Court File No. 542329

SUPREME COURT OF NOVA SCOTIA
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF a plan of compromise or arrangement of Creso Canada Limited.

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

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

September 16, 2025

Doane Grant Thornton

Grant Thornton Limited
Monitor

1000-1675 Grafton Street
Halifax, NS B3J 0E9

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APPENDICES

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**"). Grant Thornton Limited ("**GTL**") was appointed as monitor (in such capacity, the "**Monitor**") in the CCAA proceedings ("**CCAA Proceedings**") pursuant to section 11.7 (1) of the CCAA. The Initial Order was amended by an Amended and Restated Initial Order ("**ARIO**") issued on April 25, 2025.

2. Pursuant to the Initial Order, amongst other things, all creditors were stayed from commencing or continuing any proceedings against the Companies up to and including April 25, 2025 (the "**Stay of Proceedings**"), or until such date as the Court may by subsequent order direct. The Stay of Proceedings was further extended by multiple orders and, most recently, to September 30, 2025 by the July Stay Extension Order.

3. 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.

4. On August 5, 2025 the Court granted the approval and reverse vesting order ("**RVO**"), attached as **Appendix "A"**, which among other things:

   (a) Approved the Proposed Transaction inclusive of the share purchase agreement ("**SPA**") with the Successful Bidder in the SISP, Canada's Island Garden Inc. ("**CIG**"), as fully described in the Monitor's Third Report;

   (b) Transferred and vested all of Mernova's right, title and interest in and to the Excluded Liabilities, Excluded Assets, and Excluded Contracts (a defined in the SPA) to Creso;

   (c) Removed Mernova as an Applicant in these CCAA Proceedings, leaving Creso as the only remaining applicant with more than $5M in liabilities and insolvent, meeting the criteria as prescribed in s. 3(1) of the CCAA;

(d) Granted the Monitor certain enhanced powers over Creso upon the filing of the Monitor's Certificate confirming that the Proposed Transaction pursuant to the SPA has closed and the sole director of Creso has resigned;

(e) Pursuant to and in connection with the Proposed Transaction, granted 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) CIG, its legal counsel and their respective present and former directors, officers, employees and advisors; and

(f) Approved the activities of the Monitor and the Monitor's counsel since the date of the Initial Order.

5. On August 8, 2025, the Court granted an Order ("**WEPP Declaration Order**") declaring that Mernova meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations,* SOR/2008-222 and Mernova's former employees are individuals who may apply for the Wage Earner Protection Program.

6. This fourth report of the Monitor ("**Fourth 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, dated April 10, 2025;

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

(c) Second Report of the Monitor, dated July 7, 2025;

(d) Third Report of the Monitor, dated July 30, 2025; and

(e) Supplement to the Third Report of the Monitor, dated August 4, 2025.

<u>Orders of the Court:</u>

8. 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;

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

(g) Approval and Reverse Vesting Order, dated August 5, 2025; and

(h) WEPP Declaration Order, dated August 8, 2025.

Purpose of the Fourth Report

9. This Fourth Report has been prepared by the Monitor to provide the Court and Creso's stakeholders with the following:

(a) An update on the Monitor's activities since the date of the Third Report, including an update on the closing of the Proposed Transaction with CIG;

(b) The factual basis for the Monitor's request for an order of the Court:

i. Approving a distribution to Creso's senior secured creditor, La Plata Capital LLC, subject to the Monitor's proposed Distribution Holdback (defined below);

ii. Extending the Stay of Proceedings to the earlier of: (i) the assignment of Creso into bankruptcy, pursuant to the Monitor's enhanced powers at paragraph 24 of the Approval and Reverse Vesting Order dated August 5, 2025, (ii) the termination of the CCAA proceedings upon the filing of the Monitor's Termination Certificate, or (iii) such other date as this Court may order;

iii. Terminating the Court ordered DIP Charge, Director and Officer's Charge, and KERP Charge;

iv. Terminating these CCAA Proceedings and discharging the Monitor upon execution and filing of a Monitor's termination certificate ("**Termination Certificate**"), confirming that a final distribution of available funds has been completed and all remaining matters have been completed to terminate these CCAA Proceedings;

v. Terminating the Court ordered Administration Charge upon filing of the Termination Certificate;

vi. Approving the Fourth Report, as well as the activities of the Monitor and its counsel as reported herein; and

vii. Approving the fees and disbursements of the Monitor and its counsel from the commencement of these CCAA Proceedings through the date of this Fourth Report, as well as the estimated fees of the Monitor and its counsel to finalize these CCAA Proceedings.

Terms of Reference

10. In preparing this Fourth 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 Fourth 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 Fourth Report is based solely on the Information (financial or otherwise) made available to the Monitor by the Companies, Management and other stakeholders.

