustments (“**Purchase Price Adjustment**”) described below;

(b) immediately upon closing, the Successful Bidder will become the sole shareholder of Mernova and the beneficial owner of the Retained Assets and Retained Contracts;

(c) the Excluded Assets, Excluded Liabilities and Excluded Contracts will be transferred from Mernova and vested into Creso, pursuant to the terms of the RVO. For certainty, the interests, obligations and payments relating to the Purchase Price will be transferred to Creso for eventual distribution to the Companies' creditors by the Monitor pursuant to a future distribution order of the Court;

(d) the sale of Mernova's shares to the Successful Bidder will be completed on an "as is, where is" basis with limited representations or warranties, subject only to the stipulations provided for within the SPA;

(e) all claims and encumbrances attached to the Excluded Assets will continue to attach to the Excluded Assets and will similarly be transferred to Creso and become obligations of Creso; and

(f) Mernova will cease to be an applicant in these CCAA proceedings, leaving only Creso to be the sole applicant. Creso will have more than $5M in liabilities and be insolvent, meeting the criteria as prescribed in s. 3(1) of the CCAA.

51. The Purchase Price Adjustment noted within the SPA is as follows:

(a) the Companies have a minimum cash balance on closing of $550k ("**Minimum Cash Balance**"); and

(b) the Companies have current assets (excluding inventory) less current liabilities ("**Quick Ratio**") on closing between $1.15M ("**Quick Ratio Minimum**") and $1.50M ("**Quick Ratio Maximum**", and between the Quick Ratio Minimum and the Quick Ratio Maximum, the "**Acceptable Range**").

52. The SPA provides for the Quick Ratio to be calculated by Mernova, and confirmed by the Successful Bidder, four business days prior to closing and recalculated thereafter within eight business days following closing. The Purchase Price Adjustment will have the following effects on the Purchase Price:

(a) should the Quick Ratio be below the Acceptable Range and the cash on closing be below the Minimum Cash Balance, the Purchase Price would be reduced to satisfy (i) the Minimum Cash Balance and (ii) the Quick Ratio being within the Acceptable Range;

(b) should the Quick Ratio be less than the Quick Ratio Minimum, the Purchase Price shall be reduced on a dollar-for-dollar basis by the amount by which the Quick Ratio is less than the Quick Ratio Minimum;

(c) should the Quick Ratio be within the Acceptable Range, there shall be no adjustment to the Purchase Price;

(d) should the Quick Ratio be greater than the Quick Ratio Maximum, the Purchase Price shall be increased on a dollar-for-dollar basis by the amount by which the Quick Ratio is more than the Quick Ratio Maximum;

(e) should the cash on closing be less that the Minimum Cash Balance, the Purchase Price shall be reduced on a dollar-for-dollar basis up to the Minimum Cash Balance, regardless if the Quick Ratio is within the Acceptable Range;

(f) should the cash on closing be greater than the Minimum Cash Balance, and the Quick Ratio is within the Acceptable Range, the excess cash above the Minimum Cash Balance is to be transferred to the Monitor for the general benefit of the Companies' creditors, subject to the Quick Ratio remaining within the Acceptable Range:

    a. ie: excess cash above the Minimum Cash Balance can only be transferred to the Monitor to the extent that the Quick Ratio meets the Quick Ratio Minimum.

(g) Should the Quick Ratio be above the Quick Ratio Minimum on closing, any payment of excise taxes owing by Mernova to CRA may be included as a Retained Liability so that the cash on closing may be applied and calculated towards the Minimum Cash Balance.

53. The Monitor notes that payment of any Purchase Price Adjustment when recalculated subsequent to closing would be due as follows:

(a) Downward Adjustment – Payable by the Monitor within five business days; and

(b) Upward Adjustment – Payable by Mernova and CIG within 60 days.

54. The SPA provides for a target closing date of August 18, 2025, with an outside closing date of August 29, 2025 or such later date and time as the parties may agree to in writing.

55. The Monitor estimates the indebtedness of La Plata, inclusive of the Interim Financing, is approximately $10 million. Given the Purchase Price, the Monitor does not expect there to be a distribution available for unsecured creditors.

Proposed Reverse Vesting Order

56. The Companies are seeking approval from the Court of the Proposed Transaction, which is to be implemented through an RVO.

57. The Monitor understands that an RVO is essentially similar to a more typical approval and vesting order, in that it provides the purchaser of assets from an insolvent entity the ability to obtain the debtor's interests in those assets "free and clear". However, an RVO varies from typical vesting orders by reason of the following:

   (a) the purchaser becomes the sole shareholder of the target debtor company;

   (b) the target debtor company retains its assets, including key contracts, capital structure, licenses, leases, and tax attributes;

   (c) the liabilities not assumed by the purchaser are vested out and transferred, together with any excluded assets, into a "ResidualCo" that takes the place of the target debtor in the insolvency proceeding; and

   (d) the target debtor company exits the CCAA Proceedings.

58. The proposed RVO in these CCAA Proceedings includes the approval of the SPA and the Proposed Transaction, as well as certain additional relief required to implement the Proposed Transaction. This additional relief includes, among other things:

   (a) The RVO shall constitute the only authorization required by the Companies to complete the Proposed Transaction and no further authorizations, approvals or filings will be required;

   (b) Mernova will cease being an applicant. Creso, rather than a separate "ResidualCo", will assume the Excluded Assets and Excluded Liabilities which substantially exceed $5M, and as a consequence Creso will be insolvent;

   (c) An order granting the Monitor enhanced powers with respect to Creso upon the filing of the Enhanced Powers Certificate (defined herein this Third Report);

(d) A release in favor of (i) the Companies current director, officer, employees, legal counsel and advisors (ii) the Monitor and its legal counsel and their respective present and former directors, officers, partners, employees and advisors (iii) the Interim Financing Lender and its current and former directors, officers, employees, legal counsel and advisors and (iv) the Successful Bidder, its legal counsel and their respective present and former directors, officers, partners, employees and advisors, (each a "**Released Party**") in each case in respect of claims arising prior to or relating to the Proposed Transaction, including matters completed pursuant to the terms of the RVO.

59. The Monitor understands that the proposed reverse vesting structure is necessary in the circumstances to achieve the benefits to the Companies' stakeholders from the Proposed Transaction, and in particular with respect to the transfer of cannabis licenses. The Monitor's view on the proposed RVO is outlined below.

Monitor's Views with Respect to the RVO

60. The Monitor understands that while RVO's are becoming more prevalent within insolvency proceedings, courts across Canada have cautioned their use be reserved for extraordinary circumstances and not simply as a means to transact that is convenient for a purchaser.

61. The Monitor notes that RVO's have been approved in similar circumstances where, amongst other things:

(a) The debtor operated in a highly regulated environment where the transfer of existing permits, licenses, leases or other contracts would be practically impossible to transfer to a purchaser in an expeditious manner. The RVO structure in these circumstances provides a timely and efficient resolution to this issue, such that the purchaser would not be exposed to the material risks, delays and costs associated with the transfer of such permits, licenses etc. that would otherwise make a transaction uneconomical or impossible to consummate;

(b) The maintenance of the existing legal entities would preserve certain tax attributes that would otherwise be foregone in a traditional vesting order, as would the additional consideration offered by potential purchasers for the value of such tax attributes; and

(c) No party would be materially prejudiced by the use of an RVO structure, relative to another means of completing a transaction.

62. To the Monitor's knowledge, this Court has approved one RVO transaction in the CCAA proceedings of Saltwire Network Inc., The Halifax Herald Limited, Headline Promotional Products Limited, Titan Security & Investigation Inc. ("**Titan**"), Brace Capital Limited and Brace Holdings Limited. The Monitor understands that the approval of an RVO was granted for the sale of Titan's business and operations, of which a primary driver of Titan's business included certain immigration programs with provincial governments. This RVO preserved these contracts to allow Titan to continue its operations without delay or significant disruption while transferring, or applying for, the immigration programs which were critical to its business and could not otherwise be transferred.

63. The Monitor has also acted within two CCAA proceedings in Newfoundland and Labrador, Canada Fluorspar Inc. and Rambler Metals and Mining Limited, both of which were granted RVO's due to their operations being within a heavily regulated mining industry and subject to numerous mining and mineral licenses. An RVO is each of these CCAA proceedings was necessary to allow for the purchaser to maintain and continue ongoing operations without disruption and without having to incur the significant delay and uncertainty in applying for new mining and mineral licenses.

Necessity and Characteristics of the RVO and Proposed Transaction

64. Mernova operates within the highly regulated cannabis industry and is the beneficiary of a license from Health Canada for the purposes of cultivating, processing and distributing cannabis pursuant to the *Cannabis Act*. The Monitor understands the primary reasoning for requesting an RVO for the Proposed Transaction is for the purposes of Mernova maintaining its cannabis license to cultivate and process cannabis and ensure that its ongoing operations are not disrupted. The Monitor understands that the transfer of this license may be difficult or impossible and could result in a significant delay in closing or the failure of the Proposed Transaction if such a transfer was not approved.

65. The continued use of Mernova's cannabis license is critical for Mernova to continue its current operations. The uncertainty around timing, cost and acceptance of these items would materially impact the ongoing operations, including the production of the current crop of cannabis, and would significantly impact the economics of the Proposed Transaction.

66. The Monitor has been advised that the Companies' current tax attributes are important to the Successful Bidder's valuation of the Companies, and such tax attributes can only be preserved through an RVO and not by a traditional vesting order. The Monitor understands that the tax attributes are an important feature of this transaction and that the Purchase Price provided for in the SPA is reflective of same.

67. The Purchaser has requested that the Proposed Transaction be consummated through an RVO and all bids received pursuant to the SISP contemplated an RVO as an integral part of their respective bid. This was not unexpected by the Monitor, as RVO's are frequently used in acquisitions of insolvent cannabis companies across Canada and the structure of the Proposed Transaction is reflective of the complicated regulatory environment in which Mernova operates.

68. The Monitor, in consultation with its counsel, considered if the above characteristics could be preserved through alternative transaction structures, such as a traditional vesting order or plan of arrangement. The Monitor is of the view that an RVO would provide the most timely, least costly and expedient transfer of the above characteristics of Mernova to the Successful Bidder. The RVO structure also mitigates the operational risk associated with seeking to transfer such characteristics through a different transaction structure, and no other transaction structure is available to Mernova to complete this transaction.

69. The Monitor therefore considers that an RVO is necessary in these circumstances in order to ensure that the Proposed Transaction can be consummated on a timely and in the most expeditious and efficient manner for the benefit of the Companies' stakeholders.

<u>Environmental Impact of the RVO</u>

70. The Proposed Transaction and RVO does not "vest out" environmental obligations, which if any exist, remain with the assets in Mernova. The SPA contemplates that these liabilities and obligations will remain with the Successful Bidder as Retained Liabilities:

(a) Environmental Liabilities: *means all claims, losses and Liabilities, damages or expenses (whether accrued, actual, contingent, latent or otherwise), whenever arising, which relate to the Retained Assets, or arise from or in connection with past, present or future operations in respect thereof or which relate to or are associated with the environment, including, without limitation, all Liabilities related to or arising from:*

a. *the non-compliance with, the breach of, or any liability under the applicable Environmental Laws;*

b. *presence, transportation, storage, use or disposal of toxic or hazardous substances; and*

c. *removal, assessment, monitoring, sampling, response, abatement, clean-up, investigation, reporting of pollution or contamination of, or damage or other adverse effects to the environment,*

including, without limitation, liabilities to compensate third parties for damages, losses and Liabilities resulting from the items described in items (a) through (c) above and, for purposes of this Agreement, "the environment" includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes, aquifers, groundwater) and plant and animal life (including humans).

(b) Retained Liabilities: *means: (a) Liabilities specifically and expressly designated by the Purchaser as Retained Liabilities in Schedule E, as the same may be modified by the Purchaser no later than five (5) Business Days before the Closing Date, provided that consent of the Vendor and the Monitor is required for the removal of any Retained Liabilities in accordance with the terms hereof; (b) all Liabilities which relate to the Permits and Licenses and any Retained Contracts, solely in respect of the period from and after Closing and not relating to any default existing prior to or as a consequence of Closing; and (c) all Environmental Liabilities prior to, on and after Closing.*

71. For certainty, neither the Monitor nor the Companies are aware of any current environmental liabilities or issues in respect of the Companies.

<u>Economic and Stakeholder Impact of the RVO Relative to Viable Alternatives</u>

72. The Monitor is further of the view that the Proposed Transaction is the best offer received from the SISP and represents the market value of the Companies after the conclusion of an extensive marketing process. Copies of all bids received have been provided to the Court in the Confidential Addendum to the Second Report.

73. Although the Proposed Transaction through an RVO does not result in a return to unsecured creditors, the Monitor notes that a traditional approval and vesting order would not result in a different outcome to unsecured creditors. The Monitor expects there to be

a shortfall to La Plata as the senior secured creditor given the Purchase Price and the indebtedness to LaPlata. The Monitor notes that in any other transaction structure, a distribution to La Plata would be further reduced by (a) additional professional fees (b) a decrease in the purchase price to account for the significant operating and transaction risks outlined above and (c) additional expenses at the business level to account for a longer closing period.

74. Similarly, a plan of arrangement would require the support of La Plata, who would likely be better off enforcing their security through a receivership to affect a sale of the Companies rather than support a plan of arrangement that would likely result in a certain portion of the sale proceeds being paid to the unsecured creditors to secure their support for the plan of arrangement. The Monitor also understands that the additional time and expense required to formulate and implement a plan of arrangement would significantly impact the Successful Bidder's proposed timelines and would therefore create an additional and unacceptable closing risk, which in turn would reduce the Purchase Price.

75. The Monitor is of the view that an RVO would provide an expeditious and efficient transfer of the Companies' operations to the Successful Bidder. The continuation of Mernova's ongoing operations will achieve the objectives of the CCAA by (i) preserving value of the Companies' business, (ii) avoiding the economic hardship that would result to stakeholders from a liquidation, and (iii) creating an opportunity for the local community, suppliers, employees and other stakeholders to realize the resultant future economic benefits from such operations continuing without disruption.

76. Given the factors outlined above, as well as the Monitor's understanding of how all Qualified Bidders within the SISP considered these factors when assigning value to their respective bids in the SISP, the Monitor is of the view that no stakeholder is worse off under the RVO structure than they would have been under any other viable structure for the sale of the Companies.

<u>Consideration for the Companies' Intangible Assets Being Preserved Through RVO</u>

77. The Monitor views the key attribute being preserved through an RVO, relative to alternative transaction structures, is Mernova's cannabis license through Health Canada.

78. Given the Monitor's understanding of the market value of the Companies derived from the SISP, the Monitor is of the view that the consideration provided in the Proposed

Transaction reflects the value of Mernova's cannabis license and key attributes which can only be preserved under the RVO structure. The Monitor notes that the completion of a transaction through an RVO structure was also contemplated by each of the Qualified Bidders, as it was recognized that the RVO would be the optimal structure to preserve Mernova's cannabis license.

<u>Notice of RVO Application to All Known Creditors</u>

79. The Monitor intends to provide all known creditors, including unsecured creditors, with notice of the Companies' application and the RVO after the filing of this Third Report to the Court by either email or ordinary mail. The Companies' counsel will be providing notice to the service list via email.

80. The Monitor will publish an affidavit of service to its website, confirming that notice has been provided of this motion and will also provide this affidavit of service to the Court, or any other stakeholders requesting the same, prior to the hearing on August 5, 2025.

81. The Monitor will also publish this Third Report and all other relevant application materials to its Case Website.

<u>Conclusion: Monitor's View on Appropriateness of RVO</u>

82. The Monitor is of the view that, in consideration of the factors outlined above, the RVO contemplated by the Proposed Transaction is fair and commercially reasonable in the circumstances. The Interim Lender, also being the Companies' senior secured creditor, is supportive of the RVO structure and the Proposed Transaction.

83. The Monitor considers there to be significant benefits to using an RVO structure as compared to a traditional asset sale, or a plan of arrangement. The RVO structure provides an economic result at least as favourable as any other viable alternative and significantly reduces costs in these CCAA proceedings. The Monitor notes that the transfer of Mernova's pre-filing tax liability to Creso is not a worse outcome for the Canada Revenue Agency than would be expected in a bankruptcy.

84. In light of the factors above and the Monitor's consideration of the factors set out in s. 36(3) of the CCAA, the Monitor is supportive of the Proposed Transaction and RVO.

Wage Earner Protection Program

85. In accordance with s. 5(1) of the WEPP, an individual is eligible to receive payment under WEPP if, amongst other things:

(a) the individual’s employment ended as a result of the CCAA;

(b) the individual is owed eligible wages by the former employer; and

(c) the Court determines that, under s. 5(5) of WEPPA, the criteria prescribed by regulation are met.

86. s. 3.2 of the WEPPA Regulations states:

(a) *“For the purposes of subsection 5(5) of the Act, a court may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations.”*

87. Mernova currently employs 46 active employees. The terms of the SPA provide that the Companies are to terminate all employees on closing. The Monitor understands that the Successful Bidder intends to re-hire most, if not all, of the Companies’ employees, at CIG’s sole discretion. The Monitor further understands that the termination of employees prior to closing and re-hiring under CIG is to mitigate potential successor employer liabilities or other trailing employee obligations by Mernova’s new ownership.

88. The Monitor understands the Companies are of the view that the termination of the Companies’ employees will be the direct result of the Companies’ closing the Proposed Transaction and the Companies consider the terminations as permanent. As such, the Monitor understands the Companies are requesting that the Court declare that the Companies are a “former employer” of the employees for the purposes of s. 5(5) of WEPP upon their termination at closing.

89. The Monitor understands the Companies intend to pay all employees their outstanding wages and vacation pay upon any termination of employment. Therefore, the Monitor expects that amounts payable to employees pursuant to WEPP would be severance or termination pay pursuant to the Nova Scotia Labor Code. Should the Court grant the requested declaration, the Monitor will work with the Companies to submit the required

documents, claim forms and trustee information forms as required by Employment and Social Development Canada to complete the WEPP applications for all former employees.

90. The Monitor is of the view that the requested relief is reasonable and appropriate in the and recommends that the Court grant the WEPP declaration.

Monitor's Enhanced Powers of Creso

91. The Companies are requesting an Order ("**Enhanced Powers Order**") that provides the Monitor with enhanced powers over Creso upon the Monitor executing, posting on its Case Website and serving on the service list a certificate ("**Enhanced Powers Certificate**") confirming, among other things, the Proposed Transaction has closed and Mernova has been removed as an applicant in these CCAA proceedings, leading only Creso as the sole applicant. The Monitor understands that Ms. MacKay intends to resign as director of Creso upon the execution of the Enhanced Powers Certificate.

