

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

Notice of Motion

To: the Service List attached at Schedule "A"

Motion

Capitalized terms used herein and not otherwise defined have the meaning given to them in the initial order made in these proceedings on April 16, 2025 (the "**Initial Order**").

Mernova Medicinal Inc. ("**Mernova**") and Creso Canada Limited, the Applicants in this proceeding, move for orders:

1. If necessary, abridging and validating the time for service of this Notice of Motion and dispensing with further service thereof.
2. Amending and restating the Initial Order (the "**ARIO**") to, among other things:
 - a. extend the Stay Period pursuant from April 26, 2025 up to and including July 18, 2025;
 - b. approve an interim financing loan agreement between the Applicants and La Plata Capital LLC ("**La Plata**"), dated April 21, 2025 (the "**Interim Financing Agreement**") and a charge securing the Interim Financing Agreement not exceeding the principal sum of \$500,000, plus interest, costs, and expenses in favour of La Plata (the "**Interim Financing Charge**"), as security for any advances made by La Plata pursuant to the Interim Financing Agreement;
 - c. approve a key employee retention plan (the "**KERP**") and corresponding charge to secure obligations under the KERP up to the amount of \$200,000 (the "**KERP Charge**") for individuals identified as critical management personnel of the Applicants in order to retain and incentivize those parties to ensure the continued operation of Mernova as a going concern and the success of the CCAA proceedings;
 - d. increase the Administration Charge from \$100,000 to \$250,000; and

- e. increase the D&O Charge from \$150,000 to \$300,000.
3. Approving the proposed sale and investment solicitation process (the “SISP”) in respect of a going concern sale of the assets and/or shares of Mernova.
4. Sealing the confidential appendices of the First Report of the Monitor, Grant Thornton Limited (in such capacity, the “Monitor”), to be filed (the “First Report”), which contains an unredacted copy of confidential and personal information associated with the KERP; and
5. Such further and other relief as this Honourable Court may deem just.

Time and place

The motion is to be heard by the Honourable Justice Bodurtha on April 25, 2025 at 9:30 am at the Law Courts, 1815 Upper Water Street, Halifax, Nova Scotia. The moving party has set the motion for hearing for one half day in Chambers. The moving party says that the motion will not require more time.

References

The moving party relies on the following legislation, Rules, or points of law:

- The *Companies' Creditors Arrangement Act*, RSC 1985, c C-36, as amended; and
- Nova Scotia *Civil Procedure Rules*, and in particular Rules 1.01, 2.03, 23, and 85.04.

Evidence

The evidence in support of the motion is as follows:

- The unsworn second affidavit of Micheline MacKay;
- The first report of Grant Thornton Limited in its capacity as Court-appointed Monitor, to be filed; and
- Such further or other evidence as the moving party may advise and this Honourable Court may permit.

Possible order against you

You may file an Affidavit and a brief, attend the hearing of the motion, and state your position on whether the proposed order should be made. If you do not attend, the Judge may grant an order without further notice to you.

Form 23.03

Signature

Signed on April 22, 2025

for 
Ryan Zahara/Chris Nyberg
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SERVICE LIST

Party	Contact
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