13. This report has been prepared for the use of this Court and the Companies' stakeholders as general information relating to the Companies and these CCAA Proceedings, and to assist the Court in determining whether to grant the relief sought. Accordingly, the reader is cautioned that this 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 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, previous affidavits of Micheline MacKay sworn on various dates throughout the CCAA Proceedings or the SPA, as applicable.

Activities of the Monitor since the Third Report

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

(a) Attended Court on August 5, 2025 regarding the Companies' application for the RVO and WEPP Declaration Order;

(b) Corresponded with Mernova, CIG and La Plata regarding the remaining matters prior to closing the Proposed Transaction, including reviewing the Quick Ratio calculation as defined in the SPA, and coordinated finalization of same;

(c) Worked with Mernova to prepare applications by former Mernova employees for relief under WEPP, pursuant to the WEPP Declaration Order;

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

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

(f) Prepared this Fourth Report.

Closing the CIG Transaction

16. Upon Court approval of the SPA and granting of the RVO on August 5, 2025, the Monitor and its counsel worked with Mernova, CIG and their respective counsel to advance the remaining matters to be finalized prior to closing the Proposed Transaction with CIG.

17. Prior to closing the Proposed Transaction, CIG assigned the SPA and its right to complete the Proposed Transaction to 4737491 Nova Scotia Limited (the "**Purchaser**"), an affiliate of CIG, in accordance with the SPA.

18. On August 18, 2025 the Monitor executed and delivered the Monitor's Certificate pursuant to the RVO, attached at **Appendix "B",** confirming:

(a) The Purchaser has paid the Purchase Price in accordance with the SPA to the Monitor;

(b) The Monitor has received written confirmation from Creso and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA; and

(c) The transaction has been completed to the satisfaction of the Monitor and is therefore closed.

19. Following closing of the Proposed Transaction, and pursuant to the closing steps outlined in the SPA, Micheline McKay resigned as Director of Creso, the Monitor's enhanced powers over Creso became effective, and Mernova exited these CCAA Proceedings.

20. A calculation of the Monitor's Certificate was filed with the Court on August 20, 2025.

Calculation of Quick Ratio and Purchase Price Adjustment

21. The SPA provides for the Quick Ratio at closing to be calculated by Mernova, and confirmed by the Purchaser, four business days prior to closing and recalculated thereafter within eight business days following closing, to determine whether a purchase price adjustment exists.

(a) The Monitor delivered Mernova's projected calculation of the Quick Ratio at closing to CIG and the Purchaser on August 12, 2025 pursuant to section 3.4(c) of the SPA. The projected Quick Ratio was in the Acceptable Range and $338,000 of Excess Cash existed, which Mernova subsequently wired to the Monitor on August 13, 2025 before closing.

22. On August 27th Mernova delivered to the Monitor a final Quick Ratio as at the closing date of August 18th, 2025.

(a) The Monitor reviewed Mernova's calculation of the final Quick Ratio pursuant to s. 3.4(c) of the SPA. The final Quick Ratio resulted in a return of $168,440 to Mernova to ensure the final Quick Ratio was within the Acceptable Range, which was wired to Mernova by the Monitor on September 2, 2025.

23. The Monitor confirms that it has received the total Purchase Price of **$6,419,560**, consisting of:

(a) Deposit pursuant to s. 3.2(a) of the SPA of $500,000

(b) Cash Purchase Price per s. 3.2(b) of the SPA of $5,750,000

(c) Excess Cash per s. 3.4(e) of the SPA of $169,560.

Payments by Monitor Pursuant to Court Ordered Charges

24. Following closing, the Monitor made the following payments from the Purchase Price pursuant to Court Ordered Charges:

(a) On August 22, 2025, $512,000 was wired to La Plata in satisfaction of the outstanding amount of Interim Financing advanced in the CCAA Proceedings, inclusive of interest, pursuant to the Interim Financing Charge:

i. An Interim Financing payout statement provided by La Plata is attached at **Appendix "C"**.

(b) On August 22, 2025, $200,000 was wired to the participants of the KERP approved by the Court and covered under the KERP Charge; and

(c) Between August 20-22, $174,192 was paid to the Company's counsel and Monitor's counsel for professional fees outstanding at closing inclusive of GST/HST, covered by the Administration Charge.

25. As at the date of this Fourth Report, approximately $75,808 remains of the Administration Charge (following the above-noted payments) to wind up these CCAA Proceedings, in addition to approximately $40,000 in retainers held by the Monitor and its counsel.