92. Creso will have no employees or directors at the time of filing the Enhanced Powers Certificate by the Monitor. Accordingly, the Enhanced Powers Order allows the Monitor to act on behalf of Creso including with respect to, among other things, applying to this Court for an order to distribute the net proceeds of sale from the Proposed Transaction to the Companies' creditors in accordance with their relative order of priority. The Monitor would also be empowered to take the appropriate actions required, or that it deems necessary with regard to the ongoing administration of these CCAA proceedings, including assigning Creso into bankruptcy if required or desirable in order to wind up the estate.

93. For certainty, upon closing the Proposed Transaction, the Monitor intends to hold back funds for the Administration Charge and D&O Charge and repay the balance of outstanding amounts under the KERP Charge and Interim Financing Charge (collectively, the "**Charges**") as set out below:

(a) First –Administration Charge of up to $250,000;

(b) Second – D&O Charge of up to $300,000;

(c) Third – KERP Charge of up to $200,000; and

(d) Fourth – Interim Financing Charge of $500,000, plus accrued interest, fees and expenses of the Interim Lender.

94. All other distributions to the Companies' creditors including payments to priority creditors outlined in s. 6(5)(a) and (6)(a) of the CCAA will only be made after the Monitor's subsequent application to conclude these CCAA proceedings and request a distribution order be granted by the Court.

Releases

95. The proposed RVO includes releases in favour of the Released Parties. The full scope of the release provisions are set out in the proposed RVO and should be read in conjunction with this Third Report.

96. The Released Parties shall not be released from any claims for fraud or willful misconduct or any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

<u>Release of the Companies' Director</u>

97. The Monitor makes note of the important contribution from the Companies' sole director, Ms. MacKay, during these CCAA proceedings and facilitating the Proposed Transaction. Such contributions include, among other things:

(a) maintained operations of the Companies' throughout these CCAA proceedings, with no decrease to the production and sale of Mernova's cannabis products despite operating under constrained credit terms;

(b) assisted with the preparation of the SISP materials, including the confidential information memorandum, solicitation letter and the virtual data room;

(c) introduced the Monitor to several interested parties throughout the SISP who were interested in the opportunity; and

(d) provided guidance, assistance and recommendations to CIG after it became the Successful Bidder in transitioning Mernova's facility, business and operations post-closing.

98. The Monitor is of the view that Ms. MacKay was critical to the Companies' restructuring efforts, both in her continued leadership as CEO and as the Responsible Person holding the required security clearances from Health Canada and under the Cannabis Act which allow continued operations. Should a release not be granted in favor of Ms. MacKay, any claim against Ms. MacKay in her capacity as a director would cause significant concern

and potential disruption to Mernova's ability to maintain its cannabis licenses and continue operations.

99. Accordingly, the Monitor believes that each of the Released Parties have contributed to the Proposed Transaction as more specifically outlined in the Fourth Affidavit. Moreover, the continued involvement of the Released Parties is key to the successful implementation of the Proposed Transaction.

100. The Monitor also notes that the form of release is built into the form of the RVO that is scheduled to the SPA, which RVO in turn must be acceptable to the Purchaser as a condition of closing. Accordingly, the release is, as the relevant documents are currently drafted, a purchaser condition of closing the Transaction. As discussed above, the Monitor's view is that the Proposed Transaction represents the best result for the Companies stakeholders, taken together, than any available alternative and the Monitor supports the Proposed Transaction being approved.

101. The Monitor also considered, among other things, the following factors in relation to the requested release of the Released Parties, including Ms. MacKay:

(a) whether the parties to be released were necessary to the restructuring of the debtor;

(b) whether the claims to be released are rationally connected to the purpose of the restructuring and necessary for it;

(c) whether the restructuring could succeed without the releases;

(d) whether the parties being released contributed to the restructuring; and

(e) whether the releases benefit the debtors as well as the creditors generally.

102. Accordingly, the Monitor is of the view that the proposed releases are reasonable, not overly broad in the circumstances, and appear to be inextricable from the Proposed Transaction generally. Considering the advantages of the Proposed Transaction compared to all available alternative and taking into account releases granted in past cannabis insolvencies, the Monitor supports the Companies request for the releases to be granted.

103. In consideration of each of these factors, the Monitor is of the view that in the context of these CCAA Proceedings, each Released Party has contributed to the Proposed Transaction and the success of these CCAA Proceedings. Furthermore it is the Monitor's

understanding, in consultation with its counsel, that it is customary to include such releases in transactions of this nature. Accordingly, the Monitor is of the view that the release provisions included in the RVO are reasonable and appropriate in the circumstances.

Next Steps within the CCAA Proceedings

104. Should the Court grant the Companies requested relief, the Companies will proceed to closing the Proposed Transaction as outlined in the SPA.

105. Upon closing and filing the Enhanced Powers Certificate, should the Court grant the Enhanced Powers Order, the Monitor will proceed to distribute amounts owing under the Charges, while reserving for the Administration Charge and D&O Charge. The Monitor will then make a future application to the Court for a final discharge and distribution order to the Companies' creditors in order of priority.

Good Faith and Due Diligence

106. As at the date of this Third Report, the Monitor:

(a) is of the view that the Companies and their stakeholders are acting in good faith and with due diligence, pursuant to section 18.6(1) of the CCAA;

(b) is <u>not</u> of the view that it would be more beneficial to the Companies' creditors if proceedings were taken under the *Bankruptcy and Insolvency Act*, pursuant to section 23(1)(h) of the CCAA; and

(c) is not aware of any issue or condition that could be considered a material adverse change pursuant to s. 23(1)(d) of the CCAA.

Conclusion and Recommendation of the Monitor

107. For the reasons set out in this Third Report, the Monitor respectfully recommends that this Honorable Court grant the Companies' requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 30th day of July, 2025.

GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS MONITOR OF MERNOVA MEDICINAL INC. AND CRESO CANADA LIMITED AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix A

July Stay Extension Order dated July 26, 2025

2025 Hfx No. 542329

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF an application by Mernova Medicinal Inc. and Creso Canada Limited (collectively, the "**Applicants**") for relief under section 11 of the CCAA and other relief

STAY EXTENSION AND APPROVAL ORDER

BEFORE THE HONOURABLE JUSTICE BODURTHA IN CHAMBERS:

WHEREAS Creso Canada Limited and Mernova Medicinal Inc. (the "**Applicants** or the "**Companies**") applied for relief under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "**CCAA**") including an Amended and Restated Initial Order, issued April 25, 2025 (the "**ARIO**"):

AND UPON MOTION by the Applicants for an order:

(i) abridging and validating the time for service of this motion and supporting documents and dispensing with further service thereof;

(ii) extending the Stay Period (as defined in the ARIO by the Honourable Justice Bodurtha) from July 18, 2025 up to and including September 30, 2025;

(iii) approving the first amending agreement, dated July 7, 2025, to the Interim Financing Agreement (the "**First Financing Amendment**") and the corresponding extension of the maturity date to the Interim Financing Charge (as those terms are defined in the ARIO); and

(iv) approving the activities of the Applicants and the Monitor to date, as set out in the Pre-Filing Report of the Proposed Monitor, dated April 10, 2025 (the "**Pre-Filing Report**"), the First Report of the Monitor, dated April 23, 2025 (the "**First**

Report"), and the Second Report of the Monitor, dated July 7, 2025 (the "**Second Report**");

AND UPON reading the Third Affidavit of Micheline MacKay and the Second Report, and other documents on file herein;

AND UPON hearing the submissions of counsel for the Applicants, counsel for the monitor, and counsel for any other parties present;

IT IS HEREBY ORDERED THAT:

SERVICE

1. The service of the notice of motion, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that this motion is properly returnable today and further service thereof is hereby dispensed with.

INTERPRETATION

2. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the ARIO issued on April 25, 2025.

EXTENSION OF THE STAY PERIOD

3. The Stay Period, as defined in paragraph 13 of the ARIO in the within proceeding, is hereby extended until and including September 30, 2025.

APPROVAL OF FIRST AMENDMENT

4. The First Financing Amendment, attached as Exhibit "B" to the Third Affidavit of Micheline MacKay is hereby approved.

5. Pursuant to the First Amendment, the Interim Lender's Charge, as defined in paragraph 33 of the ARIO, encompasses amounts advanced to date and amounts advanced after July 14, 2025.

APPROVAL OF ACTIONS TO DATE

6. The Monitor's activities, actions, and conduct, as set out in the Pre-Filing Report, the First Report, and the Second Report, are hereby ratified and approved.

GENERAL

7. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Companies, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Companies, 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 Companies, and the Monitor and their respective agents in carrying out the terms of this Order.

8. Each of the Companies, and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

9. This Order and all of its provisions are effective as of 12:01 am (Atlantic Standard Time) on the ~~__~~ 14th day of July 2025.

Issued July 14, 2025

IN THE SUPREME COURT
COUNTY OF HALIFAX, N.S.
I hereby certify that the foregoing document, identified by the seal of the court, is a true copy of the original document on the file herein.

JUL 14 2025

Trace Elizabeth
Deputy Prothonotary

Trace Elizabeth
~~Prothonotary~~

TRACE ELIZABETH
Deputy Prothonotary

Appendix B

Email Correspondence with Nova Scotia Power on July 21, 2025

Outlook

Re: Mernova CCAA

From Barnhill, Kyle J <KYLEJ.BARNHILL@nspower.ca>
Date Mon 7/21/2025 4:18 PM
To Hines, Corey <Corey.Hines@doane.gt.ca>; Chris Nyberg <cnyberg@mltaikins.com>
Cc Murphy, Liam <Liam.Murphy@doane.gt.ca>; Ryan Zahara <RZahara@mltaikins.com>

2 attachments (5 KB)
Outlook-ir2sw0b1; Outlook-e5a5d3ld;

Hi Corey,

Unfortunately my availability on any day but Friday is non-existent at the moment as I'm on the phones taking incoming calls Monday-Thursday due to the overwhelming call volume as a result of the billing issues from the cyber incident.

Currently I show the deposit bill for Mernova's account was printed on July 7th. If I had to guess, the first bill for the new property wouldn't issue until August the 16th per the usual reading cycle as they still weren't doing meter readings in June. I'm guessing they didn't want to produce an estimated bill where this was in the middle of insolvency, even the insolvent account had to be closed with the April 16th reading as that was the only reading we had to work with. Usually we could just pull the read from the smart-meter, but that system is still down, so we've had to recently go back to sending someone out to read meters.

That's all I know on my end, for further information I'd have to direct you to our billing department as they would know more than me about how the meter readings are being handled while our usual system is still being restored.

Thank you,

Kyle Barnhill | Customer Service Associate | **Nova Scotia Power**
T: 902-428-6167 | F: 902-428-6108
www.nspower.ca

From: Hines, Corey <Corey.Hines@doane.gt.ca>
Sent: Monday, July 21, 2025 2:22 PM
To: Barnhill, Kyle J <KYLEJ.BARNHILL@nspower.ca>; Chris Nyberg <cnyberg@mltaikins.com>
Cc: Murphy, Liam <Liam.Murphy@doane.gt.ca>; Ryan Zahara <RZahara@mltaikins.com>
Subject: Re: Mernova CCAA

Kyle,

Following up on the below - can you please let us know your availability for a call either tomorrow or Wednesday?

The Monitor understands that NSP has not yet invoiced Mernova for post-CCAA power usage. Understanding that NSP was subject to a cyber security incident, Mernova is preparing an application to approve a transaction within the SISP during the first week of August, with a closing shortly thereafter. Will NSP be issuing an invoice for post-CCAA charges in short order?

Thanks,

Corey Hines, CPA, CIRP, LIT | Manager, Restructuring
Grant Thornton Limited
1000 - 1675 Grafton St | Halifax | NS B3J 0E9
T +1 902 491 7704 | **C** +1 902 399 6319
E Corey.Hines@doane.gt.ca | **W** DoaneGrantThornton.ca

From: Barnhill, Kyle J <KYLEJ.BARNHILL@nspower.ca>
Sent: Thursday, July 10, 2025 8:20 AM
To: Chris Nyberg <cnyberg@mltaikins.com>
Cc: Murphy, Liam <Liam.Murphy@doane.gt.ca>; Hines, Corey <Corey.Hines@doane.gt.ca>; Ryan Zahara <RZahara@mltaikins.com>
Subject: Re: Mernova CCAA

Hi Chris,

I can reach out tomorrow when I'm not taking incoming calls.

Thank you,

Kyle Barnhill | Customer Service Associate | **Nova Scotia Power**
T: 902-428-6167 | F: 902-428-6108
www.nspower.ca

Follow us on twitter

From: Chris Nyberg <cnyberg@mltaikins.com>
Sent: Wednesday, July 9, 2025 5:55 PM
To: Barnhill, Kyle J <KYLEJ.BARNHILL@nspower.ca>
Cc: Murphy, Liam <Liam.Murphy@doane.gt.ca>; Corey.Hines@doane.gt.ca <corey.hines@doane.gt.ca>; Ryan Zahara <RZahara@mltaikins.com>
Subject: RE: Mernova CCAA

Hi Kyle,

I understand that the attached invoice was sent to our client – can we please set up a time to discuss? We are a large part if the way through the sales process and pretty close to the end of the proceeding, so wanted to chat through if its still necessary.

Can you please also let us know what the balance owing for power during the proceeding is? We have not received a bill yet and would like to be able to clear it up.

Chris.

Chris Nyberg*
Partner
P: (403) 693-2636 | E: cnyberg@mltaikins.com
*Law Corporation

From: Chris Nyberg <cnyberg@mltaikins.com>
Sent: Thursday, May 1, 2025 9:36 AM
To: KYLEJ.BARNHILL@nspower.ca
Cc: Murphy, Liam <Liam.Murphy@doane.gt.ca>; Corey.Hines@doane.gt.ca; Ryan Zahara <RZahara@mltaikins.com>
Subject: RE: Mernova CCAA

Hi Kyle – just wanted to follow up on the below. Please let us know when you are available.

Chris Nyberg*
Partner
P: (403) 693-2636 | **E:** cnyberg@mltaikins.com
MLT Aikins LLP
2100 Livingston Place
222 3rd Ave SW
Calgary, AB T2P 0B4
**Law Corporation*
BIO | VCARD
MLT Aikins

From: Chris Nyberg <cnyberg@mltaikins.com>
Sent: Friday, April 25, 2025 9:52 AM
To: KYLEJ.BARNHILL@nspower.ca
Cc: Murphy, Liam <Liam.Murphy@doane.gt.ca>; Corey.Hines@doane.gt.ca; Ryan Zahara <RZahara@mltaikins.com>
Subject: Mernova CCAA

Hi Kyle,

We are legal counsel for Mernova Medicinal Inc. in respect of their proceedings under the Companies' Creditors Arrangement Act. We understand that there has been a request for a deposit and we would like to set up a call with you and your in-house counsel to give you guys an update and discuss those requirements.

Can you please let us know when you may be available?

Chris Nyberg
Partner
(403) 693-2636 | cnyberg@mltaikins.com | Calgary

Appendix C

HST Assessment by CRA

Canada Revenue Agency / Agence du revenu du Canada

July 8, 2025

Attn: Joshua Carree
Mernova Medicinal Inc.
P.O. Box 100
Windsor NS B0N 2T0

Dear Joshua Carree:

Subject: Final adjustments to the goods and services tax/harmonized sales tax (GST/HST) return for the period from 2025-04-01 to 2025-04-16
Business number: 81875 0036 RT0001

We have completed our audit of the GST/HST return for the above period. Based on the representations provided on July 8, 2025, we reduced the proposed adjustment amount.

We confirm that we have made the following adjustments to the GST/HST return. We have enclosed a summary of audit adjustments, which provides more details on the changes to the return. In the coming weeks, you will receive a notice of (re)assessment that will reflect these adjustments.

Period ending	Net tax as filed	Adjustments to net tax payable	Revised net tax
2025-04-16	$4,671.61	$38,792.51	$43,464.12

If you do not agree with your (re)assessment, you have the right to object. Your objection must be filed within 90 days of the date on the notice of (re)assessment. For more information, go to GST/HST objections.

The completion of our audit should not be considered as permission to destroy any books and records. For more information, please go to GST/HST and payroll records.

This audit did not cover the full scope of your operation and it is possible that an audit at some future time could cover the above period. Generally, however, an assessment or re-assessment will not be made more than four years after the later of the day on which a return was required to be filed and the day the return was filed.

If you have any questions or concerns, please contact me at **306-491-3062**. My team leader, Liz Soonias, may also be reached at 306-203-2869.

Thank you for your assistance and cooperation during the audit.

Sincerely,

Brent Harris
Eastern Prairie TSO
GST/HST Audit Division

Telephone: 306-491-3062
Facsimile: 418-566-4827
Address: 340-3rd Avenue North
Saskatoon SK S7K 0A8
Website: canada.ca/taxes

Enclosure

Statement of Final Audit Adjustments

Mernova Medicinal Inc.
Business Number: 81875 0036 RT0001
Audit for the Period: 2025-04-01 to 2025-04-16

Sales and other revenue				
As filed	$	427,485.44		
Adjustments		0.00		
Revised sales and other revenue (line 101)	$	427,485.44		
Goods and services tax/ harmonized sales tax (GST/HST)				
As filed	$	41,348.85		
Adjustments - see Note 1		38,792.51		
Revised GST/HST collected (line 105)			$	80,141.36
Input tax credits (ITCs)				
As filed	$	36,677.24		
Adjustments		0.00		
Revised ITCs (line 108)				36,677.24
Revised net tax owing (refund)			**$**	**43,464.12**

Note:

1. We have adjusted your GST/HST return under subsection 296(1)(b) of the Excise Tax Act. GST/HST Policy Statement P-112R, Assessment of Tax Payable Where a Purchaser is Insolvent, states that section 296 of the Act allows the Minister to assess any tax payable by a person under Division II. The Minister may exercise its authority under paragraph 296(1)(b) of the Act and assess a purchaser who is insolvent with respect to the GST/HST not paid to the supplier. For example, an assessment of tax payable may be made where a purchaser has claimed an ITC in respect of a taxable purchase, for which payment to the supplier remains outstanding, and the supplier is entitled to a bad debt deduction in calculating its net tax.