Distribution and Discharge Order

26. In the Monitor's view, the CCAA Proceedings have accomplished the principal objectives of the Companies' with regard to their restructuring by (a) identifying a purchaser and completing a sale transaction (b) continuing the operations of Mernova as a going concern, preserving jobs and continuing customer/supplier relationships, (c) providing a material recovery to La Plata as senior secured creditor and (d) providing greater value to all stakeholders than what otherwise would have been realized in a liquidation.

27. The remaining matters required by the Monitor to finalize these CCAA Proceedings include (together, "**Remaining Duties**"):

(a) Distributing the balance of the Purchase Price to La Plata pursuant to its security and the proposed Distribution Holdback, discussed below;

(b) Facilitating the administration of WEPP, pursuant to the WEPP Declaration Order:

i. As of the date of this Fourth Report, the Monitor has received proofs of claim forms from 21 of the 45 former employees eligible for WEPP.

(c) Ancillary administrative and statutory reporting matters; and

(d) Assigning Creso into bankruptcy and facilitating the bankruptcy proceedings through discharge, pursuant to the Monitor's enhanced powers at paragraph 24 of the RVO.

28. As there are no further recoveries available to Creso for distribution to creditors in these CCAA Proceedings, the Monitor is of the view that the CCAA Proceedings may be terminated upon the Monitor confirming with the Court the Remaining Duties have been completed.

29. The proposed order ("**Distribution and Discharge Order**"), attached at **Appendix "D",** will among other things:

(a) Approve activities, fees and disbursements of the Monitor and its counsel through these CCAA Proceedings, as well as the Remaining Fees (defined below);

(b) Extend the Stay of Proceedings to the earlier of: (i) the assignment of Creso into bankruptcy, pursuant to the Monitor's enhanced powers at paragraph 24 of the Approval and Reverse Vesting Order dated August 5, 2025, (ii) the termination of the CCAA proceedings upon the filing of the Monitor's Termination Certificate, or (iii) such other date as this Court may order;

(c) Terminate the DIP Charge, KERP Charge and D&O Charge, as all balances outstanding pursuant to those Court ordered charges have been paid;

(d) Approve a distribution to La Plata, subject to the priority outstanding to West Hants Regional Municipality and the Distribution Holdback (defined below);

(e) Terminate these CCAA Proceedings and the Administration Charge upon the Monitor executing and serving on the Service List the Termination Certificate confirming that the Remaining Duties are complete and the Monitor has discharged its obligations pursuant to the CCAA.

30. The Monitor is of the view that the proposed Distribution and Discharge Order is the most efficient and cost-effective method to wind down these CCAA Proceedings and mitigates the requirement for further Court time to apply for a discharge, should the Remaining Duties in fact be all that is required to terminate these CCAA Proceedings. Should there be additional matters arising outside the Remaining Duties to which the Monitor requires the Court's consideration, the Monitor will not file the Termination Certificate and seek direction from the Court.

31. As a result, the Monitor respectfully requests the Court grant the requested relief.

Distribution Holdback

32. Pursuant to the independent security review conducted by the Monitor, attached at **Appendix "E"** and discussed in paragraphs 17-19 of the Monitor's Second Report, La Plata held valid and enforceable first ranking security over the assets of Mernova (prior to the closing of the Proposed Transaction). The SPA directed the Purchase Price to be paid to the Monitor for the benefit of the stakeholders of Mernova. Outstanding debt pursuant to La Plata's security is in excess of $10 million as at the date of this Fourth Report.

33. The proposed Distribution and Discharge Order would direct the Monitor to distribute the remaining balance of the Purchase Price to La Plata pursuant to its security, subject only

to the priority payment to West Hants Regional Municipality and the proposed distribution holdback ("**Distribution Holdback**") outlined below. For certainty, the balance remaining (if any) of the Distribution Holdback, interest, potential GST refunds or retainers held by the Monitor and its counsel upon filing the Termination Certificate would be held as a Third Party Deposit pursuant to OSB Directive 16 by GTL as Trustee in Bankruptcy of Creso, would not form an asset of Creso's bankrupt estate, and any balance remaining upon GTL's discharge as Trustee in Bankruptcy of Creso would be distributed to La Plata pursuant to its security.

34. The calculation of the proposed distribution and Distribution Holdback is set forth below:

Distribution Calculation	**$CAD**
Deposit	500,000
Cash Purchase Price	5,750,000
Excess Cash	169,560
Total Purchase Price	**6,419,560**
Less:	
Repayment of Interim Financing	(512,000)
KERP Payments	(200,000)
Payments under Administration Charge	(174,192)
Add:	
Interest	6,353
Balance of Purchase Price Held by Monitor	**5,539,721**
Less: Distribution Holdback	(75,808)
Less: West Hants Regional Municipality	(65,473)
Distribution to La Plata	**5,398,440**

35. The Distribution Holdback as noted above is the remaining amount of the Administration Charge, being $75,808 ($250,000 – $174,192 paid since closing). This retention of the remaining Administration Charge includes outstanding fees and WIP for the Monitor and its counsel that are incurred and unpaid and the Monitor's estimate of expected professional fees ("**Remaining Fees**") to complete the Remaining Duties outlined above.

36. The Monitor notes that the only claim in priority to La Plata it is aware of is for property taxes payable to the West Hants Regional Municipality for pre-CCAA taxes outstanding in the amount of $65,473, with the priority being pursuant to section 133 of the *Municipal Government Act* and section 73 of the *Land Registration Act*.

37. The Monitor is not aware of any other priority claims which would rank ahead of La Plata, as:

(a) The Monitor understands that Mernova was current on all source deductions remittances to CRA at the time of the CCAA filing; and

(b) All wages and vacation pay for the terminated employees of Mernova as a result of the Proposed Transaction was paid on closing, leaving only termination pay outstanding and owing for which claims may be made by these employees through WEPP and which do not form a priority.

38. The Monitor respectfully requests that the Court approve the distribution to La Plata, the Distribution Holdback and the Remaining fees as set out above.

Approval of Professional Fees

39. Pursuant to paragraph 24 of the ARIO, the Monitor and its legal counsel are to be paid their reasonable fees and disbursements at their standard rates and charge, incurred both before and after the making of the ARIO. Pursuant to paragraph 25 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.

40. The Monitor is seeking to have its fees and disbursements approved by the Court from the commencement of these CCAA Proceedings through August 31, 2025, as well as the Monitor's expectation of Remaining Fees. The Monitor and its counsel, Stewart McKelvey, have maintained detailed records of their professional time and costs.

(a) The Monitor incurred approximately 479.83 hours through August 31, 2025. At an average rate of approximately $403.73/hour, total fees, admin and expenses amounted to $208,425.75, with HST of $29,179.60 for a total of $237,605.35. The time spent by the Monitor is more particularly described in **Appendix "F",** which contains a summary of the significant issues addressed and the time and average hourly rate by staff rank. Copies of invoices that set out the services provided during this period will be made available to the Court and upon request.

(b) Stewart McKelvey incurred approximately 199 hours through August 31, 2025. At an average rate of approximately $362/hour, total fees and expenses amounted to $78,562.18, with HST of $10,984.72 for a total of $89,546.90. The time spent by Stewart McKelvey is more particularly described in the fee affidavit at **Appendix "G"**

41. Copies of the invoices rendered by the Monitor and its counsel setting out the time details and services provided during this period will be made available to the Court at the hearing on September 23, 2025 or earlier in electronic format, should the Court require them.

42. The Monitor is of the view that the fees and those of its legal counsel are reasonable, commensurate with the work performed to date, and reflect the complexity of these CCAA Proceedings as communicated to the Court through its various reports and the significant amount of work undertaken by the Monitor and its counsel to facilitate the SISP on behalf of the Companies and its stakeholders. The Monitor respectfully requests that its fees and disbursements, and those of Stewart McKelvey, be approved.

43. The Monitor and Monitor's counsel remaining fees, disbursements and taxes to conclude these CCAA proceedings will be settled through a combination of the current retainers held by the Monitor as well as the Distribution Holdback of the Administration Charge. The Monitor notes of the remaining duties still to be completed include, amongst other things:

(a) attendance at Court hearing for the Monitor's application as described in the Fourth Report;

(b) correspondence with creditors and stakeholders regarding the Monitor's application;

(c) distribution of funds as per the proposed distribution;

(d) conclude facilitation of WEPP;

(e) filing of Monitor's certificate to conclude these CCAA proceedings; and

(f) filing and administration of bankruptcy proceedings of Creso.

Good Faith and Due Diligence

44. As at the date of this Fourth Report, the Monitor:

(a) is of the view that all 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 Creso's 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

45. For the reasons set out in this Fourth Report, the Monitor respectfully recommends that this Honorable Court grant the requested relief.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 16th day of September, 2025.

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

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

Appendix A

Approval and Reverse Vesting Order dated August 5, 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

APPROVAL AND REVERSE VESTING ORDER

Sgd.
JPB, J.

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

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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 Purchaser 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 Purchase Price paid by the Purchaser is made at fair market value and the Purchaser is an arm's length party with the Applicants. 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 and 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 director 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 or any harmonized sales tax, 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.