It was noted in the claims register payables that there were some creditors where GST/HST was not applicable and would not have been paid. We have calculated the amount of GST/HST not paid for the remaining accounts payable, and as a result, have made the following adjustment:

Supplier name		**Creditor amount**
Atlantica Mechanical Contractors Inc.	$	3,262.00
Cox and Palmer		742.00
Canada Emergency Benefit Loan		37,830.00
Culture des Sommets		65,957.00
Digital n Genuity		2,494.00
EFRenviromental		3,065.00
EPAC		9,116.35
Eastlink		1,039.00
Health Canada		24,911.00
Koppert Canada Limited		579.00
Linde Canada Inc.		4,427.00
Mary Jane Cones		39,317.00
Momentum Freight Inc.		3,355.00
MNP		25,269.63
Napa Auto Parts		109.00
Noble House Consulting Ltd.		5,650.00
NS Power		39,282.16
Pathogenia		1,701.00
Purolator		1,365.00
Receiver General- Excise		1,506,615.00
Receiver General- GST		342,375.00
Shred-It		185.00
SuperPass		153.00
Uline Canada Corporation		4,301.65
West Hants Regional Municipality		60,906.00
Total claims where GST/HST was not applicable	**$**	**2,184,006.79**

Total unsecured creditors	$	2,481,416.00
Total claims where GST/HST was not applicable		2,184,006.79
Total taxable claims	**$**	**297,409.21**

Total taxable claims	$	297,409.21
GST/HST factor		15/115
Total adjustment to GST/HST	**$**	**38,792.51**

Total adjustment summary

GST/HST	$	38,792.51
ITCs		0.00
Total adjustments	**$**	**38,792.51**

Appendix D

Budget to Actual Results of Weeks 13-14 of the October Cash Flow Forecast

Mernova Medicinal Inc. and Creso Canada Limited
Budget to Actuals - Variance Report
Weeks 13-26 - Beginning June 30, 2025

	Weeks 13 - 14 June 30, 2025 to July 13, 2025			Weeks 1-14 To July 13, 2025
	Budget	Actual	Variance	Actual
Projected Receipts:				
Cannabis revenues	543,377	484,474	(58,903)	3,541,057
Total Projected Receipts	**543,377**	**484,474**	**(58,903)**	**3,541,057**
Projected Disbursements:				
Payroll and employee benefits	97,500	98,621	(1,121)	655,204
Insurance	-	3,673	(3,673)	45,921
Software	2,964	5,443	(2,479)	14,595
Utilities	300,000	-	300,000	8,060
Excise stamps	4,882	4,932	(50)	27,790
Supplies- packaging, production	51,836	119,439	(67,603)	437,205
Freight and shipping	15,754	14,442	1,312	98,187
Bulk cannabis	91,651	70,235	21,416	800,951
Vape/Live Roson	-	-	-	42,094
Testing and Quality Control	5,976	4,602	1,374	24,386
HST (recovery)	-	30,200	(30,200)	85,062
Excise taxes	-	216,948	(216,948)	355,644
Property Taxes	-	-	-	-
Other operating	24,295	27,882	(3,587)	208,694
Growth Capex	-	-	-	7,390
Car Lease	-	-	-	2,051
Contingency	-	-	-	65,000
Operating disbursements	**594,858**	**596,417**	**(1,559)**	**2,878,234**
Net operating cash flows	**(51,481)**	**(111,943)**	**(60,462)**	**662,824**
Restructuring fees				
Monitor	44,004	44,004	-	148,200
Monitor legal counsel	10,000	7,022	2,978	34,359
Financial advisor	16,950	-	16,950	16,950
Company legal counsel	88,922	104,045	(15,122)	216,056
Total restructuring fees	**159,876**	**155,070**	**4,805**	**415,564**
Net cash flows	**(211,357)**	**(267,013)**	**(55,656)**	**247,259**
Opening cash	1,103,275	1,103,275	-	89,104
DIP Advances	-	-	-	499,899
Closing Cash Position	**891,918**	**836,262**	**(55,656)**	**836,262**

Appendix E

Second Report of the Monitor, Without Appendices

Court File No. 542329

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF an application of Mernova Medicinal Inc. and Creso Canada Limited.

AND IN THE MATTER OF the *Companies' Creditors Arrangement Act,* R.S.C., 1985, c. C-36, as amended

SECOND REPORT TO THE COURT SUBMITTED BY GRANT THORNTON LIMITED IN ITS CAPACITY AS MONITOR

July 7, 2025

Doane Grant Thornton

Grant Thornton Limited
Monitor

1000-1675 Grafton Street
Halifax, NS B3J 0E9

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Introduction

1. Pursuant to an order issued on April 16, 2025 ("**Initial Order**") by the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**"), Mernova Medicinal Inc. ("**Mernova**") and Creso Canada Limited ("**Creso**", and together with Mernova, the "**Companies**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. *C-36* (the "**CCAA**"). Upon the issuance of the Initial Order, Grant Thornton Limited was appointed monitor ("**Monitor**") of the Companies.

2. The Initial Order, amongst other things:

   (a) established an initial stay of proceedings up to and including April 25, 2025 (the "**Stay of Proceedings**");

   (b) granted an administration charge of $100,000 (the "**Administration Charge**") securing the fees and expenses of the Monitor, counsel to the Monitor, and counsel to the Companies in respect of the CCAA Proceedings;

   (c) granted a directors and officers charge of $150,000 (the "**D&O Charge**") as protection against the potential liability the Companies' directors and officers may incur in such capacity in the CCAA Proceedings; and

   (d) granted approval for the Companies, with the consent of the Monitor, to make certain payments to suppliers, contractors, subcontractors and other creditors for amounts owing prior to the date of the Initial Order where such payments are deemed by the Companies to be critical and necessary for the ongoing operations of the Companies and the preservation of its business and property (the "**Critical Suppliers**") up to an aggregate amount of $65,000 ("**Critical Supplier Pool**").

3. On April 25, 2025, the Court granted an Amended and Restated Initial Order ("**ARIO**") which provided for certain relief for the Companies including, amongst other things:

   (a) an extension of the Stay of Proceedings to July 18, 2025;

   (b) an increase to the Administration Charge to $250,000;

   (c) an increase to the D&O Charge to $300,000;

(d) approving the Companies' key employee retention plan ("**KERP**") of $200,000 and an accompanying charge ("**KERP Charge**");

(e) approval for the Companies to obtain and borrow interim financing ("**Interim Financing**") up to a maximum of $500,000 from the Companies' secured creditor, La Plata Capital, LLC ("**La Plata**", or in such capacity as, "**Interim Financing Lender**"); and

(f) granting an accompanying charge for the Interim Financing ("**Interim Financing Charge**") for the amounts advanced by the Interim Financing Lender up to the maximum of $500,000.

4. A copy of the ARIO is attached hereto as **Appendix "A"**.

5. On April 25, 2025, the Court also granted an order ("**SISP Order**") for the Monitor, in consultation with the Companies, to administer a sales and investment solicitation process ("**SISP**"). The purpose of the SISP was to solicit interest in and opportunities for a sale or investment in all, substantially all, or in one or more components of the Companies' assets and business operations. A copy of the SISP Order is attached hereto as **Appendix "B"**.

6. This second report of the Monitor ("**Second Report**"), previous Court reports, and all information in respect of the CCAA Proceedings are posted to the Monitor's case management website ("**Case Website**") at www.DoaneGrantThornton.ca/Mernova. Readers are encouraged to read the following reports of the Monitor, the materials filed with the Court in relation to these CCAA Proceedings and orders issued by the Court to provide additional information on the Companies' background and insolvency proceedings:

Reports to the Court:

7. The following reports have previously been filed by the Monitor:

(a) Pre-Filing Report of the Monitor ("**Pre-Filing Report**"), dated April 10, 2025; and

(b) First Report of the Monitor ("**First Report**"), dated April 23, 2025.

Orders of the Court:

8. The following are the Orders that have been issued by this Court:

(a) Initial Order, dated April 16, 2025;

(b) ARIO, dated April 25, 2025;

(c) Confidentiality Order providing for the sealing of Confidential Appendix A of the First Report; and

(d) SISP Order, dated April 25, 2025.

Purpose of the Second Report

9. This Second Report has been prepared by the Monitor to provide the Court and the Companies' stakeholders with the following:

(a) an update on the Companies' activities since the date of the First Report;

(b) an update on the Monitor's activities since the date of the First Report;

(c) an update with regards to certain of the Companies' creditors;

(d) an update with regards to the Companies' Critical Suppliers;

(e) an update with regards to the actual results of the Companies' operations relative to the Extended Cash Flow Forecast as referenced in the First Report;

(f) the Monitor's views with respect to a further extended cash flow forecast to October 5, 2025 ("**October Cash Flow Forecast**");

(g) an update with regards to the marketing, solicitation, and status of the SISP as of the date of this Second Report; and

(h) the Monitor's understanding, views, and recommendations regarding the Companies' motion to:

i. approve an extension of the Stay of Proceedings through September 30, 2025;

ii. approve an amended term sheet from the Interim Financing Lender, with the only change noted to be an extension of the maturity date to September 30, 2025;

iii. sealing of the Monitor's confidential addendum to the Second Report ("**Confidential Report**") in respect of the bids received within the SISP; and

iv. approval of the activities of the Monitor and the Monitor's counsel since the date of the Initial Order.

Terms of Reference

10. In preparing this Second Report, the Monitor has relied upon unaudited internal financial statements, certain other financial information and financial projections of the Companies, discussions with management of the Companies ("**Management**"), discussions with the Companies' legal counsel, and financial information provided by other stakeholders (collectively, the "**Information**"). While the Monitor has reviewed the Information for reasonableness and believes that the information provides a fair summary of the transactions and underlying financial position as reflected in the documents of the Companies, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Canadian Generally Accepted Auditing Standards.

11. Some of the Information used in preparing this Second Report consists of forward-looking information. The Monitor cautions that such information is based on assumptions about future events and conditions that are not yet ascertainable. The actual results with respect to the forward-looking information and the variations thereof could be significant.

12. In the course of its mandate, the Monitor has assumed the integrity and truthfulness of the Information and explanations presented to it by Management, directors of the Companies, and other stakeholders within the context in which the Information was presented. To date, nothing has come to the Monitor's attention that would cause it to question the reasonableness of these assumptions. The Monitor requested that Management, directors and other stakeholders bring to its attention any significant matters which were not addressed in the course of the Monitor's specific inquiries. Accordingly, this Second Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Companies, Management and other stakeholders.

13. This Second Report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and these proposed CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought by the Companies. Accordingly, the reader is cautioned that this Second Report may not be appropriate for any other purpose. The Monitor does not assume responsibility or liability for losses incurred by the reader as a result of the circulation, publication, reproduction or use of this Second Report contrary to the provisions of this paragraph.

14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein have the meaning given to them in prior reports of the Monitor, orders of the Court, or the affidavit of Micheline MacKay sworn on April 9, 2025.

Activities of the Companies since the First Report

15. Since the date of the First Report, the Monitor understands the Companies have, amongst other things:

(a) managed the day-to-day operations of the business in the ordinary course;

(b) worked with the Monitor and the Companies' legal counsel to gather information that prospective purchasers or investors may require during their due diligence within the SISP;

(c) provided bi-weekly reporting to the Monitor of the Companies' actual results relative to the Extended Cash Flow Forecast as referenced in the First Report;

(d) assisted the Monitor in its administration of the SISP, which included amongst other things:

i. providing various information and documents relating to the business, operations, and the Companies for the purposes of populating the virtual data room ("**VDR**") and drafting the confidential information memorandum ("**CIM**");

ii. answering questions from Qualified Bidders, as defined in the SISP, relating to the Companies, its operations, and business;

iii. facilitating site tours with Qualified Bidders; and

iv. reviewing and analyzing bids submitted by Qualified Bidders in the SISP in conjunction with the Monitor.

(e) communicated with customers, employees, and creditors regarding the CCAA Proceedings, including the process for the continuation of supply and services and the impact of the Stay of Proceedings;

(f) requested the Monitor to consider whether a supplier, 9467-3266 Quebec Inc. ("**9467**"), is a Critical Supplier as defined within s. 11.4(1) of the CCAA. As discussed further below, after further discussions and analysis as between the Companies, the Monitor and 9467, the Companies and 9467 executed an agreement with the Monitor's consent confirming 9467 is a Critical Supplier and allowing the Companies to pay pre-filing arrears of $65,000 as provided for by paragraph 8 of the ARIO;

(g) maintained communication with the Monitor and the Interim Financing Lender throughout these CCAA proceedings; and

(h) assisted legal counsel and the Monitor with information required in the preparation of this Second Report.

Activities of the Monitor since the First Report

16. Since the date of the First Report the Monitor and its counsel have, amongst other things:

(a) assisted the Companies and their counsel in communicating with the Interim Financing Lender and confirming the receipt of funds advanced;

(b) prepared for, launched and administered the SISP in accordance with the SISP Order, discussed further below;

(c) communicated with various creditors and stakeholders regarding these CCAA proceedings and the SISP;

(d) attended calls with the Companies, its counsel and the Monitor's counsel in respect of matters relating to the SISP and Critical Suppliers;

(e) attended calls with Management to discuss the cash flow reporting to the Monitor and address due diligence questions from Qualified Bidders;

(f) maintained the Case Website as well as a dedicated e-mail address for inquires: Mernova@Doane.GT.ca;

(g) prepared this Second Report; and

(h) reviewed the Companies' motion materials in respect of their requested relief summarized in paragraph 9(h) of this Second Report.

Creditor Update

La Plata Capital, LLC and Briant Nominees Pty Ltd.

17. On June 3, 2025, La Plata informed the Monitor that it had purchased the Companies' first-ranking senior secured debt held by Briant Nominees Pty Ltd. ("**Briant**"), accompanied with all supporting security documents for both Briant and La Plata's debt ("**Security Documents**"). With the purchase of Briant's debt, La Plata is now the Companies senior secured creditor with total debt outstanding exceeding $10 million, inclusive of the Interim Financing.

18. The Monitor's counsel has conducted an independent review of the Security Documents provided and has concluded that the outstanding secured debt of La Plata is valid and enforceable. A copy of the security review is attached hereto as **Appendix "C"**.

19. Based on the Monitor's discussions with La Plata and the Companies, and the documentation provided by La Plata, the Monitor is not in possession of evidence that would support a clear intention of the Companies prefer La Plata over other creditors in providing the security documents. As no creditor has made a claim in the proceedings that such documents may constitute a preference, the Monitor has determined that further investigation into the matter is not warranted at this time.

Nova Scotia Power

20. On April 23, 2025, Nova Scotia Power ("**NSP**") notified the Companies that it had closed its previous power account and opened a new account for the post-CCAA energy usage. By opening this new account, NSP stated that it was of the view that a new security deposit of $127,800 was required to be paid by the Companies based on NSP's estimate of two months of average usage.

21. The Monitor understands that the Companies disagree with the imposition of the above deposit within the CCAA proceedings. On April 25, 2025, counsel to the Companies contacted NSP to request a call to discuss the deposit.

22. As a result of the cyber security attack against NSP, a representative of NSP advised counsel to the Companies on May 1, 2025, that it was unable to participate in a call or discuss the deposit until the cyber security attack was resolved.

23. As of the date of this Second Report, the Monitor understands that NSP has not yet invoiced Mernova for any usage post-CCAA. The Companies have allowed for an estimated usage of $300,000 in Week 14 of the October Cash Flow Forecast, based on prior years historical averages.

Canada Revenue Agency

24. The Monitor understands, based on its review of the actual results of the Companies' operations relative to the Extended Cash Flow Forecast, that the Companies' have made all post-CCAA excise payments to the Canada Revenue Agency ("**CRA**") in the ordinary course.

25. The Monitor also understands that the Companies are current with regards to HST filings and remittances, where applicable, however the 2024 T2 returns are outstanding as of July 1, 2025. The Monitor and the Companies are of the view that these T2 returns will be completed by the Successful Bidder, once chosen, following the close of a transaction, as any resulting transaction may have significant tax implications.

26. On May 1, 2025, CRA issued to Mernova a letter stating that it was auditing its HST account from the period of April 1, 2025 to April 16, 2025. A copy of this letter is attached hereto as **Appendix "D"**.

27. Mernova provided a response to CRA on June 4, 2025 to its various questions and supporting documentation requests.

28. CRA subsequently responded with an assessment of HST owing by Mernova for this period of $48,587.88. A copy of this assessment is attached hereto as **Appendix "E"**. The Monitor understands that the Companies do not intend to respond to CRA's notice at this time, as the Companies are of the view that the assessment is pre-mature to the conclusion of the SISP, where a potential distribution to unsecured creditors is unknown which would affect the calculation of CRA's assessment.

29. The Monitor agrees with the Companies' view and notes that it appears the entirety of CRA's assessment are pre-filing arrears, which are likely an unsecured claim. The Monitor will review this assessment, along with any other claim from CRA, should a claims process exist at a future date in these CCAA proceedings.

Health Canada

30. The Monitor understands that Health Canada has continued to supply cannabis regulatory stamps to Mernova post-CCAA to allow Mernova's operations to continue in the ordinary course.

Critical Suppliers

31. Pursuant to paragraph 8 of the ARIO, the Companies requested the Monitor's consent to make certain pre-filing arrears owing to 9467 as a Critical Supplier. The Monitor considered the criteria as prescribed in s. 11.4(1) of the CCAA as to whether 9467 could be deemed a critical supplier.

32. The Monitor understands that 9467 and Mernova have a supply agreement whereby 9467 supplies various cannabis strains to Mernova. Based on discussions with Management, the Monitor's review of historical operations and the Company's cash flow projections, the Monitor understands the products provided by 9467 are material to current and future operations. As of the date of the Initial Order, Mernova owed $65,957 to 9467.

33. The Monitor is supportive of the Companies' view that 9467 meets the definition of a Critical Supplier pursuant to s. 11.4(1) of the CCAA. In accordance with paragraph 8 of the ARIO, 9467 and Mernova entered into an agreement ("**9467 Agreement**") to provide for the following payments to be made with respect to 9467's pre-filing arrears owing:

(a) initial payment of $30,000 from the Critical Supplier Pool; and

(b) payment of the remainder of the Critical Supplier Pool, being $35,000, by June 13, 2025, should the Companies determine that there are no other Critical Suppliers.

34. The 9467 Agreement also provided for payment of the remaining balance owing to 9467, being $957, as a cure cost upon any assignment of the 2025 Supply Agreement pursuant to s. 11.3(4) of the CCAA.

35. The Monitor supported the above noted payment schedule and the 9467 Agreement, and has confirmed with the Companies that 9467 has received the entirety of the Critical Supplier Pool, being $65,000.

Summary of the Sales and Investment Solicitation Process

36. Pursuant to s. 4 of the SISP Order, the Monitor, with the assistance of the Companies, was authorized and empowered to implement and administer the SISP as per the Sales and Investment Solicitation Process Bidding Procedures ("**SISP Procedures**"). The Monitor notes that a sales advisor was not engaged during the administration of the SISP.