27. Effective upon the filing of the Monitor's Closing Certificate, the Interim Lender, the Purchaser, and the current directors, officers, employees, consultants, legal counsel and advisors of the foregoing (collectively, the "**Other 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 on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the filing of the Monitor's Closing Certificate, undertaken or completed in connection with or pursuant to the terms of this Order and that relate in any manner whatsoever to the DIP Term Sheet (dated April 21, 2025, between the Interim Lender, as lender, and Mernova and Creso as borrowers, as amended on July 7, 2025), the consummation of the Transaction, and/or any closing document, agreement, document, instrument, matter or transaction involving Mernova arising in connection with or pursuant to any of the foregoing (collectively, the "**Other Released Claims**"), which Other Released Claims are hereby and shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Other Released Parties.

CANADA REVENUE AGENCY SET-OFF

28. 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 may be set-off against any amounts due to Mernova or Creso that existed 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

29. 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.

30. 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

31. This Order shall have full force and effect in all provinces and territories in Canada.

32. 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.

33. 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.

34. 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.

35. 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

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.

AUG 05 2025

Trace Elizabeth
Deputy Prothonotary

Trace Elizabeth

~~Prothonotary~~

TRACE ELIZABETH
Deputy Prothonotary

Appendix B

Monitor’s Certificate re Closing of Proposed Transaction, dated August 18, 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

Monitor's Certificate

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 (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. ("**CIG**") (the "**Purchaser**") for the purchase and sale of the Target Shares (as defined in the SPA);

AND WHEREAS pursuant to an Order of this Court issued on August 5, 2025 (the "**RVO**"), the Court approved the SPA and sale of the Target Shares to CIG and ordered, among other things, that (i) all of Mernova's right, title and interest in and to the Excluded Assets shall vest absolutely and exclusively in ResidualCo, (ii) all of the Excluded Contracts and Excluded Liabilities shall be transferred to and assumed by and vest in ResidualCo; (iii) all of the right, title and interest in and to the Target Shares shall vest absolutely and exclusively in CIG, free and clear of all Encumbrances (except Permitted Encumbrances), which vesting is, in each case, to be effective upon the delivery by the Monitor to the Companies and the Purchaser of a certificate confirming that the Monitor has received written confirmation in the form and substance satisfactory to the Monitor from Creso and CIG that all conditions to closing have been satisfied or waived by the parties to the SPA;

AND WEHEREAS CIG assigned all of the its right, title and interest in and to the SPA to 4737491 Nova Scotia Limited (the "**Purchaser**");

AND WHEREAS capitalized terms not defined herein shall have the meaning given to them in the RVO;

NOW THEREFORE THE MONITOR HEREBY CERTIFIES AS FOLLOWS:

1. The Purchaser has paid and the Monitor has received the purchase price for the Target Shares in accordance with the SPA.

2. The Monitor has received written confirmation from Creso and the Purchaser, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the SPA.

3. The Transaction has been completed to the satisfaction of the Monitor

4. This Certificate was delivered by the Monitor at 1:00 p.m. on August 18, 2025

[SIGNATURE PAGE FOLLOWS]

SIGNED as of the date first written above.

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

Per: ______________________________

Name: Liam Murphy
Title: Senior Vice President

Appendix C

Interim Financing Payout Statement

August 18, 2025

Re: Mernova Debtor In Possession ("DIP") Payoff Quote

To Whom It May Concern:

This statement reflects an amount due under the terms of the DIP.

As of the Payoff Date the amount owing is as follows:

Payoff Date:	August 18, 2025
Principal:	$500,000.00
Interest:	$11,342.47 (June 10 – August 17, 2025)
Total:	**$511,342.47**

Interest Per diem: $164.38 for each additional day beyond the Payoff Date noted above.

Wire Instructions
Account Holder: La Plata Capital LLC
UMB Bank, N.A.
1010 Grand Blvd, Kansas City MO 64106
Account # 9872595335
Bank Routing: 101000695

Sincerely,

Geoff Long
President

Appendix D

Distribution and Discharge Order

2025 **Hfx No. 542329**

SUPREME COURT OF NOVA SCOTIA

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

DISTRIBUTION, DISCHARGE AND TERMINATION ORDER

BEFORE THE HONOURABLE JUSTICE JOHN BODURTHA IN CHAMBERS:

WHEREAS Grant Thornton Limited ("**GTL**") was appointed to monitor the assets, business and affairs (in such capacity, the "**Monitor**") of Mernova Medicinal Inc. ("**Mernova**") and Creso Canada Limited ("**Creso**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36 (the "**CCAA**") by Order dated April 16, 2025 (the "**Initial Order**"), and the Amended and Restated Initial Order issued on April 25, 2025 (the "**ARIO**");

AND WHEREAS the Monitor has filed a motion seeking an Order: (i) abridging the timelines for filing and service under the Nova Scotia Civil Procedure Rules; (ii) approving the distribution of funds in the manner set out in the Monitor's Fourth Report dated September 16, 2025 (the "**Fourth Report**"); (iii) extending the stay of proceedings until the earlier of the date on which Creso is assigned into bankruptcy by the Monitor, or the termination of the CCAA proceedings upon the filing of the Monitor's Termination Certificate; (iv) terminating the DIP Charge, Director and Officer's Charge, and KERP Charge; (v) terminating these CCAA proceedings and discharging the Monitor from its duties as described in the Initial Order and ARIO upon the filing of the Monitor's Termination Certificate; (vi) terminating the Administration Charge upon the filing of the Monitor's Termination Certificate; (vii) approving the activities of the Monitor set out in its Fourth Report; and (viii) approving the fees and disbursements of the Monitor and those of its counsel;

AND UPON reading the Fourth Report and the other materials on file herein;

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

NOW UPON MOTION IT IS HEREBY ORDERED THAT:

Service and Definitions

1. Service of the Notice of Motion and the supporting documents, as set out in the affidavit of service, is hereby abridged and validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.

2. All capitalized terms used in this Order not other otherwise defined herein shall have the meanings ascribed to them in the Initial Order, the ARIO or the Fourth Report.

Distribution of Funds

3. The Monitor is hereby authorized and directed to pay:

(a) the sum of $5,398,440.00 to La Plata Capital LLC ("**La Plata**"); and

(b) the sum of $65,473.46 to the West Hants Regional Municipality,

with the sum of $75,808.00 being held back for the payment of professional fees (the "**Distribution Holdback**").

4. The Distribution Holdback, any accumulated interest thereon and any tax refunds received shall be transferred to GTL as Trustee in Bankruptcy of Creso and held in trust as a Third Party Deposit pursuant to Directive No. 16 of the Office of the Superintendent of Bankruptcy, and will not be an asset of Creso distributable amongst its creditors.

5. Upon payment of the professional fees contemplated in the Fourth Report, filing of the Monitor's termination certificate and conclusion of the bankruptcy proceedings of Creso, the Monitor is hereby authorized and directed to pay the balance of the Distribution Holdback (if any) to La Plata.

Extension of the Stay Period

6. The Stay Period be and is hereby extended to the earlier of: (i) the assignment of Creso into bankruptcy, pursuant to the Monitor's enhanced powers at paragraph 24 of the Approval and Reverse Vesting Order dated August 5, 2025, (ii) the termination of the CCAA proceedings upon the filing of the Monitor's Termination Certificate, or (iii) such other date as this Court may order.

Termination of DIP Charge, Director and Officer's Charge, and KERP Charge

7. The DIP Charge, Director and Officer's Charge, and KERP Charge, and all other charges granted in these CCAA proceedings other than the Administration Charge, shall be terminated, released and discharged as of the date of issuance of this Order without any further act or formality.

Discharge of the Monitor

8. Effective at the CCAA Termination Time (as defined herein), Grant Thornton Limited shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time.

9. Notwithstanding the foregoing, the Monitor shall have authority from and after the date of this Order to complete any matters that may be incidental to the termination of these CCAA proceedings or any other matters necessary to complete these CCAA proceedings.

10. Effective at the CCAA Termination Time, in addition to the protections in favour of the Monitor in any order of this Court in the CCAA proceedings or pursuant to the CCAA, the Monitor, Stewart McKelvey, and each of their respective affiliates, officers, directors, partners, employees and agents, as applicable, (collectively, the "**Released Parties**") shall be released and forever discharged from any and all liability that the Released Parties now or may hereafter have by reason of any act, omission, transaction, dealing or other occurrence in any way relating to arising out of, or in respect of the CCAA proceedings, including in carrying out any incidental matters, whether known or unknown, matured or unmatured, foreseen or unforeseen, relating to matters that were raised, or could have been raised, in the within proceedings (collectively, the "**Released Claims**"), save and except for any gross negligence or wilful misconduct.

11. No action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as monitor except with prior leave of this Court and on prior written notice to the Monitor.

12. Notwithstanding any provision of this Order and the termination of these CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, all of the rights, approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO or any other Order of this Court in these CCAA Proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA

Termination Time, including in connection with any other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicant or these CCAA proceedings.

Termination of Administration Charge

13. The Administration Charge shall be terminated, released and discharged upon the filing of the Termination Certificate (as defined below) without any further act or formality.