37. The SISP Procedures provided for the following timeline and milestones ("**SISP Timelines**"):

SISP Milestone	Deadline
Monitor and the Companies to create list of Interested Parties	April 25, 2025
Monitor to prepare and have a virtual data room available for Interested Parties	May 9, 2025
Monitor to distribute the Solicitation Letter and confidentiality agreement to Interested Parties	May 12, 2025
Credit bidders and non-arms length party required to provide notice of participation	May 31, 2025
Bid Deadline	**June 23, 2025**
Selection of Successful Bid	July 3, 2025
Court approval of Successful Bid	July 17, 2025
Target closing date	July 31, 2025

<u>Marketing of the SISP</u>

38. Pursuant to s. 20 of the SISP Procedures, the Monitor and the Companies developed a targeted list of 74 potentially interested parties to solicit interest in the opportunity, summarized below by category (collectively, the "**Interested Parties**"):

Summary of Potentially Interested Parties	
Cannabis	21
First Nation	19
Private equity	13
Agriculture	8
Real estate	4
Local to Mernova facility	4
Local government and/or agencies	3
Advisory services	2
Total	**74**

39. A detailed list of the Interested Parties summarized above is attached to the Confidential Report.

40. The Monitor also ran advertisements of the SISP and the opportunity in the following publications:

(a) allNovaScotia, allNewfoundland and allNewBrunswick from May 12, 2025 to May 26, 2025. A copy of the advertisement, along with statistics on its performance, is attached hereto as **Appendix "F"**.

(b) StratCann Services Inc., an online publication of the legal Canadian cannabis sector, from May 13, 2025 to June 23, 2025. A copy of the advertisement is attached hereto as **Appendix "G"**.

41. Pursuant to s. 20 of the SISP Procedures, the Monitor prepared the following:

(a) a letter outlining the opportunity for solicitation to potentially interested parties ("**Solicitation Letter**"), a copy of which is attached hereto as **Appendix "H"**;

(b) a non disclosure and confidentiality agreement ("**NDA**"**)**; and

(c) a VDR, which included various due diligence documents provided by the Companies, and the confidential information memorandum ("**CIM**").

42. The Monitor officially launched the SISP on May 9, 2025, by sending the Solicitation Letter via email to the Interested Parties. A copy of the email is attached hereto as **Appendix "I"**. On May 13, 2025, the Monitor made available the VDR and CIM to Interested Parties who executed the NDA, becoming Potential Bidders in the SISP.

43. In addition to the Interested Parties, the Monitor also provided a copy of the Solicitation Letter to all Doane Grant Thornton LLP's Partners and Principals within Atlantic Canada to distribute the SISP and opportunity to their respective clients and networks.

Qualified Bidders

44. From its solicitation efforts of the SISP opportunity, the Monitor collected six fully executed NDA's from interested parties who were subsequently granted access to the VDR and became qualified bidders as defined within the SISP Procedures (collectively, "**Qualified Bidders**").

45. Prior to launching the SISP, La Plata had communicated to the Monitor that it was considering entering a credit bid within the SISP and further, that La Plata's preference would be to advance its credit bid with another local Interested Party, in a form to be determined. The Monitor understands that La Plata is in the business of providing debt financing, and the market for cannabis financing in Canada is limited as many chartered banks and credit unions will not advance credit for such businesses. At the launch of the SISP, the Monitor published a notice in the VDR to communicate La Plata's interest in partnering with another Interested Party in the SISP to finance a Bid, a copy of which is attached hereto as **Appendix "J"**.

46. While La Plata indicated to the Monitor that it may submit a credit bid within the SISP, the Monitor understands that, generally, La Plata is not in the business of owning companies, but rather it would prefer to advance debt financing options to borrowers. It is in this vein that the Monitor understands La Plata was interested in, and would have preferred to, work with another Qualified Bidder to advance a form of joint bid. The Monitor understands that the general concept of a joint bid, as described by La Plata, would provide for (i) some consideration advanced to La Plata, either at closing or post-closing, and (ii) the other Qualified Bidder would be the operating and "business mind" of the Companies.

47. On May 21, 2025, La Plata executed an NDA at the request of the Monitor, providing for La Plata's agreement to all terms of the SISP Procedures. Subsequently, on May 28, 2025, La Plata confirmed to the Monitor that it intends to submit a credit bid, pursuant to paragraph 35 of the SISP Procedures.

48. Most Qualified Bidders within the SISP expressed an interest in pursuing a joint bid or similar opportunity with La Plata, requiring financing by La Plata to advance a Bid in the SISP. Prior to any communication between La Plata and individual Qualified Bidders, and in an effort to maintain the integrity, transparency and competitive tension within the SISP, the Monitor outlined to La Plata the Monitor's requirements and conditions for such discussions to occur. A copy of the Monitor's conditions to advance such discussions, including confirmation from La Plata to its agreement thereof, is attached hereto as **Appendix "K"**. Generally, the Monitor's requirements consisted of:

(a) the Monitor is to post another communication to Qualified Bidders within the VDR advising that La Plata is now a Qualified Bidder with its notification that it intends to submit a credit bid;

(b) the Monitor is to facilitate all communication as between La Plata and individual Qualified Bidders, whether it be through email, phone or video calls, or in-person discussions. In short, while the Monitor was willing to indulge Qualified Bidders in their discussions with La Plata for financing a potential Bid in the SISP, no communication between La Plata and another Qualified Bidder could occur without the Monitor being present, and the Monitor made it clear that Qualified Bidders did not need to use La Plata's financing to be declared the Successful Bidder by the Monitor

(c) La Plata is not to discuss with Qualified Bidders the details of La Plata's credit bid, La Plata's discussions with other Qualified Bidders, disclosure of the identities of the other Qualified Bidders and/or any discussion of a potential bid to be made within the SISP; and

(d) ahead of the initial call as between La Plata and a Qualified Bidder to discuss a potential joint bid, financing or otherwise, the Monitor would read a pre-drafted script to outline the guidelines, terms and conditions for participating in the calls, the details of which were included within the email to La Plata attached as **Appendix "K"**.

49. As outlined above, the Monitor published a communication to all Qualified Bidders within the VDR on June 6, 2025, a copy of which is attached hereto as **Appendix "L"**.

50. The Monitor notes that the feedback received from Qualified Bidders in working with La Plata to advance a joint bid was largely:

(a) La Plata was willing and able to finance a transaction within the SISP. As the Companies' operations consist of cannabis growth and distribution, most chartered banks and many private lenders are unwilling to advance funds to cannabis entities given a perception in the market of operations being volatile with increased rate of insolvency amongst cannabis companies throughout Canada.

(b) If a joint bid could be determined to be mutually beneficial to both the Qualified Bidder and La Plata, aside from an all cash bid, a joint bid would be the most expeditious form of a transaction. Should a bid be made with external financing being required, and given the concerns outlined above, this may create delays closing of a transaction.

51. As of the date of this Second Report, the Monitor is <u>NOT</u> aware of any Qualified Bidders, including La Plata:

(a) violating the SISP Procedures, with specific reference including, but not limited to, s. 28 and 48;

(b) contravening the Monitor's outlined requirements, terms and conditions, detailed within the communication to La Plata attached as **Appendix "K"**, also containing the script read to all Qualified Bidders prior to any discussions held; or

(c) holding discussions without the Monitor present prior to bids being received by Qualified Bidders.

52. The Monitor is also <u>NOT</u> aware of La Plata communicating details of its credit bid, or details of potential bids from Qualified Bidders, to other Qualified Bidders.

53. As La Plata would need to effectively underwrite a loan in order to advance a joint bid with another Qualified Bidder in the SISP, La Plata's request to Qualified Bidders of a suggested timeline to allow for sufficient advancement of a joint bid was included within the communication to Qualified Bidders on June 6, 2025, attached as **Appendix "L."** The Monitor confirmed within the same letter that these timelines were at La Plata's request, and did not supersede the timelines provided for within the SISP Procedures. Ultimately, each Qualified Bidder advanced their respective Bids in the SISP in accordance with the SISP Procedures and prior to the Bid Deadline.

54. The Monitor is of the view that La Plata's participation and discussions with Qualified Bidders in an effort to potentially advance a joint bid was commercially reasonable in the circumstances and consistent with the procedures as outlined in the SISP, as:

(a) the discussions allowed for Qualified Bidders to consider submission of a bid using La Plata as a willing financial partner, providing further options which may not have been considered or available. This consideration was significant as most financial institutions will not underwrite loans to companies that operate within the cannabis industry;

(b) the discussions allowed for La Plata to engage with Qualified Bidders that have relevant experience in the cannabis industry within Atlantic Canada; and

(c) the discussions provided for increased competitive tension within the SISP, with significant oversight by the Monitor, following the disclosure that La Plata may submit a credit bid.

Results and Bids Received

55. At the Bid Deadline on June 23, 2025, the Monitor received a credit bid from La Plata ("**Credit Bid**") and a series of bids from three Qualified Bidders (collectively, "**Binding Bids**"). Details of the Binding Bids, including the Monitor's analysis thereon, are included within the Confidential Report.

56. Upon initial review of the Binding Bids, and in consultation with the Companies, the Monitor requested permission of each Qualified Bidder who submitted a bid to share their bid with La Plata for its views and consideration given the nature of the Bids received. This request was due to all Binding Bids, upon initial submission, requiring some form of post-closing financing or consideration from La Plata to facilitate a transaction. All Qualified Bidders that submitted a bid provided their approval for the Monitor to discuss their bid with La Plata.

57. On June 23 and 24, 2025, the Monitor continued discussions with the Companies and La Plata of the Binding Bids. After consultation, the Monitor provided the opportunity for certain Qualified Bidders to enhance or improve their bid by no later than noon on June 27, 2025.

58. On June 27, 2025, the Monitor received several improved bids from the Qualified Bidders (collectively, "**Improved Binding Bids**") and re-confirmed with each Qualified Bidder that the Monitor could share the improved bid with La Plata. The Monitor reviewed and

discussed the Improved Binding Bids with both the Companies and La Plata to consider their respective views on each.

59. On July 3, 2025, the Monitor, after consultation with the Companies, rejected all but one of the Improved Binding Bids and the Credit Bid.

<u>Extension of the SISP</u>

60. On July 2, 2025, pursuant to s. 19 of the SISP Procedures, with consultation and support from the Companies and the Interim Financing Lender, the Monitor extended the SISP Timelines as follows:

SISP Milestone	Deadline
Selection of Successful Bid	July 10, 2025

61. The Monitor communicated this extension and above dates with the sole remaining Qualified Bidder and La Plata. The Monitor is of the view that this extension (i) is commercially reasonable in the circumstances, (ii) provides for necessary additional time for the Monitor and the Companies to consider and negotiate the best bid to ultimately become the Successful Bid, and (iii) takes into consideration the Court's availability to hear a motion to approve a transaction at a hearing in August 2025.

Request for the Sealing of the Confidential Report

62. The Monitor has submitted a Confidential Report to the Court. The Confidential Report contains commercially sensitive information pertaining to the SISP that, if released prior to the closing of a transaction, could be detrimental to the SISP, the Companies, and all stakeholders in the event the transaction does not close The Monitor is of the view that the requested sealing order is the least obtrusive method to protect an important public interest.

63. The Monitor respectfully recommends that this Honourable Court provide for a sealing order of the Confidential Report to either:

(a) the closing of a transaction within the SISP, as to be approved by the Court;

(b) the conclusion of these CCAA proceedings; or

(c) 3 months from the date of this Second Report.

Performance Relative to Extended Cash Flow Forecast

64. A summary of the Companies' budget to actual results compared with the Extended Cash Flow Forecast included in the First Report is attached hereto as **Appendix "M"** and summarized in the table below:

Mernova Group Extended Cash Flow Forecast – Variance of Weeks 1-12 April 7, 2025 to June 29, 2025			
	Budget	**Actual**	**Variance**
Cannabis revenues	$2,171,850	$3,056,583	$884,733
Operating disbursements	2,249,232	2,281,817	(32,585)
Net operating cash flows	**$ (77,382)**	**$ 774,766**	**$852,148**
Restructuring fees	398,025	260,494	137,531
Net cash flows	**$(475,407)**	**$ 514,272**	**$989,679**
Opening cash	89,104	89,104	
Interim Financing	500,000	499,899	(101)
Closing cash	**$ 113,697**	**$1,103,275**	**$989,578**

65. The Companies provided the Monitor with bi-weekly updates regarding the actual results compared to the Extended Cash Flow Forecast. The Monitor shared these results with La Plata in its capacity as Interim Financing Lender.

66. The Monitor understands that the key variances to the Extended Cash Flow Forecast are as follows:

(a) Cannabis revenues higher than forecast by $885k due to stronger sales and increased collection efforts by Management;

(b) Operational disbursements overall below forecast by $825k due mostly to:

i. Bulk cannabis over forecast $486k due to increased demand from customers, partially offset by Vape/Live Roson being under forecast by $119k;

ii. Other operating over forecast $99k due to additional lighting and climate control costs;

iii. Supplies, packaging and production over forecast $78k due to additional supplies required for increase demand from customers;

iv. Utilities under forecast $247k due to no invoice having yet been received from NSP;

v. Excise taxes under forecast $205k mostly due to timing, with May excise taxes owing to be paid in Week 13; and

vi. Payroll and employee benefits under forecast $77k due to delayed start to additional casual positions.

(c) Restructuring fees under forecast $138k due to timing of payments to professionals and lower than forecasted fees overall.

October Cash Flow Forecast

67. The October Cash Flow Forecast has been prepared by the Companies to project the cash requirements through the proposed extension of the Stay of Proceedings, September 30, 2025. The October Cash Flow Forecast is attached as **Appendix "N"**.

68. The Monitor has worked with the Companies to review the Revised Cash Flow Forecast to understand Management's assumptions in its projections of receipts and disbursements. The Monitor has compared the October Cash Flow Forecast relative to the actual results through the date of this Second Report noted in paragraph 64.

69. A summary of the October Cash Flow Forecast is shown below:

Mernova Group Summary of the October Cash Flow Forecast		
		Weeks 13-26
Cannabis revenues	$	3,279,403
Operating disbursements		3,624,876
Net operating cash flows	**$**	**(345,473)**
Restructuring fees		(461,176)
Net cash flows	**$**	**(806,649**
Opening cash		1,103,376
Closing cash	**$**	**296,727**

70. The October Cash Flow Forecast has been prepared by Management using the probable and hypothetical assumptions set out therein (the "**Probable and Hypothetical Assumptions**").

71. The Monitor has reviewed the October Cash Flow Forecast to the standard required of a Court appointed Monitor pursuant to s. 23(1)(b) of the CCAA, including reviewing the actual expenses incurred since the date of the Initial Order and discussing same with the Companies. The Monitor's review of the October Cash Flow Forecast consisted of inquiries, analytical procedures, and discussions related to information supplied to the Monitor by Management. Since the Probable and Hypothetical Assumptions need not be supported, the Monitor's procedures with respect to same were limited to evaluating whether they were consistent with the purpose of the October Cash Flow Forecast and the Monitor's understanding of the business. The Monitor has also reviewed the support provided by the Companies for the Probable and Hypothetical Assumptions and the preparation and presentation of the October Cash Flow Forecast.

72. Based on the Monitor's review, nothing has come to its attention that causes it to believe that, in all material respects:

(a) the Probable and Hypothetical Assumptions are not consistent with the purpose of the October Cash Flow Forecast;

(b) as at the date of this Second Report, the Probable and Hypothetical Assumptions developed by the Companies are not suitably supported and consistent with the Companies' plans or do not provide a reasonable basis for the October Cash Flow Forecast; and

(c) the October Cash Flow Forecast does not reflect the Probable and Hypothetical Assumptions.

73. Since the October Cash Flow Forecast is based on assumptions regarding future events, actual results will vary from the information presented even if the Probable and Hypothetical Assumptions occur, and the variations may be material. Accordingly, the Monitor expresses no assurance as to whether the October Cash Flow Forecast will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information presented in this Second Report or relied upon by the Monitor in preparing this Second Report.

74. The October Cash Flow Forecast has been prepared solely for the purposes described on the face of the October Cash Flow Forecast and readers are cautioned that it may not be appropriate for other purposes.

Extension of the Stay of Proceedings

75. The Companies' seek to extend the Stay of Proceedings through to September 30, 2025. The proposed extension of the Stay of Proceedings is required due to the extended SISP Timelines, discussed herein this Second Report.

76. The Monitor is not aware of any creditor that would be materially prejudiced by the proposed extension of the Stay of Proceedings. Based on the projected cash availability of the Companies' on the October Cash Flow Forecast, the Monitor is supportive of the Companies' request to extend the Stay of Proceedings through to September 30, 2025.

Amended Interim Financing Term Sheet

77. The Monitor notes that the Interim Financing term sheet as approved by the Court in the ARIO has a maturity date of July 31, 2025. Given the SISP Timelines have been extended, the Companies have executed a revised Interim Financing term sheet attached as Exhibit "B" to the sworn affidavit of Micheline MacKay dated on, or around, July 7, 2025.

78. The Monitor has reviewed this revised Interim Financing term sheet and notes the only change has been to allow for an extension of the maturity date to September 30, 2025. The Monitor is of the view that this is commercially reasonable and is consistent with the objectives of the Companies and the SISP.

Next Steps within the CCAA Proceedings

79. As noted within paragraph 60 of this Second Report, the SISP Timelines have been extended to July 10, 2025 for the selection of the Successful Bid.

80. The Companies will request a hearing to be scheduled in August 2025, subject to the Court's availability, to hear a motion to request approval of a transaction with the Successful Bidder, once selected.

Good Faith and Due Diligence

81. As at the date of this Second Report, the Monitor:

(a) is of the view that the Companies and their stakeholders are acting in good faith and with due diligence, pursuant to section 18.6(1) of the CCAA;

(b) is not of the view that it would be more beneficial to the Companies' creditors if proceedings were taken under the *Bankruptcy and Insolvency Act*, pursuant to section 23(1)(h) of the CCAA; and

(c) is not aware of any issue or condition that could be considered a material adverse change pursuant to s. 23(1)(d) of the CCAA.

Conclusion and Recommendation of the Monitor

82. For the reasons set out in this Second Report, the Monitor respectfully recommends that this Honorable Court grant the Companies' requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 7th day of July, 2025.

GRANT THORNTON LIMITED, SOLELY IN ITS CAPACITY AS MONITOR OF MERNOVA MEDICINAL INC. AND CRESO CANADA LIMITED AND NOT IN ITS CORPORATE OR PERSONAL CAPACITY

L Murphy

Liam Murphy, CPA, CA, CIRP, LIT
Senior Vice President

Appendix F

Share Purchase Agreement

EXECUTION VERSION

SHARE PURCHASE AGREEMENT

This Agreement is made as of the 29th day of July, 2025 (the "**Effective Date**")

AMONG:

CRESO CANADA LIMITED., a corporation incorporated pursuant to the federal laws of Canada (the "**Vendor**")

– and –

MERNOVA MEDICINAL INC., a corporation existing under the laws of the Province of Nova Scotia (the "**Target**")

– and –

CANADA'S ISLAND GARDEN INC., a corporation incorporated pursuant to the laws of the Province of Prince Edward Island (the "**Purchaser**")

WHEREAS:

A. Pursuant to the order of the Honourable Justice Bodurtha of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency (the "**Court**") issued on April 16, 2025 (as amended and restated on April 25, 2025, and as may be further amended from time to time, the "**Initial Order**"), the Vendor and the Target (collectively, the "**Mernova Group**") were granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "**CCAA**" and the proceedings, the "**CCAA Proceedings**") and Grant Thornton Limited was appointed as Monitor of the Mernova Group (in such capacity, the "**Monitor**").

B. On April 25, 2025, the Court also issued an order (the "**SISP Order**") approving, and authorizing the Monitor to conduct, a sale and investment solicitation process ("**SISP**") to solicit offers for all or a portion of the business and/or assets of Target.

C. The Target holds Cannabis Licenses under the Cannabis Act (Canada) and the Excise Act (as defined herein) for the sale, processing and cultivation of cannabis.

D. The Purchaser wishes to acquire the Target Shares (as defined herein) and to continue to operate the business of Target following Closing.

E. The Vendor has agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendor, all of the Vendor's right, title and interest, if any, in and to the Target Shares subject to and in accordance with the terms and conditions set out herein.

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

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

"**Affiliate**" has the meaning given to the term "affiliate" in the *Companies' Act* (Nova Scotia).

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

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (a) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (c) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs (including any zoning approval or building permit) or from any Person in connection with any easements, contractual rights or other matters.

"**Books and Records**" means: (a) all of Target's files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) in the possession, custody or control of Target or the Vendor, including financial, Tax and accounting books and records; and (b) all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise) in the possession, custody or control of Target or the Vendor, including financial, Tax and accounting books and records used by, or in the possession, custody or control of Target or the Vendor, including information, documents and records relating to the Retained Contracts, the Employees, customer lists, customer information and account records, sales records, computer files, data processing records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

"**Business**" means the business conducted by Target, being a licensed producer of cannabis, engaged in the cultivation, processing and sale of cannabis and cannabis products in Canada.

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

"**Cannabis Licences**" means all Authorizations related to cannabis and issued by Health Canada to the Target, including Authorizations to plant, grow, cultivate, extract, produce, process, store, destroy, sell, provide, ship, deliver, transport and/or distribute cannabis under Applicable Law.

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

"**CCAA Proceedings**" has the meaning set out in the recitals hereto.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in action or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means the date that is the later of: (a) August 18, 2025; and (b) ten (10) days after the date upon which the conditions set forth in ARTICLE 8 have been satisfied or waived, other than any conditions set forth in ARTICLE 8 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Parties in writing).

“**Closing Time**” means 12:01 a.m. (Halifax time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing.

“**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which Target is a party or by which Target bound or in which Target, or will at Closing have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

“**Court**” has the meaning set out in the recitals hereto.

“**Cure Costs**” means with respect to any Retained Contract that is to be retained by the Target in accordance with the terms of the RVO, the amounts, if any, required to be paid to remedy all of the Target’s monetary defaults existing as at the Closing Date under the applicable Retained Contract (or such other amounts as may be agreed by the Purchaser and the counterparty to the Retained Contract, but not more than the monetary defaults).

“**Deposit**” has the meaning set out in Section 3.2.

“**Discharge**” means, in relation to any Encumbrance against any Person or upon any asset, undertaking or property, the full, final, irrevocable, complete and permanent waiver, release, discharge, cancellation, termination and extinguishment of such Encumbrance against such Person or upon such asset, undertaking or property and all proceeds thereof.

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

“**Employee**” means any individual who is employed by Target as of the Closing Date, whether on a full-time or a part-time basis and includes an employee on short term or long term disability leave, but for certainty excludes any employee whose employment will be terminated pursuant to Section 8.2(e).

“**Employee Termination Costs**” has the meaning set out in Section 6.7(b).

“**Encumbrance**” means any security interest, lien, Claim, charge, right of retention, deemed trust, judgement, writ of seizure, write of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Environmental Laws**” means all statutes, regulations, ordinances, by-laws, and codes, now or hereafter in existence in Canada (whether federal, provincial or municipal) relating to the protection and preservation of the environment, occupational health and safety, transportation of dangerous goods or hazardous substances, including, without limitation, the *Environment Act* (Nova Scotia) and the *Environmental Goals and Climate Change Reduction Act* (Nova Scotia) as amended, replaced, or restated from time to time.

“**Environmental Liabilities**” means all claims, losses and Liabilities, damages or expenses (whether accrued, actual, contingent, latent or otherwise), whenever arising, which relate to the Retained Assets, or arise from or in connection with past, present or future operations in respect thereof or which relate to or are associated with the environment, including, without limitation, all Liabilities related to or arising from:

(a) the non-compliance with, the breach of, or any liability under the applicable Environmental Laws;

(b) presence, transportation, storage, use or disposal of toxic or hazardous substances; and

(c) removal, assessment, monitoring, sampling, response, abatement, clean-up, investigation, reporting of pollution or contamination of, or damage or other adverse effects to the environment,

including, without limitation, liabilities to compensate third parties for damages, losses and Liabilities resulting from the items described in items (a) through (c) above and, for purposes of this Agreement, "the environment" includes, without limitation, the air, the surface and subsurface of the earth, bodies of water (including, without limitation, rivers, streams, lakes, aquifers, groundwater) and plant and animal life (including humans).

“**Excise Act**” means the *Excise Act, 2001*, S.C. 2002, c.22.

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“**Excluded Assets**” means: (a) tax refunds or credits applicable or attributable to any period prior to Closing; (b) the Purchase Price; and (c) the properties, rights, assets and undertakings of the Target listed as “Excluded Assets” on Schedule **A**, as the same may be modified by the Purchaser no later than five (5) Business Days before the Closing Date in accordance with the terms hereof.

“**Excluded Contracts**” means those contracts and other agreements of Target that are not Retained Contracts and for greater certainty, includes those contracts and agreements which are listed on Schedule **B**, as the same may be modified by the Purchaser no later than five (5) Business Days before the Closing Date in accordance with the terms hereof.

“**Excluded Liabilities**” means all Liabilities that are not Retained Liabilities in respect of the Target Shares and the Target, including, without limitation, the non-exhaustive list of Liabilities set forth in Schedule **C**.

“**Filing Date**” means April 16, 2025.

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

“**GST/HST**” means all goods and services tax and harmonized sales tax imposed under Applicable Law.

“**Implementation Steps**” means the transactions, acts and events described in Exhibit **A**, as the same may be modified in accordance with Section 7.2 and the RVO, which are to occur in the sequence described therein.

"**Income Tax Act**" means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

"**Initial Order**" has the meaning set out in the recitals hereto.

"**Interim Period**" means the period from the Effective Date to the Closing Time.

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

"Losses" means all actions, causes of action, losses, costs, Claims, damages, penalties, assessments, charges, expenses, and other liabilities and obligations which a Party suffers, sustains, pays or incurs, including reasonable legal fees and other professional fees and disbursements on a full- indemnity basis.

"**Minimum Cash Requirement**" has the meaning set out in Section 3.4(a).

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

"**Monitor's Certificate**" means an executed certificate of the Monitor substantially in the form attached to the RVO.

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

"**Outside Date**" means 11:59 pm (Halifax time) on August 29, 2025, or such later date and time as the Parties may agree to in writing.

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

"**Permits and Licenses**" means the permits, licenses, authorizations, approvals or other evidence of authority related to the Business and issued to, granted to, conferred upon, or otherwise created for the Target, including the Cannabis Licenses.

"**Permitted Encumbrances**" means those Encumbrances related to the Retained Assets as set forth in Schedule **D**, as the same may be modified by the Purchaser prior to the service of materials for the sale approval hearing.

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

"**Personal Information**" means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer, supplier or natural person who is a natural person or a natural person who is a shareholder or employee of the Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual.

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

"**Quick Ratio**" is to be calculated on the basis of the Books and Records of the Target as at the Closing Date, in accordance with the sample calculation as demonstrated in Schedule **G** and confirmed by both Purchaser and Vendor under Section 3.4.

"**Quick Ratio Maximum**" has the meaning set out in Section 3.4(a).

"**Quick Ratio Minimum**" has the meaning set out in Section 3.4(a).

"**ResidualCo**" means the Vendor.

"**Retained Assets**" means all right, title and interest of the Target, if any, in all properties, rights, assets and undertakings of the Target including, without limitation, equipment, Retained Contracts, Permits and Licenses, Books and Records, in each case other than the Excluded Assets.

"**Retained Contracts**" means the Contracts listed in Schedule **F**, as the same may be modified by the Purchaser no later than five (5) Business Days before the Closing Date in accordance with the terms hereof (and including as such Retained Contracts may be amended, restated, supplemented or otherwise modified from time to time).

"**Retained Liabilities**" means: (a) Liabilities specifically and expressly designated by the Purchaser as Retained Liabilities in Schedule **E**, as the same may be modified by the Purchaser no later than five (5) Business Days before the Closing Date, provided that consent of the Vendor and the Monitor is required for the removal of any Retained Liabilities in accordance with the terms hereof; (b) all Liabilities which relate to the Permits and Licenses and any Retained Contracts, solely in respect of the period from and after Closing and not relating to any default existing prior to or as a consequence of Closing; and (c) all Environmental Liabilities prior to, on and after Closing.

"**RVO**" means an order by the Court, in substantially in the form appended as Schedule **H**, which among other things: (a) approving and authorizing the Transaction; (b) vesting in the Purchaser (or as it may direct) all the right, title and interest in and to the Target Shares, free and clear from any Encumbrances; and (c) vesting all of the Excluded Assets, Excluded Contracts and Excluded Liabilities from the Target to ResidualCo and discharging all Encumbrances against the Target other than Permitted Encumbrances; and (d) provides for a release of obligations for the Target, ResidualCo, the Purchaser and their respective directors and officers.

"**Target Shares**" means all of the issued and outstanding securities in the capital of Target.

"**Taxes**" means, with respect to any Person, all supranational, national, federal, provincial, state local or other taxes, including but not limited to income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, documentary taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, registration charges, land transfer taxes, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges, transfer taxes and fees, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, or any other Tax arising from, or relating to, or in respect of the consummation of the Transaction, including in connection with the sale, transfer or registration of the transfer of any real property, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Terminated Employees**" has the meaning set out in Section 6.7(b).

"**Transaction**" means all of the transactions contemplated by this Agreement, including the transaction whereby the Purchaser will acquire the Target Shares.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

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

1.4 Extended Meanings

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

1.5 Currency

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

1.6 Interpretation if Closing Does Not Occur

In the event that Closing does not occur, each provision of this Agreement which presumes that the Purchaser has acquired the Target Shares hereunder shall be construed as having been contingent upon Closing having occurred.

1.7 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.8 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

EXHIBITS

Exhibit **A** - Implementation Steps

SCHEDULES

Schedule **A**	-	Excluded Assets
Schedule **B**	-	Excluded Contracts
Schedule **C**	-	Excluded Liabilities
Schedule **D**	-	Permitted Encumbrances
Schedule **E**	-	Retained Liabilities
Schedule **F**	-	Retained Contracts
Schedule **G**	-	Sample Calculation of the Quick Ratio
Schedule **H**	-	RVO

The Parties acknowledge that as of the Effective Date, the Schedules are not complete. The Schedules shall be completed by the Purchaser on or before the date set out in this Agreement with respect to each Schedule. Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE OF SHARES AND ASSUMPTION OF LIABILITIES

2.1 Purchase and Sale of the Target Shares

Subject to the terms and conditions of this Agreement, at the Closing Time, the Vendor shall sell, assign and transfer the Target Shares to the Purchaser, and the Purchaser shall purchase the Target Shares from the Vendor, free and clear of all Encumbrances, with the result that the Purchaser shall become the sole shareholder of Target at the Closing Time.

2.2 Excluded Liabilities

(a) Pursuant to the RVO, save and except for the Retained Liabilities, all Excluded Liabilities shall be excluded and will no longer be binding on Target, the Target Shares (or the holders thereof), Retained Assets, Employees, Permits and Licenses or Books and Records following the Closing Time.

(b) Subject to the Implementation Steps and pursuant to the RVO, the Excluded Liabilities shall be transferred to, vested in and assumed in full by ResidualCo in accordance with and as further described in ARTICLE 4 and the RVO, and Target, the Target Shares, the Retained Assets and Target's undertakings, Business and properties shall be Discharged from such Excluded Liabilities. All Claims attaching to the Excluded Liabilities, if any, shall continue to exist against ResidualCo only and the Purchase Price and the Excluded Assets, if any, shall be available to satisfy such Claims.

2.3 Cure Costs

To the extent that any Cure Costs are payable with respect to any Retained Contract, the Purchaser shall pay all such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty. The Cure Costs as paid by the Purchaser shall be in addition to the Cash Purchase Price received by the Vendor for the Retained Assets.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The purchase price payable by the Purchaser for the Target Shares shall be **$6,250,000.00** subject to any purchase price adjustment pursuant to Section 3.4 (the "**Purchase Price**"). The Purchase Price shall be paid to the Monitor, for the benefit of the stakeholders of Target, as consideration for the Target Shares.

3.2 Satisfaction of Purchase Price

Subject to Section 3.4, the Purchaser shall pay the Purchase Price to the Monitor, for the benefit of the stakeholders of Target, in accordance with the following:

(a) A non-refundable deposit in the amount of **$500,000.00** (the "**Deposit**") which was paid by the Purchaser to the Monitor in trust on June 27, 2025, which shall be credited against the Purchase Price at Closing;

(b) at Closing, the Purchaser shall pay to the Monitor the balance of the Purchase Price, being $**5,750,000.00** (the "**Cash Purchase Price**"), by wire transfer of immediately available funds and which shall be unconditionally releasable to the Monitor on Closing;

(c) any purchase price adjustment to the foregoing calculated in accordance with Section 3.4.

3.3 Monitor to hold Purchase Price

The Purchase Price shall be held by the Monitor for the benefit of the stakeholders of Target and Vendor, and any Claim against Target and Vendor, the Target Shares or the Retained Assets shall continue to exist solely as against ResidualCo from and after Closing in accordance with the Implementation Steps and the RVO.

3.4 Purchase Price Adjustment

The Purchase Price shall be subject to adjustment in accordance with this Section 3.4 as follows:

(a) The Parties agree that calculation of the Quick Ratio shall be determined as of the Closing Date and that the Purchase Price is premised upon the Target having: (1) a general minimum Quick Ratio of between $1,150,000 (the "**Quick Ratio Minimum**") and $1,500,000 (the "**Quick Ratio Maximum**" and between the Quick Ratio Minimum and the Quick Ratio Maximum, the "**Acceptable Range**"); and (2) a minimum cash balance of $550,000 (the "**Minimum Cash Balance**"), each as of at Closing;

(b) For clarity, the Parties agree that, should the Quick Ratio be below the Quick Ratio Minimum and the cash on Closing be below the Minimum Cash Balance, the Purchase Price adjustment shall only be to satisfy that (1) the Minimum Cash Balance is met, and (2) the Quick Ratio being within the Acceptable Range;

(c) Within four (4) Business Days prior to the Closing Date, the Vendor and Target shall deliver an estimated calculation of the Quick Ratio and expected cash balance as at Closing to both the Monitor and the Purchaser. The Quick Ratio shall thereafter be reviewed and confirmed by the Purchaser and Vendor, acting reasonably, within eight (8) Business Days from the Closing Date. Any disputes over the calculation of the Quick Ratio shall be determined by the Monitor based on rules and procedures determined and communicated by the Monitor. Any determination by the Monitor shall be final, binding and unappealable absent manifest error.

(d) In the event that:

(i) The Quick Ratio is less than the Quick Ratio Minimum, the Purchase Price shall be reduced on a dollar-for-dollar basis by the amount by which the Quick Ratio is less than the Quick Ratio Minimum.

(ii) The Quick Ratio is within the Acceptable Range, there shall be no adjustment to the Purchase Price.

(iii) The Quick Ratio is greater than the Quick Ratio Maximum, the Purchase Price shall be increased on a dollar-for-dollar basis by the amount by which the Quick Ratio is more than the Quick Ratio Maximum.

Notwithstanding (i), if the cash balance of the Target on Closing is less than the Minimum Cash Balance, then the Purchase Price shall be reduced on a dollar-for dollar-basis by the amount by which the cash balance of the Target on Closing is less than the Minimum Cash Balance, even if the Quick Ratio is within the Acceptable Range.

(e) If (i) the cash balance of the Target on Closing as referenced in Section 3.4(c) is greater than the Minimum Cash Balance, and (ii) the Quick Ratio is greater than the Quick Ratio Minimum, then the Target and Vendor shall remove any cash or cash equivalents in excess of the Minimum Cash Balance on or before Closing, transferring funds to the Monitor to be held in trust for the benefit of the Target and Vendor's stakeholders. For clarity, cash or cash equivalents will only be removed by the Target and Vendor to the extent that both the Quick Ratio remains within the Acceptable Range and the cash on Closing is equal to the Minimum Cash Balance.

(f) Provided that the Quick Ratio exceeds the Quick Ratio Minimum on Closing, any pre-Closing payment for excise taxes due under the Excise Act by the Target (the "**Pre-Closing Excise Obligations**") may be deferred for the month of July and shall constitute a Retained Liability so that the cash otherwise payable in respect thereof may be applied and calculated towards the Minimum Cash Requirement.

(g) Any payment of any downward adjustment to the Purchase Price pursuant to this Section 3.4 shall be:

(i) due within five (5) Business Days of after the final determination of such adjustments in accordance with the terms thereof; and

(ii) paid by transfer of immediately available funds to such account as is directed by the Purchaser.

(h) Any payment of any upward adjustment to the Purchase Price pursuant to this Section 3.4 shall be paid by the Purchaser to such account as is directed by the Monitor from time to time no later than sixty (60) days from the Closing Date.