CCAA Termination

14. Upon service by the Monitor of an executed certificate in substantially the form attached hereto as Schedule “A” (the “**Termination Certificate**”) on the Service List certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA proceedings have been completed, these CCAA proceedings shall be terminated without any further act or formality (the “**CCAA Termination Time**”), save and except as provided in this Order, and provided that nothing herein impacts the validity of any Orders made in these CCAA proceedings or any action or steps taken by any Person pursuant thereto.

15. The Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the Service List.

Approval of the Monitor’s Activities

16. The activities of the Monitor as set out in its Fourth Report dated September 16, 2025 be and are hereby approved, provided, however, that only the Monitor, in its personal capacity and with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

17. The Monitor has fulfilled its obligations pursuant to the CCAA, the ARIO and further orders of the Court until and including the date of this Order.

Approval of the Fees and Disbursements of the Monitor and its Counsel

18. The fees and disbursements related to the activities of the Monitor, as detailed in the Fourth Report and set out at Appendix F thereto, are hereby approved.

19. The fees and disbursements of the Monitor's legal counsel, Stewart McKelvey (“**Stewart McKelvey**”), as detailed in the Fourth Report and set out at Appendix G thereto, are hereby approved.

20. The anticipated further fees and disbursements of the Monitor and Stewart McKelvey in connection with the completion by the Monitor of its remaining duties and administration of the CCAA proceedings as set out in the Fourth Report be and are hereby approved, and the Monitor and Stewart McKelvey shall not be required to pass their accounts in respect of any further activities in connection with the administration of the CCAA Proceedings.

General

21. This Order and all other orders in these CCAA Proceedings shall have full force and effect in all provinces and territories of Canada.

22. The aid and recognition of any Court, tribunal, regulatory or administrative body in Canada, the United States of America or elsewhere, to give effect to this Order and to assist the Monitor and its respective agents in carrying out the terms of this Order. All Courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, to assist the Monitor, and to act in aid of and to be complementary to this Court, in carrying out the terms of this Order.

23. 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.

Effective Time

24. This Order and all of its provisions are effective as of 12:01 a.m. (Atlantic Daylight Time) on the date of this Order.

Issued , 2025

Deputy Prothonotary

Schedule "A"

2025 **Hfx No. 542329**

SUPREME COURT OF NOVA SCOTIA

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

TERMINATION CERTIFICATE

RECITALS

A. Grant Thornton Limited ("**GTL**") was appointed to monitor the assets, business and affairs of Mernova Medicinal Inc. ("**Mernova**") and Creso Canada Limited ("**Creso**") in the within proceeding (the "**CCAA Proceedings**") commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Supreme Court of Nova Scotia (the "**Court**") dated April 16, 2025 (the "**Initial Order**"), and the Amended and Restated Initial Order issued on April 25, 2025 (the "**ARIO**").

B. Pursuant to an Order of this Court dated August 5, 2025, among other things, Mernova ceased to be an applicant in these CCAA Proceedings and from the purview of the ARIO.

C. Pursuant to an Order of this Court dated __________________, 2025 (the "**CCAA Termination Order**"), among other things, GTL shall be discharged as the Monitor and the CCAA Proceedings shall be terminated upon the service of this Termination Certificate on the service list in these CCAA Proceedings, all in accordance with the terms of the CCAA Termination Order.

D. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the CCAA Termination Order

THE MONITOR CERTIFIES the following:

1. To the knowledge of the Monitor, all matters to be attended to in connection with the CCAA Proceedings (Hfx No. 542329) have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Halifax, Nova Scotia, this ____ day of ____________________, 2025.

GRANT THORNTON LIMITED, in its capacity as the Court-appointed Monitor of Creso Canada Limited and not in its personal or corporate capacity

Per: ______________________________
Name:
Title:

Appendix E

Independent Security Review of La Plata

STEWART McKELVEY
LAWYERS • AVOCATS
Queen's Marque, 600-1741 Lower Water Street, P.O. Box 997
Halifax NS B3J 2X2 Canada tel: 902.420.3200 fax: 902.420.1417 stewartmckelvey.com

File Reference: SM043375.00009

July 4, 2025

Via Electronic Mail

Grant Thornton Limited
1000 – 1675 Grafton Street
Halifax, NS B3J 0E9

Attention: Liam Murphy, Senior Vice President

Dear Liam:

Re: Mernova Medical Inc. and Creso Canada Limited – Review of Security

At your request, we have performed a limited review of the security provided by Mernova Medical Inc. ("**Mernova**") and Creso Canada Limited ("**Creso**" and collectively with Mernova, the "**Companies**") to Briant Nominees PTY Ltd. ("**Briant**") and La Plata Capital LLC ("**La Plata**") to confirm the validity of such security interests. The results of our review are set out below.