3.5 Deposit

If this Agreement is terminated:

(a) pursuant to Sections 9.1(a) or 9.1(b) then notwithstanding anything to the contrary herein, the Deposit (or portion thereof received by the Vendor at the time) shall be returned to the Purchaser; or

(b) for any other reason, other than this Agreement having been terminated by the Purchaser pursuant to Section 9.1(d), the Deposit shall be forfeited by the Purchaser and retained by the Monitor for the benefit of the Vendor; and

(c) in the event of termination of this Agreement pursuant to which the Vendor shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit (or portion thereof received by the Vendor at the time) constitutes a genuine pre-estimate of liquidated damages representing the Vendor's Losses as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit (or portion thereof received by the Vendor at the time) as a result of Closing not occurring. The Purchaser hereby waives any Claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

ARTICLE 4
TRANSFER OF EXCLUDED ASSETS AND EXCLUDED LIABILITIES

4.1 Transfer of Excluded Assets and Excluded Contracts to ResidualCo

At Closing, Target shall retain all of the Retained Assets. For certainty, the Retained Assets shall not include: (i) the Excluded Assets; or (ii) the Excluded Contracts; which Target shall transfer to ResidualCo in accordance with the Implementation Steps, and same shall be vested in ResidualCo pursuant to the RVO.

4.2 Transfer of Excluded Liabilities to ResidualCo

In accordance with the Implementation Steps and the RVO, the Excluded Liabilities shall be transferred to, vested in and assumed by ResidualCo. Notwithstanding any other provision of this Agreement, the Purchaser and Target shall not assume and shall have no Liability for any of the Excluded Liabilities and all Excluded Liabilities shall be Discharged from Target, the Target Shares and the Retained Assets as of and from and after the Closing Time.

4.3 Tax Matters

Pursuant to the Implementation Steps and the RVO, at the Closing Time, all Taxes owed or owing or accrued due by Target in respect of the period prior to the Filing Date shall be transferred to, vested in and assumed by ResidualCo, including any Taxes related to debt forgiveness arising from or in connection with the consummation of the Transaction and the transfer of the Excluded Assets and Excluded Liabilities to ResidualCo; provided, however, that the foregoing shall not: (a) relieve the Purchaser from Liability for Taxes arising during and in respect of the period from and after the Filing Date and relating to Retained Liabilities, or arising from audits or reassessments that relate to Retained Liabilities; or (b) relieve the Purchaser from any obligation to pay Taxes exigible by a purchaser in respect of a transaction like the Transaction in the same or similar circumstances. Any and all obligations and Liabilities arising from any audits or reassessments with respect to any Taxes that relate to a time period occurring, or facts arising, prior to the Closing Date, regardless of when such audit was commenced or completed, shall be transferred to and vest in ResidualCo. The Purchaser shall be responsible for the filing of any outstanding tax returns of the Target (including, without limitation, any tax returns which relate to any period prior to the Closing Date).

ARTICLE 5
REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Vendor and Target

The Vendor hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing their obligations hereunder:

(a) Incorporation and Status. The Vendor and Target are corporations incorporated and existing under the *Business Corporations Act* (Canada) in the case of the Vendor and, in the case of Target, the *Companies' Act* (Nova Scotia), respectively, and, subject to the granting of the RVO, have the power and authority to enter into, deliver and perform their obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor subject only to obtaining the RVO.

(c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and Target and constitutes a legal, valid and binding obligation of the Vendor and Target, enforceable against them in accordance with its terms, subject only to obtaining the RVO.

(d) Residency. Neither the Vendor nor Target are a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.

(e) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from the Vendor of any of the Target Shares or the Retained Assets that would not be an Excluded Contract.

(f) Cannabis Licenses. The Cannabis Licenses are in full force and effect.

5.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time as follows, and acknowledges that the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of the Province of Prince Edward Island, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Corporate Authorization. The execution, delivery and performance by such Purchaser of this Agreement has been authorized by all necessary corporate action on the part of such Purchaser.

(c) No Conflict. The execution, delivery and performance by such Purchaser of this Agreement does not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of such Purchaser or, to the knowledge of such Purchaser, any Applicable Law.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by such Purchaser and constitutes a legal, valid and binding obligation of such Purchaser, enforceable against it in accordance with its terms subject only to the RVO.

(e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) GST/HST Registrant. The Purchaser is, or will be on the Closing Date, an GST/HST registrant.

5.3 As is, Where is

(a) The Purchaser acknowledges and agrees that it is purchasing the Target Shares, and having Target retain the Retained Assets, the Retained Contracts and the Retained Liabilities, on an "as is, where is" basis, subject to the representations and warranties contained herein, and on the basis that the Purchaser has conducted to its satisfaction an independent inspection, investigation and verification of the Retained Assets, the Retained Contracts and the Retained Liabilities and all other relevant matters and has determined to proceed with the Transaction contemplated herein and will accept the same at the Closing Time in their then current state, condition, location, and amounts, subject to the Permitted Encumbrances and Retained Liabilities.

(b) Except as otherwise expressly provided in Section 5.1, no representation, warranty or condition whether statutory, including under any other Canadian (including federal, provincial or municipal) or international acts which may be applicable to the subject matter pursuant to the provisions of this Agreement, including but not limited to the United Nations Convention on Contracts for the International Sale of Goods), or express or implied, oral or written, legal, equitable, conventional, collateral, arising by custom or usage of trade, or otherwise is or will be given by the Vendor, the Target, or the Monitor including as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, merchantable quality, quantity, condition (including physical, financial and environmental condition), use or zoning, occupancy or habitability, suitability for development, permitting, eligibility for permitting, existence of any parts or components, latent or known defects, state of repair or lack of repair, any regulatory approvals or authorizations needed to complete the purchase of the Target Shares and have the Target retain the Retained Assets, suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded and disclaimed and any rights pursuant to such statutes have been waived by the Purchaser. Without limiting the generality of the foregoing, the Purchaser acknowledges and agrees that neither the Vendor, the Target or the Monitor has made any representation, warranty or covenant that any of the Retained Assets are or can be made operational within a specified time frame or will achieve any particular result, level of service, use, production capacity or actual production if made operational. The Purchaser acknowledges and agrees that it has relied entirely and solely on its own investigations as to the matters set out above and in determining to purchase the Target Shares and have the Target retain the Retained Assets, Retained Contracts, and Retained Liabilities pursuant to this Agreement.

(c) The description of the Retained Assets, the Retained Contracts, and Retained Liabilities contained herein is for the purpose of identification only and the inclusion of any item in such description does not confirm the existence of any such items or that any such item is owned by the Vendor. Except as otherwise explicitly set forth in Section 5.1, no representation, warranty or condition has been given by the Vendor, the Target or the Monitor concerning the completeness or accuracy of such descriptions and the Purchaser acknowledges and agrees that any other representation, warranty, statements of any kind or nature, express or implied, (including any relating to the future or historical financial condition, results of operations, prospects, assets or liabilities of the Target or the quality, quantity or condition of the Retained Assets and Retained Contracts) are specifically disclaimed by the Vendor.

(d) Any documents, materials and information provided by the Vendor, Target or Monitor to the Purchaser with respect to the Retained Assets, Retained Contracts or Retained Liabilities (including any confidential information memorandums, management presentations, or material made available in the electronic data room) have been provided to the Purchaser solely to assist the Purchaser in undertaking its own due diligence, and the Vendor, Target and/or Monitor have not made and are not making any representations or warranties, implied or otherwise, to or for the benefit of the Purchaser as to the accuracy and completeness of any such documents, materials or information or the achievability of any valuations, estimates or projections. The Purchaser acknowledges that it has not and will not rely upon any such documents, materials or information in any manner, whether as a substitute for or supplementary to its own due diligence, searches, inspections and evaluations. The Vendor, Target and/or Monitor and their respective Affiliates, directors, officers, employees, agents and advisors shall not be liable for any inaccuracy, incompleteness or subsequent changes to any such documents, materials or information. The Purchaser further acknowledges that the use of the documents may not be possible without the Purchaser obtaining reliance or other assurances from the author of such documents directly and further that the documents may be subject to copyright or other property rights which may preclude their use by the Purchaser in whole or in part.

ARTICLE 6
COVENANTS

6.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

6.2 Motion for RVO

As soon as practicable following the Effective Date, the Vendor shall serve and file with the Court a motion for the issuance of the RVO, seeking relief that will, among other things, approve this Agreement and the Transaction and release the officers and directors of Target, along with Target's counsel, the Monitor and the Monitor's counsel. The Vendor shall use its commercially reasonable efforts to seek the issuance and entry of the RVO and the Purchaser shall cooperate with the Vendor in its efforts to obtain the issuance and entry of the RVO. The motion materials seeking the RVO shall be in form and substance satisfactory to the Purchaser, acting reasonably. The Vendor will provide to the Purchaser a reasonable opportunity to review a draft of the motion materials to be served and filed with the Court, it being acknowledged that such motion materials should be served as promptly as reasonably possible following the execution of this Agreement, and will serve such materials on the current service list and on such other interested parties, and in such manner, as the Purchaser may reasonably require. The Vendor will promptly inform counsel for the Purchaser of any and all threatened or actual objections to the motion for the issuance of the RVO of which is becomes aware, and will promptly provide to the Purchaser a copy of all written objections received.

6.3 Interim Period

During the Interim Period, except as otherwise expressly contemplated or permitted by this Agreement (including the RVO and the Implementation Steps) or any order granted by the Court in the CCAA Proceedings, the Target shall be permitted to operate in the ordinary course of Business and consistent with past practices; provided that the Target shall not be required to make any prepayments to suppliers.

6.4 Access During Interim Period

During the Interim Period, Target shall give, or cause to be given, to the Purchaser, and its representatives, reasonable access during normal business hours to the Retained Assets, including the Books and Records, to conduct such investigations, inspections, surveys or tests thereof and of the financial and legal condition of the Business and the Retained Assets as the Purchaser reasonably deems necessary or desirable to further familiarize itself with the Business and the Retained Assets, under the supervision of the Vendor's Representatives. Without limiting the generality of the foregoing: (a) the Purchaser and its representatives shall be permitted reasonable access during normal business hours to all documents relating to information scheduled or required to be disclosed under this Agreement and to the Employees; and (b) the Purchaser and its Representatives shall be permitted to contact and discuss the Transactions contemplated herein with Governmental Authorities and Target's customers and contractual counterparties. Such investigations, inspections, surveys and tests shall be carried out at the Purchaser's sole and exclusive risk and cost, during normal business hours, and without undue interference with Target's operations and Target shall co-operate reasonably in facilitating such investigations, inspections, surveys and tests and shall furnish copies of all such documents and materials relating to such matters as may be reasonably requested by or on behalf of the Purchaser. The Purchaser shall not undertake any intrusive testing of the property or assets of Target without the prior written consent of the Vendor, which consent may be withheld in the Vendor's sole discretion. The Purchaser shall indemnify and hold the Vendor harmless from any and all Losses arising from the Purchaser's inspections and activities during the Interim Period. In the event any damage is sustained under this Section 6.4, the Vendor may retain from the Deposit such amount as determined by the Vendor, acting reasonably, to repair the damage. The retention by the Vendor of all or any portion of the Deposit shall not preclude the Vendor from pursuing any Claim against the Purchaser for Losses in excess of the amount of the Deposit, or restrict the Purchaser from challenging the Vendor's quantification of the Loss.

6.5 Insurance Matters

During the Interim Period, Target shall keep in full force and effect all insurance policies existing on the Effective Date and give any notice or present any claim under any such insurance policies consistent with past practice in the ordinary course of Business.

6.6 Regulatory Approvals and Consents

(a) Each of the Parties shall use its commercially reasonable efforts to: (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under any Applicable Law or otherwise to consummate and make effective the Transaction; (ii) obtain any consents, approvals or orders required to be obtained or made in connection with the authorization, execution and delivery of this Agreement and the consummation of the Transaction; and (iii) make all filings and give any notice, and thereafter make any other submissions either required or reasonably deemed appropriate by each of the Parties, with respect to this Agreement and the Transaction required under any Applicable Law.

(b) The Parties shall use reasonable efforts to cooperate and consult with each other in connection with the making of any such filings and notices, including providing copies of all such documents to the non-filing Party and its advisors within a reasonable period of time prior to filing or the giving of notice. Each Party shall pay for its own filing fees and other charges arising out of the actions taken under this Section 6.6.

6.7 Employee Matters

(a) Subject to Section 6.7(b), the Purchaser agrees that the Target will continue to employ those Employees not terminated pursuant to Section 6.7(b) from and after Closing on substantially the same terms and conditions as they currently enjoy.

(b) On the date that is five (5) Business Days prior to the Closing Date, the Purchaser shall identify all Employees of Target that the Purchaser requires that the Target terminate immediately before Closing (the "**Terminated Employees**"). Target shall terminate the employment of the Terminated Employees, as requested by the Purchaser in its sole discretion, and all Liabilities owing to any such Terminated Employees in respect of such terminations, including all amounts owing on account of statutory notice, termination payments, severance, vacation pay, benefits, bonuses or other compensation or entitlements (collectively, the "**Employee Termination Costs**") shall be Excluded Liabilities, shall be discharged as against the Target and shall be transferred to and vested in ResidualCo.

ARTICLE 7
CLOSING ARRANGEMENTS

7.1 Closing

Closing shall take place on the Closing Date, effective as of the Closing Time, electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format, in accordance with the Implementation Steps.

7.2 Implementation Steps

On the Closing Date, subject to the terms of the RVO, Closing shall take place in accordance with the Implementation Steps. The Purchaser may, with the prior consent of the Vendor and the Monitor, acting reasonably, amend the Implementation Steps provided that such amendment does not materially alter or impact the Transaction or the consideration which the Vendor and/or its applicable stakeholders will benefit from as part of the Transaction.

7.3 Closing Deliveries of the Vendor and Target

At or before the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

(a) a copy of the RVO;

(b) an irrevocable stock transfer in respect of the Target Shares duly executed by the Vendor;

(c) an undertaking to readjust the Purchase Price pursuant to Section 3.4, in a form acceptable to the Purchaser and Vendor, acting reasonably;

(d) certificates of an officer of the Vendor and the Target, dated as of the Closing Date, confirming that all of the representations and warranties contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Vendor and Target have performed in all material respects the covenants to be performed by them prior to the Closing Time; and

(e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

7.4 Closing Deliveries of the Purchaser

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, as applicable), the following:

(a) the Cash Purchase Price in accordance with Section 3.2;

(b) an undertaking to readjust the Purchase Price pursuant to Section 3.4, in a form acceptable to the Purchaser and Vendor, acting reasonably;

(c) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that the Purchaser has performed in all material respects the covenants to be performed by them prior to the Closing Time; and

(d) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

(a) RVO. The Court shall have issued and entered the RVO, which RVO shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise be in effect that restrains or prohibits the completion of the Transaction.

(c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by the Purchaser and the Vendor, in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser or the Vendor only if made in writing; provided that if the Purchaser or the Vendor do not waive a condition(s) and completes the Closing, such condition(s) shall be deemed to have been waived by the Purchaser or Vendor, as the case may be. If any condition set out in Section 8.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

8.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, on or prior to the Closing Date or, if an earlier date and time is specified herein, on or before such earlier date and time:

(a) Implementation Steps. On or prior to the Closing Date, the Implementation Steps shall have been completed in the order and in the timeframes contemplated hereunder.

(b) Deliverables of the Vendor and Target. On or prior to the Closing Date, the Vendor and Target, as applicable, shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 7.3.

(c) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement (including the RVO), each of the representations and warranties contained in Section 5.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(d) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by it on or before the Closing Date.

(e) Employees. On or prior to the Closing Date, Target shall have terminated the employment of the Terminated Employees.

(f) CCAA Proceedings. Upon Closing, the Target will exit the CCAA Proceedings and the Target, its business and property will no longer be subject to the CCAA Proceedings, as set out in the RVO.

(g) Cannabis Licenses. The Cannabis Licenses shall be valid and in good standing at the Closing Time.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 8.2 may be waived by the Purchaser in whole or in part, without prejudice to any of their rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in Section 8.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor and the Monitor to terminate this Agreement. The Purchaser shall use its best efforts to satisfy all of the foregoing conditions on or before the Closing Date or such earlier date as specified above.

8.3 Conditions Precedent in favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied on or prior to the Closing Date:

(a) Deliverables of the Purchaser. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 7.4.

(b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 5.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

(d) Purchase Price. The Purchaser shall have delivered or caused to be delivered to the Monitor the Cash Purchase Price in accordance with Section 3.2(b).

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 8.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 8.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate this Agreement. The Vendor shall use best efforts to satisfy all of the foregoing conditions on or before the Closing Date or such earlier date as specified above.

8.4 Simultaneous Transactions

All actions taken and transactions consummated at the Closing shall be deemed to have occurred in the manner and sequence set forth in the Implementation Steps and the RVO (subject to the terms of any escrow agreement or arrangement among the Parties relating to the Closing), and no such transaction shall be considered consummated unless all are consummated.

ARTICLE 9
TERMINATION

9.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser;

(b) by the Vendor (with the consent of the Monitor) or the Purchaser, if the Court declines at any time to grant the RVO, provided that the reason the RVO is not approved by the Court is not due to any act, omission or breach of this Agreement by the party proposing to terminate this Agreement;

(c) by the Vendor (with the consent of the Monitor) or the Purchaser, at any time following the Outside Date, if Closing has not occurred by 5:00 p.m. (Halifax time) on the Outside Date, provided that the reason for the Closing not having occurred is not due to any act or omission, or breach of this Agreement, by the Party proposing to terminate this Agreement; or

(d) by the Vendor (with the consent of the Monitor) or the Purchaser, if there has been a material violation or breach by the other Party of any agreement, covenant, representation or warranty of such Party in this Agreement which would prevent the satisfaction of, or compliance with, any condition set forth in ARTICLE 8 by the Outside Date, and such violation or breach has not been waived by the non-breaching Party or cured within five (5) Business Days after written notice thereof from the non-breaching Party to the breaching Party.

9.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 9.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for

Sections 10.6 (Public Announcements), 10.4 (Personal Information Privacy) and 10.13 (Governing Law). The Deposit shall be addressed in accordance with the provisions of Section 3.5.

ARTICLE 10
GENERAL

10.1 Release by the Purchaser

Except in connection with any obligations of the Vendor and the Target, contained in this Agreement and any documents entered into pursuant to this Agreement, effective as of the Closing, the Purchaser hereby releases and forever discharges the Vendor, the Monitor, ResidualCo, and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, legal advisors of each of them, from any and all actual or potential Claims which such Person had, has or may have in the future to the extent relating to the Target's business, ResidualCo, the Target Shares, the Retained Assets and the Retained Liabilities, save and except for Claims arising out of fraud, willful misconduct, intentional misrepresentation, bad faith or illegal acts (unless such Person believed in good faith that its conduct was legal).

10.2 Release by the Vendor and Target

Except in connection with any obligations of the Purchaser contained in this Agreement and any documents entered into pursuant to this Agreement, effective as of the Closing, the Vendor and Target hereby releases and forever discharges the Purchaser, the Monitor and each of their respective successors and assigns, and all present and former officers, directors, partners, members, shareholders, limited partners, employees, agents, legal advisors of each of them, from any and all actual or potential Claims which such Person had, has or may have in the future to the extent relating to the Target's business, the Target Shares, Excluded Assets, Excluded Liabilities, the Retained Assets and the Retained Liabilities, save and except for Claims arising out of fraud, bad faith or illegal acts (unless such Person believed in good faith that its conduct was legal).

10.3 Access to Books and Records

For a period of two (2) years from the Closing Date or for such longer period as may be required to comply with Applicable Law, the Purchaser will retain all original Books and Records that are transferred to the Purchaser under this Agreement, but the Purchaser shall not be responsible or liable for any accidental loss or destruction of, or damage to, any such Books and Records. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Purchaser shall make such Books and Records, as well as electronic copies of such books and records (to the extent such electronic copies exist), available to the Monitor and the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor) at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser.

10.4 Personal Information Privacy

The Purchaser shall at all times comply with all Applicable Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to the Purchaser by the Vendor, Target and Monitor under this Agreement. The Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Retained Assets, Retained Contracts and Retained Liabilities as contemplated in this Agreement and completing the Transaction contemplated in this Agreement. The Purchaser shall safeguard all Personal Information collected from the Vendor, Target and/or the Monitor in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. The Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Target Shares and Target retaining the Retained Assets, Retained Contracts and Retained Liabilities is not completed for any reason and shall return all Personal Information to the Vendor of destroy such Personal Information at the Vendor's request.

10.5 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

Canada's Island Garden Inc.
7 Innovation Way
Charlottetown, Prince Edward Island, C1E 0B7

Attention: Alex Smith
Email: **asmith@figr.com**

with a copy to:

Stewart McKelvey
65 Grafton Street
Charlottetown, Prince Edward Island, C1A 1K8

Attention: Paul M. Kiley
Email: pkiley@stewartmckelvey.com

and

Stewart McKelvey
100 New Gower St
St. John's, NL A1C 6K3

Attention: Joe Thorne
Email: joethorne@stewartmckelvey.com

(b) in the case of the Vendor and Target, as follows:

1300 - 1969 Upper Water Street
Purdy's Wharf Tower II
Halifax, NS B3J 3R7

Attention: Micheline MacKay
Email: micheline.mackay@mernova.com

with a copy to:

MLT Akins LLP
2100 Livingston Place
222 3 Ave SW
Calgary, AB T2P 0B4

Attention: Chris Nyberg
Email: cnyberg@mltaikins.com

in each case, with a further copy to the Monitor and its counsel as follows:

Grant Thornton Limited
1675 Grafton St Suite 1000
Halifax, NS B3J 0E9

Attention: Liam Murphy
Email: Liam.Murphy@doane.gt.ca

Stewart McKelvey
600-1741 Lower Water Street
Halifax, NS B3J 0J2

Attention: David Wedlake
Email: dwedlake@stewartmckelvey.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Halifax time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Halifax time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery. Sending a copy of a notice or other communication to a party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

10.6 Public Announcements

The Vendor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Vendor in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentences or statements made in Court (or in pleadings filed therein), the Purchaser shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the Vendor, which shall not be unreasonably withheld or delayed.

10.7 Expenses

Each of the parties hereto acknowledges and agrees that all out-of-pocket expenses of such party relating to this Agreement or the Transaction, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, and all fees of advisors, brokers or agents, shall be the exclusive responsibility of the such party, regardless of whether the Transaction is consummated. The Purchaser shall be further responsible for the payment of all Taxes in respect of the purchase, conveyance and transfer of the Target Shares and retention of the Retained Assets, the Retained Contracts and the Retained Liabilities to the Purchaser, and all registration costs in respect of the registration of any deliverables on Closing.

10.8 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

10.9 Survival

The representations and warranties of the Purchaser contained in this Agreement shall not merge on Closing and the representations, warranties and covenants of the Purchaser contained herein to be performed after the Closing shall survive Closing and remain in full force and effect. All representations and warranties of the Vendor and Target shall merge on Closing and shall not survive.

10.10 Benefit of Agreement

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns, including for greater certainty, ResidualCo, provided that no consent, waiver or agreement of ResidualCo shall be required for any amendment of this Agreement.

10.11 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor and the Purchaser.

10.12 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

10.13 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court in the CCAA Proceedings, and any appellate courts of the Province of Nova Scotia therefrom.

10.14 Assignment

(a) The Purchaser may assign its rights under this Agreement prior to Closing, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (i) the Purchaser provides prior notice of such assignment to the Vendor and the Monitor; (ii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; and (iii) no assignment shall relieve the Purchaser of any of its obligations hereunder which the Purchaser shall remain primarily liable therefore.

(b) Except as specifically contemplated herein as it relates to ResidualCo, this Agreement may not be assigned by the Vendor without the consent of the Monitor.

10.15 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

10.16 Counterparts

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

10.17 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

10.18 Monitor's Certificate

When the conditions to Closing set out in Section 8.1, 8.2 and Section 8.3 have been satisfied and/or waived by the Vendor or the Purchaser, as applicable, the Vendor, the Purchaser or their respective counsel will each deliver to the Monitor confirmation that such conditions of Closing, as applicable, have been satisfied and/or waived (the "**Conditions Certificates**"). Upon receipt of the Conditions Certificates, the Monitor shall: (a) issue forthwith its Monitor's Certificate concurrently to the Vendor and the Purchaser, at which time the Implementation Steps will be deemed to have commenced and be completed in the order set out in the Implementation Steps and Closing will be deemed to have occurred; and (b) file as soon as practicable a copy of the Monitor's Certificate with the Court (and shall provide a true copy of such filed certificate to the Vendor and the Purchaser). In the case of: (a) and (b) above, the Monitor will be relying exclusively on the basis of the Conditions Certificates without any obligation whatsoever to verify the satisfaction or waiver of the applicable conditions.

10.19 Amendment and Waiver

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement (including the Schedules hereto) shall be binding unless executed in writing by all Parties hereto, and provided that such amendment is consented to by the Monitor. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

10.20 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA Proceedings or any order of the Court in this CCAA Proceedings, the Vendor and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Mernova Group and not in its personal capacity, and will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

For the Purchaser:

CANADA'S ISLAND GARDEN INC.

By: ______________________

Name: Alex Smith

Title: Authorized Signatory

I have authority to bind the Corporation.

For the Vendor and Target:

CRESO CANADA LIMITED

By: Micheline MacKay

Name: Micheline MacKay

Title: Authorized Signatory

MERNOVA MEDICINAL INC.

By: Micheline MacKay

Name: Micheline MacKay

Title: Authorized Signatory

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EXHIBIT "A"
IMPLEMENTATION STEPS

1. Prior to the Closing Time, the Purchaser shall have paid to the Monitor the Cash Purchase Price, to be held in trust and released in accordance with these Implementation Steps;

2. Effective as of the Closing Time, the following steps shall take place sequentially pursuant to the RVO:

   (a) all Employees designated by the Purchaser as Terminated Employees will be terminated by Target;

   (b) the Excluded Assets and Excluded Liabilities shall be transferred to, and vest in, ResidualCo;

   (c) the Vendor shall transfer the Target Shares to the Purchaser, and the Target Shares shall vest in the Purchaser pursuant to the RVO;

   (d) the Cash Purchase Price shall be released to the Monitor and the Purchase Price shall be satisfied in accordance with the terms of this Agreement;

   (e) any and all Liabilities arising from or relating to: (i) the transactions noted above; and (ii) the transfer of the Excluded Contracts and Excluded Liabilities to ResidualCo; including, for certainty and without limitation, Liabilities and Taxes resulting from any debt forgiveness, shall be transferred to ResidualCo and Target shall have no obligations in connection with such Liabilities or Taxes;

   (f) Closing shall be deemed to have occurred; and

   (g) Target shall cease to be an applicant in the CCAA Proceedings.

SCHEDULE "A"
EXCLUDED ASSETS

1. The Excluded Contracts.

SCHEDULE "B"
EXCLUDED CONTRACTS

All Contracts other than Retained Contracts.

SCHEDULE "C"
EXCLUDED LIABILITIES

The following is a non-exhaustive list of Excluded Liabilities:

1. Any and all Liabilities relating to any change of control provision that may arise in connection with the change of control contemplated by the Transaction and to which Target may be bound as at the Closing Time.

2. Any and all Liabilities pertaining to the administration of the CCAA Proceedings including, without limitation, under any Court ordered charge granted therein.

3. All Liabilities relating to or under the Excluded Contracts and Excluded Assets.

4. Any and all Employee Termination Costs in connection with Terminated Employees.

5. Any Liabilities for commissions, fees or other compensation payable to any finder, broker or similar intermediary in connection with the negotiation, execution or delivery of this Agreement or the consummation of the Transaction, except as specifically contemplated in Section 10.7.

6. Any Liabilities for Taxes.

7. Any and all Liabilities that are not Retained Liabilities.

For certainty, all Liabilities included in the calculation of the Quick Ratio shall be deemed to be Retained Liabilities and shall not be Excluded Liabilities.

SCHEDULE "D"
PERMITTED ENCUMBRANCES

1. All statutory exceptions to title contained in the laws and regulations applicable in Nova Scotia.

2. All other subsisting conditions, provisos, restrictions, exceptions and reservations contained in the original grant, or in any other grant or disposition from the Crown or imposed or implied by statute against the Retained Assets.

3. Notice of lease between Nova Scotia Business Development Corporation, as landlord, and Rogers Wireless Inc., as tenant, registered August 28, 2001, at Book 929 Page 389 as Document No. 3722, as renewed by renewal agreement between Mernova Medicinal Inc, as landlord, and Rogers Communications Inc., as tenant, registered November 15, 2019, as Document No. 115465651. Easement in favour of Rogers Wireless Inc. registered August 28, 2001, at Book 929 Page 389 as Document No. 3722.

4. Easement in favour of Rogers Wireless Inc. registered August 28, 2001, at Book 929, Page 389 as Document No. 3722

5. Notice of Lease dated January 14, 2013 in favour of Bragg Communications Inc.

6. All rights reserved to or vested in any Government Authority, by the terms of any license, grant or permit compromising or relating to the Retained Assets or any statutory provision to terminate any such license, grant or permit, or to require annual or other periodic payments as a condition to the continuance thereof.

SCHEDULE "E"
RETAINED LIABILITIES

- All Liabilities accounted for as part of the Quick Ratio.
- Cure Cost for Retained Contracts
- Pre-Closing Excise Obligations, if applicable, pursuant to Section 3.4(f).

SCHEDULE "F"
RETAINED CONTRACTS

Notice of lease between Nova Scotia Business Development Corporation, as landlord, and Rogers Wireless Inc., as tenant, registered August 28, 2001, at Book 929 Page 389 as Document No. 3722, as renewed by renewal agreement between Mernova Medicinal Inc, as landlord, and Rogers Communications Inc., as tenant, registered November 15, 2019, as Document No. 115465651. Easement in favour of Rogers Wireless Inc. registered August 28, 2001, at Book 929 Page 389 as Document No. 3722.

Easement in favour of Rogers Wireless Inc. registered August 28, 2001, at Book 929, Page 389 as Document No. 3722.

All contracts and other agreements with provincial cannabis distributors and wholesalers

All purchase orders and other documents relevant to the accounts receivable included in the Quick Ratio calculation.

SCHEDULE G
SAMPLE CALCULATION OF THE QUICK RATIO

(see attached)

In the Matter of the CCAA Proceedings of
Mernova Medicinal Inc. and Creso Canada Ltd.
Calculation of Quick Ratio

Draft - for discussion purposes only

Quick Ratio Calculation	**July 18, 2025**	**Notes**
Current Assets		
Cash	927,117.95	
Accounts receivable	1,084,633.57	
GIC	28,000.00	**1**
Prepaid expenses	298,572.86	**2**
Total Current Assets, excluding inventory	**2,338,324.38**	
Current Liabilities		
Accounts payable	246,596.86	
Credit card	1,614.34	**1**
Excise bond - reinstatement estimate	200,000.00	**3**
Accrued liabilities	279,178.42	**4**
August excise taxes (estimate)	130,000.00	**5**
Total Current Liabilities	**857,389.62**	
Quick Ratio	**1,480,934.76**	
Adjustment to Minimum Cash Balance	(330,935)	
Adjustment to ensure Quick Ratio Minimum	-	
Adjusted Quick Ratio at Closing	**1,150,000.00**	

Conditions at Closing				
		Condition	**Actual**	**Adjustment**
Minimum Cash		550,000	927,118	**(330,935)**
	Minimum	**Maximum**	**Actual**	**Adjustment**
Quick Ratio	1,150,000	1,500,000	1,480,935	**-**

Cash at Closing	
Deposit	500,000
Purchase Price	5,750,000
Purchase Price Adjustment	-
Cash Sweep	330,935
Total Cash to the Monitor	**6,580,935**

Notes

1 - GIC on the financials is held by CUA as collateral against the credit card, functioning as a pre-paid and offsetting to the credit card liability.

2 - Prepaid expenditures are detailed on the Prepaids tab. Consists of prepaid invoices with suppliers for cannabis and operational supplies.

3 - Excise bond with CRA assumed to be $200k by CIG and Mernova for purposes of calculating the Quick Ratio at closing.

4 - Accrued liabilities consists solely of the estimated usage for Nova Scotia Power ("**NSP**"). NSP has confirmed to the Company and the Monitor that it is unlikely issue an invoice for post-CCAA by the anticipated closing date.

5 - July excise taxes assumed to be paid prior to closing. Calculation for August is based on estimated sales of $1M, at a tax rate of 26% for 50% of the month of August (estimated closing date of August 15th).

SCHEDULE H
FORM OF RVO

(see attached)

2025 **Hfx No. 542329**

SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended

AND IN THE MATTER OF an application by Mernova Medicinal Inc. and Creso Canada Limited (collectively, the "**Applicants**") for relief under section 11 of the CCAA and other relief

APPROVAL AND REVERSE VESTING ORDER

Before the Honourable Justice Bodurtha in chambers:

WHEREAS Creso Canada Limited ("**Creso**" or "**ResidualCo**") and Mernova Medicinal Inc. ("**Mernova**" and, together with Creso, the "**Applicants** or the "**Companies**") applied for relief under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 as amended (the "**CCAA**") including an Initial Order, which was granted by Justice Bodurtha on April 16, 2025, amended and restated by an Amended and Restated Initial Order granted April 25, 2025, (the "**ARIO**"), which, among other things, appointed Grant Thornton Limited as CCAA Monitor ("**Grant Thornton**" or, the "**Monitor**");

AND WHEREAS pursuant to a Sales and Investment Solicitation Approval Order dated April 25, 2025, the Court approved a sales process (the "**SISP**") for the sale of the assets and business of Mernova;

AND WHEREAS the SISP has resulted in a share purchase agreement made as of July 29, 2025 (the "**SPA**"), between the Companies and Canada's Island Garden Inc. (the "**Purchaser**" or "**CIG**") for the purchase and sale of the Target Shares (as defined in the SPA);

AND WHEREAS unless otherwise noted, the defined terms herein shall be interpreted in accordance with the SPA and the Fourth Affidavit (as defined below);

AND UPON the motion of the Applicants for an Order (among other things):

(i) approving the SPA;

(ii) transferring and vesting all of Mernova's right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts to and in ResidualCo;

(iii) vesting all of Creso's right, title and interest in and to the Target Shares in the Purchaser (collectively, the "**Transaction**");

(iv) approving the release of certain of the Companies' directors and officers; and

(v) approving the activities of the Monitor, as set out in the Third Report of the Monitor filed with the Court in advance of this Motion (the "**Third Report**");

AND UPON reading the Third Report, the Fourth Affidavit of Micheline MacKay, an unsworn copy to be filed with a sworn copy to follow (the "**Fourth Affidavit**"), and the other materials filed herein;

AND UPON HEARING from counsel for the Applicants and such other counsel who were present and wished to be heard;

The following parties received notice of this Application: see attached **Schedule "B"**.

The following parties, represented by the following counsel, made submissions:

Party	**Counsel**
Creso Canada Limited 1300 - 1969 Upper Water Street Purdy's Wharf Tower II Halifax, NS B3J 3R7	**MLT Aikins LLP** 2100 Livingston Place 222 3rd Ave SW Calgary, AB T2P 0B4
Mernova Medicinal Inc. 50 Ivey Lane Windsor, NS B0N 2T0	**Ryan Zahara** Tel: 403-693-5420 Email: rzahara@mltaikins.com

Micheline MacKay
Email: micheline.mackay@mernova.com

Chris Nyberg
Tel: 403-693-2636
Email: cnyberg@mltaikins.com

- and -

Cox & Palmer
Suite 1500 – 1625 Grafton Street
Halifax, NS B3J 0E8

Gavin MacDonald
Tel: 902-491-4464
Email:
gmacdonald@coxandpalmer.com

Meaghan Kells
Tel: 902-491-6829
Email: mkells@coxandpalmer.com

Monitor, **Grant Thornton Limited**

1675 Grafton St Suite 1000
Halifax, NS B3J 0E9

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On motion of the Applicants, the following is ordered and declared:

SERVICE

1. The service of the notice of motion, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

DEFINED TERMS

2. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SPA and the Fourth Affidavit.

APPROVAL AND VESTING

3. The SPA and the Transaction be and are hereby approved and the execution of the SPA by the Companies and Purchaser is hereby authorized and approved, with such minor amendments as the parties may deem necessary, with the approval of the Monitor. The Companies and Purchase are hereby authorized and directed to perform their respective obligations under the SPA and to take such additional steps and execute such additional documents as may be necessary or desirable to effect the Transaction.

4. This Order shall constitute the only authorization required by the Monitor, the Companies, and the Purchaser to proceed with the Transaction and no shareholder, director or other approval or notice shall be required in connection therewith, including, without limitation, as necessary to approve or file any articles of amendment or similar documents in respect of Mernova.

5. Upon the delivery of a copy of the Monitor's certificate (the "**Monitor's Certificate**") to the Companies and Purchaser in accordance with the SPA (the time of such delivery being referred to herein as the "**Closing Time**"), substantially in the form attached as **Schedule** "**A**" hereto, the following shall occur and shall be deemed to have occurred at the Closing Time in the following sequence:

(a) first, except as explicitly set out in the SPA and the Implementation Steps, all of the right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, and all Claims and Encumbrances (each as defined in the SPA) shall continue to attach to the Excluded Assets in accordance with paragraph 6 of this Order, in either case with the same nature and priority as they had immediately prior to the transfer;

(b) second, all Excluded Liabilities shall be transferred to, assumed by and vest absolutely and exclusively in ResidualCo such that the Excluded Liabilities shall become obligations of ResidualCo and shall no longer be obligations of Mernova, and all Retained Assets shall be and are hereby forever released and discharged from such Excluded Liabilities and all Claims and Encumbrances affecting or relating to the Retained Assets are to be expunged and discharged as against the Retained Assets other than the Permitted Encumbrances;

(c) third, Creso shall sell, assign and transfer the Target Shares to the Purchaser free and clear of all Encumbrances, except Permitted Encumbrances, in exchange for the payment of the Purchase Price. For certainty, all of the right, title and interest in and to the Target Shares shall vest absolutely in the Purchaser, free and clear of and from any and all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured, or due or not yet due, in law or equity and whether based in statue or otherwise, including any and all encumbrances, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the ARIO or any other Order of the court in the CCAA

Proceedings; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Nova Scotia) or any other personal property registry systems in any other jurisdictions (all of which collectively referred to as "**Encumbrances**", which term shall not include Permitted Encumbrances)

(d) fourth, all securities in the capital of Mernova, other than the Target Shares, shall be cancelled without consideration.

(e) fifth, the Purchase Price shall be released to the Monitor and the Purchase Price shall be satisfied in accordance with the terms of the SPA and shall be held by the Monitor for the benefit of the stakeholders of Mernova until further Order of this Court;

(f) sixth, Mernova shall cease to be an Applicant in these CCAA Proceedings, and shall be deemed to be released from the purview of the Order of the Court granted in respect of these CCAA Proceedings, save and except for this Order, the provisions of which (as they relate to Mernova) shall continue to apply in all respects; and

(g) finally, following the completion of the steps above, the Purchaser shall be the sole legal and beneficial shareholder of Mernova.

6. For purposes of determining the nature and priority of claims against ResidualCo, the Purchase Price shall stand in the place and stead of the Target Shares and the Retained Assets, and from and after the Closing Time, all Liabilities and Encumbrances, including for greater certainty any amounts necessary to satisfy the amounts outstanding under the Administration Charge, with the exception of the Retained Liabilities and Permitted Encumbrances which shall, following the granting of this Order, continue to attach to Mernova or the Retained Assets, as

applicable, shall attach to the Purchase Price and the Excluded Assets with the same priority as they had with respect to the Target Shares and Retained Assets immediately prior to the Closing.

7. The Monitor shall file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof in connection with the Transaction, but, for greater certainty, any delay in the filing of the Monitor's Certificate shall not delay the Closing.

8. The Monitor may rely on written notice from the Companies and the Purchaser regarding the fulfilment of conditions to closing under the SPA and shall have no liability with respect to delivery of the Monitor's Certificate.

9. Pursuant to section 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada), as amended, the Companies or the Monitor, as the case may be, are authorized, permitted and directed to, prior to the Closing Time, disclose to the Purchaser all human resources and payroll information in the records of Mernova pertaining to past and current employees of Mernova. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner that is in all material respects identical to the prior use of such information by Mernova.

10. At the Closing Time and without limiting the provisions of paragraph 5 hereof, the Purchaser, Mernova, and the Monitor shall be deemed released from any and all Excluded Liabilities (including all Claims other than Retained Liabilities) and all claims, liabilities, (direct, indirect, absolute or contingent) or obligations with respect to any Taxes including penalties and interest thereon (other than those that are Retained Liabilities) of, or that relate to Mernova, provided, as it relates to the Purchaser and Mernova, such release shall not apply to (a) Taxes in respect of the business and operations conducted by Mernova after the Closing Date; or (b) Taxes expressly assumed as Retained Liabilities pursuant to the SPA, including without limiting the

generality of the foregoing, all Taxes that could be assessed against the Purchaser and Mernova (including their affiliates and any predecessor corporations) pursuant to sections 160 and 160.01 of the Income Tax Act, R.S.C. 1985 c.1 (5^{th} Supp.), or any provincial or foreign tax equivalent in connection with Mernova. For greater certainty, nothing in this paragraph shall release or discharge any Claims against ResidualCo with respect to Taxes that are transferred to ResidualCo.

11. Except to the extent expressly contemplated by the SPA, all Retained Contracts, will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:

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

(b) the insolvency of Creso or Mernova or the fact that Creso and Mernova commenced proceedings pursuant to the CCAA;

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

(d) any transfer or assignment, or any change of control of Mernova arising from the implementation of the SPA, the Transaction or the provisions of this Order.

12. From and after the Closing Time, all Persons shall be deemed to have waived any and all defaults of Mernova then existing or previously committed by Mernova, or caused by Mernova, directly or indirectly, or non-compliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligation, expressed or implied, in any Contract existing between such Person and Mernova arising directly or indirectly from the commencing by Mernova of these CCAA Proceedings and the implementation of the Transaction, including without limitation any of the matters or events listed in paragraph **Error! Reference source not found.** hereof and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a contract shall be deemed to have been rescinded and of no further force or effect, provided that nothing herein shall be deemed to excuse Mernova from performing its obligations under the SPA or be a waiver of defaults by Mernova under the SPA or related documents.

13. For greater certainty, that (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of Mernova or the Purchaser in respect of any Retained Liabilities, (b) the designation of any Claim as a Retained Liability is without prejudice to any of Mernova's or the Purchaser's right to dispute the existence, validity or quantum of any such Retained Liability, and (c) nothing in this Order or the SPA shall effect or waive Mernova or the Purchaser's rights and defenses both legal and equitable, with respect to any Retained Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Retained Liabilities.

14. From and after the Closing Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or

continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessments, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against Mernova relating in any way to or in respect of any Excluded Assets, Excluded Liabilities or Excluded Contracts and any other claims, obligations and other matters that are waived, released, expunged or discharged pursuant to this Order.

15. From after the Closing Time:

(a) except as contemplated by the SPA, the nature of the Retained Liabilities retained by Mernova, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transaction or this Order;

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

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

(d) the Excluded Liability Claim of any Person against ResidualCo following the Closing Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against Mernova prior to the Closing Time.

16. Notwithstanding:

(a) the pendency of these CCAA proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3 (as amended, the "**BIA**"), in respect of ResidualCo and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of ResidualCo,

the SPA and the implementation of the Transaction (including without limitation the transfer and vesting of the Excluded Assets, Excluded Contracts and Excluded Liabilities in and to ResidualCo and the sale, transfer and vesting of the Target Shares in and to the Purchaser) and any payments by or to the Purchaser, Mernova or the Monitor authorized herein shall be binding on any trustee in bankruptcy that may be appointed in respect of ResidualCo and shall not be void or voidable by creditors of Mernova or ResidualCo, as applicable, nor shall they constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the CCAA, the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

17. The amounts necessary to satisfy the Administration Charge, the Interim Lending Charge, the D&O Charge and the KERP Charge and any amounts owing thereunder, shall be paid by the Monitor from the Purchase Price from and after the Closing Date.

MONITOR

18. The Monitor's activities, actions, and conduct, as set out in the Third Report, are hereby ratified and approved.

19. Nothing in this Order, including the release of Mernova from the purview of these CCAA Proceedings pursuant to paragraph 5(f) hereof, shall affect, vary, derogate from, limit or amend any rights, approvals and protections afforded to the Monitor in these CCAA Proceedings and Grant Thornton shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, any other Orders in these CCAA Proceedings or otherwise, including all approval, protections and stays of proceedings in favour of Grant Thornton in its capacity as Monitor, all of which are expressly continued and confirmed.

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

21. The Monitor shall not, as a result of this Order or any matter contemplated hereby: (a) be deemed to have taken part in the management or supervision of the management of Mernova or Creso or to have taken or maintained possession or control of the business or property of Mernova or Creso, or any part thereof; or (b) be deemed to be in possession of any property of Mernova or Creso within the meaning of any applicable Environmental Legislation and/or Cannabis Legislation or otherwise.

22. Notwithstanding anything contained in this Order, the Monitor, its employees and representatives are not and shall not be or be deemed to be a director, officer or employee of Mernova or Creso, *de facto* or otherwise, and shall incur no liability as a result of acting in accordance with this Order, other than liability arising as a direct result of the gross negligence or willful misconduct of the Monitor.

23. Nothing in this Order shall constitute or be deemed to constitute the Monitor as receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors or legal representative of Mernova or Creso.

MONITOR'S ENHANCED POWERS

24. In addition to the powers and duties of the Monitor set out in the prior orders of this Court and the CCAA, and without altering in any way the limitations and obligations of Creso as a result of these proceedings, the Monitor be and is hereby authorized and empowered, but not required to:

(a) execute documents for and on behalf of ResidualCo;

(b) assign ResidualCo, or cause ResidualCo to be assigned, into bankruptcy, and the Monitor shall be entitled but not obligated to act as trustee in bankruptcy thereof; and

(c) apply to this Court for advice and directions or any orders necessary or advisable to carry out its powers and obligations under this Order or any other Order granted by this Court including for advice and directions with respect to any matter.

RELEASES

25. At the Closing Time: (a) the sole director and officer of Mernova, being Micheline MacKay; (b) Mernova's legal counsel and advisors; (c) the Monitor and its legal counsel; and (d) the sole director and officer of ResidualCo, being Micheline MacKay (collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part of any act or omission, transaction, dealing or other occurrence existing or taking place prior to the Closing Time or arising in connection with or relating in any manner whatsoever to the SPA, the Transaction, or the conduct of these CCAA Proceedings (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties; *provided that* nothing in this paragraph shall waive, discharge, release, cancel or bar any claim that is (i) not permitted to be released pursuant to Section 5.1(2) of the CCAA; or (ii) any of the Released Parties from the performance of their obligations pursuant to the Transaction.

26. Effective upon the filing of the Monitor's Closing Certificate, the directors and officers of Mernova and ResidualCo (collectively, the "**Released D&Os**" and each a "**Released D&O**") shall be and are hereby forever irrevocably released and discharged from any and all claims, including but not limited to claims for unpaid excise taxes, that any Person may have or be entitled to assert against the Released D&Os now or hereafter, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured,

or due or not yet due, in law or equity and whether based on statute or otherwise, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to commencement of these CCAA Proceedings in respect of Mernova, the business, operations, assets, property, and affairs of Mernova and Mernova and/or these CCAA Proceedings (collectively, the "**D&O Released Claims**"), and any such D&O Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished, and forever barred, and the Released D&Os shall have no liability in respect thereof; provided that, nothing in this paragraph shall waive, discharge, release, cancel or bar any claim or liability (a) arising out of any gross negligence or willful misconduct on the part of the applicable Released D&O; and (b) that is not permitted to be released pursuant to section 5.1(2) of the CCAA; For greater certainty, "current" in this paragraph refers to individuals who remain in their respective role(s) up to one day prior to closing of the Transaction.

CANADA REVENUE AGENCY SET-OFF

27. The Canada Revenue Agency's right of set off is preserved to the extent that: (i) any amounts that are, or become, due to Mernova or Creso with respect to obligations arising prior to the CCAA filing date of April 16, 2025; or (ii) any amounts that are, or become, due to Mernova or Creso with respect to obligations arising after the CCAA filing date of April 16, 2025 are applied against any amounts that are, or become due, from Mernova or Creso with respect to obligations arising after the CCAA filing date of April 16, 2025.

GENERAL

28. Following the Closing Time, the Purchaser and its representatives shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances as against Mernova, the Target Shares and the Retained Assets.

29. Following the Closing Time, the title of these CCAA Proceedings shall be changed to:

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF CRESO CANADA LIMITED

30. This Order shall have full force and effect in all provinces and territories in Canada.

31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or elsewhere, to give effect to this Order and to assist the Companies, 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 Mernova 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 Mernova and the Monitor and their respective agents in carrying out the terms of this Order.

32. Each of Mernova and the Companies 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.

33. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States, or elsewhere, to give effect to this Order and to assist Mernova, 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 Mernova 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 Mernova and the Monitor and their respective agents in carrying out the terms of this Order.

34. This Order and all of its provisions are effective as of 12:01 a.m. (Atlantic Standard Time) on the 5th day of August, 2025.

Issued August 5, 2025

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Prothonotary

Mernova SPA

Final Audit Report 2025-07-29

Created:	2025-07-29
By:	Chris Nyberg (cnyberg@mltaikins.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAtuUEVq7p3jE9SN84qGK7sUSoBzHcsf9I

"Mernova SPA" History

Document created by Chris Nyberg (cnyberg@mltaikins.com)
2025-07-29 - 3:56:47 PM GMT

Document emailed to Micheline MacKay (micheline.mackay@mernova.com) for signature
2025-07-29 - 3:58:17 PM GMT

Email viewed by Micheline MacKay (micheline.mackay@mernova.com)
2025-07-29 - 4:13:52 PM GMT

Document e-signed by Micheline MacKay (micheline.mackay@mernova.com)
Signature Date: 2025-07-29 - 4:15:00 PM GMT - Time Source: server

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2025-07-29 - 4:15:02 PM GMT

Email viewed by Alex Smith (asmith@figr.com)
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Document e-signed by Alex Smith (asmith@figr.com)
Signature Date: 2025-07-29 - 4:15:50 PM GMT - Time Source: server

Agreement completed.
2025-07-29 - 4:15:50 PM GMT

Appendix G

Canada's Island Garden Corporate Search

ONLINE SERVICES

PEI Business / Corporate Registry

Published date: December 18, 2020

SHARE THIS PAGE

Please note: You may need to search two corporate registries until we fully transition to our new online registry system.

If the business name you are searching does not appear below, please continue your search at PEI Corporate Registry – Original.

Business Name

canada's island garden

Business Number

Business Type

Any Type

Business Status

Any Status

If the business name you are searching does not appear below, you may find it in the other corporate registry at PEI Corporate Registry – Original. To refine your search, read the search tips below.

Business Type	Incorporated
Business Number	833709975
Entity Name	CANADA'S ISLAND GARDEN INC.
Entity Secondary Name	
Registration Date	April 01, 2022
Registration Number	160608
Status	Active
Corporation Type	Non-distributing
Last Return Date	April 01, 2025
Address	7 INNOVATION WY CHARLOTTETOWN, Prince Edward Island C1E 0B7

Feedback

End Date	
Amalgamated Name	
Converted From	
Converted To	
Former Name(s)	
Nature of Business	Cultivation and processing of cannabis pursuant to the Cannabis Act (Canada)
Continued From	
Discontinued To	
Gazette Date	
Revival Date	
Directors and Shareholders	Robert Alexander Smith - Director 102633 P.E.I. Inc. - ShareholderSBM Holdings Inc. - ShareholderPEI Garden Inc. - ShareholderAndrew Raymer - Shareholder Darren Shea - Shareholder Joshua Roche - Shareholder Zachary Currie - Shareholder Sheila Crandall - Shareholder
Trade Names	FIGR Limited Edition Cannabis

Are you having trouble finding a particular business?

You can try these search tips *in the fields above*:

- If you are looking for a company called, 'Rock, Paper and Scissors Inc,' search for 'rock paper scissors.' Try to be as specific as possible to return better results. Searching for just 'paper' may return poor quality results.
- Use double quotes (" ") around a term to search for the entire phrase as opposed to separate search terms i.e. use "Paper Scissors" not Paper Scissors. "Paper Scissors" will look for the entire phrase whereas the latter will search for the word scissors and the word paper.
- Use more than 3 characters.
- If you don't find the result you are looking for in the first or second screen, change your search terms and try again.
- You must search by the official business name. If the business operates under another name, you will not find it.

After the three-year registration cycle, all companies registered to conduct business in PEI will be listed in our new online registry database. Until then, thank you for understanding. If you cannot find the business you are looking for contact ccs@gov.pe.ca or 902-368-4550.

Resources

Register Your Business Name in the New Business/Corporate Registry

[Register a Non-profit Corporation in PEI]

[Register a Business: Co-operative]

Additional Links

[Types of Businesses]

[Guide to Corporate and Business Name Rules]

[Corporate Transparency Requirements]

[Guide to Share Structure and Restrictions]

General Inquiries

Financial and Consumer Services Division

1st Floor, Shaw Building (North Entrance)

105 Rochford Street

PO Box 2000

Charlottetown, PE C1A 7N8

Phone: 902-368-4550

Fax: 902-368-5283

ccs@gov.pe.ca

Feedback

Appendix H

Creso Canada Limited Corporate Search

Corporations Canada
C. D. Howe Building
235 Queen St
Ottawa ON K1A 0H5

Corporations Canada
Édifice C.D.Howe
235 rue Queen
Ottawa ON K1A 0H5

Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2025-06-04 1:29 PM	(AAAA-MM-JJ) **Date et heure du Profil corporatif**

CORPORATE INFORMATION — RENSEIGNEMENTS CORPORATIFS

Corporate name — **Dénomination**

CRESO CANADA LIMITED

Corporation number	1054074-9	**Numéro de société ou d'organisation**
Business number	779348911RC0001	**Numéro d'entreprise**

Governing legislation — **Régime législatif**

Canada Business Corporations Act (CBCA) - 2017-12-14

Loi canadienne sur les sociétés par actions (LCSA) - 2017-12-14

Status — **Statut**

Active

Active

REGISTERED OFFICE ADDRESS — ADRESSE DU SIÈGE

50 Ivey Lane
Windsor NS B0N 2T0
Canada

ANNUAL FILINGS — DÉPÔTS ANNUELS

Anniversary date (MM-DD)	12-14	(MM-JJ) **Date anniversaire**
Filing period (MM-DD)	12-14 to/au 02-12	(MM-JJ) **Période de dépôt**

Status of annual filings — **Statut des dépôts annuels**

Not due	2025	N’est pas dû
Overdue	2024	En retard
Filed	2023	Déposé

Date of last annual meeting (YYYY-MM-DD)	2023-11-29	(AAAA-MM-JJ) **Date de la dernière assemblée annuelle**

Type — **Type**

Distributing corporation

Société ayant fait appel au public

DIRECTORS		ADMINISTRATEURS
Minimum number	1	**Nombre minimal**
Maximum number	10	**Nombre maximal**
Current number	1	**Nombre actuel**
Micheline MacKay	176 Sangster's Bridge Road, Windsor Forks NS B0N 2T0, Canada	

INDIVIDUALS WITH SIGNIFICANT CONTROL — **PERSONNES AYANT UN CONTRÔLE IMPORTANT**

CORPORATE HISTORY — **HISTORIQUE CORPORATIF**

Corporate name history (YYYY-MM-DD) — (AAAA-MM-JJ) **Historique de la dénomination**

2017-12-14 to present / à maintenant	CRESO CANADA LIMITED

Certificates issued (YYYY-MM-DD) — (AAAA-MM-JJ) **Certificats émis**

Certificate of Incorporation	2017-12-14	Certificat de constitution en société

Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.

Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.

Documents filed (YYYY-MM-DD) — (AAAA-MM-JJ) **Documents déposés**

The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.

Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.