This opinion is being delivered to you in connection with the proceedings commenced by the Companies under the *Companies' Creditors Arrangement Act* (Canada) (the "**CCAA**") pursuant to an initial order of the Supreme Court of Nova Scotia in Bankruptcy and Insolvency issued on April 16, 2025 (the "**Initial Order**"), in your capacity as court-appointed monitor of the Companies.

I. Security Documents

Security and Documentation

In connection with our review, we have examined an executed copy of each of the following loan and security documents (collectively, the "**Loan Documents**"):

Briant Loan Documents[1]

1. an Australian law governed loan trust deed dated November 11, 2022 (the "**Briant Loan Agreement**"), between Creso Pharma Limited (now Melodiol Global Health Limited (("**MGHL**"))[2], as borrower, and Briant, as trustee for the lenders under the Briant Loan Agreement, in respect of a loan in an amount up to AUD $5,000,000;

2. a collateral mortgage in the principal amount of AUD $5,000,000 dated November 14, 2022 (the "**Briant Mortgage**") from Mernova in favour of Briant, as security agent, charging the real property located at 50 Ivey Lane, Windsor, NS (PID nos. 45018595 and

[1] The Briant loan documents include additional Australian law governed loan and security documents which we have not reviewed.

[2] We understand that Creso Pharma Limited, changed its name to Melodiol Global Health Limited.

45395514) (the “**Property**”). The Briant Mortgage secures all debts and liabilities, present or future, at any time owing from Mernova to Briant (on behalf of the lenders);

3. a general assignment of rents and leases from Mernova, dated November 14, 2022 (the “**Briant GARL**”) in favour of Briant, charging all rents and leases relating to the Property;

4. a security agreement from Mernova dated November 14, 2022 (the “**Briant GSA**”) in favour of Briant, charging all present and after-acquired personal property of Mernova. The Briant GSA secures all debts and liabilities, present or future, at any time owing from Mernova to Briant (on behalf of the lenders);

5. a guarantee and indemnity from Mernova dated November 14, 2022, in favour of Briant, in respect of the obligations of Creso Pharma Limited (now MGHL) to Briant (on behalf of the lenders), limited to AUD $ 5,000,000 plus costs, interests, and expenses;

La Plata Loan Documents

6. an Australian law governed converting loan deed dated September 4 between MGHL (previously Creso Pharma Limited), as borrower, and La Plata, as lender, which amended and restated certain prior loan deeds between the parties, in respect of a loans in the amount of US $2,682,500, as amended by a loan modification agreement dated November 4, 2023 between, among others, MGHL and La Plata (the “**La Plata Loan Agreement**”);

7. a collateral mortgage in the principal amount of US $1,282,500 from Mernova dated January 17, 2023 (the “**La Plata Mortgage**”) from Mernova in favour of La Plata, charging the Property. The Mortgage secures all debts and liabilities, present or future, at any time owing from Mernova to La Plata in connection with the La Plata Loan Agreement and related financing documents;

8. a mortgage amending agreement dated April 3, 2025 (the “**La Plata Mortgage Amendment**”) from Mernova, amending the principal amount secured by the La Plata Mortgage USD $5,000,000;

9. a general assignment of rents and leases from Mernova, dated January 17, 2023 (the “**La Plata GARL**”) in favour of La Plata, charging all rents and leases relating to the Property;

10. a security agreement from Mernova dated April 3, 2025 (the “**La Plata GSA**”) in favour of La Plata, charging all present and after-acquired personal property of Mernova. The La Plata GSA secures all debts and liabilities, present or future, at any time owing from Mernova to La Plata;

11. a guarantee and indemnity dated effective as of January 17, 2023 and executed on April 3, 2025 from Mernova in favour of La Plata, in respect of the obligations of Creso Pharma Limited (now MGHL) to La Plata (the “**La Plata Guarantee**”);

Assignment Agreements

12. assignment of debt and security agreements dated May 2025 (the "**Assignment Agreements**") between Briant, as security agent, the lenders under the Briant Loan Agreement, Mernova, and La Plata, whereby Briant and the lenders assigned to La Plata the Briant Loan Agreement, the indebtedness outstanding thereunder, and the guarantees and security documents (including, for greater certainty, the Briant Mortgage, Briant GARL, and Briant GSA).[3]

In this opinion letter, the Briant Mortgage, La Plata Mortgage (and La Plata Mortgage Amending Agreement), Briant GARL, La Plata GARL, Briant GSA, and La Plata GSA are sometimes collectively referred to as the "**Security Documents**".

Execution of Documents

The Security Documents, appear to have been executed by Micheline MacKay, as President of Mernova. As more particularly set forth below, we have assumed that each of the Security Documents has been duly authorized, executed and delivered by Mernova, and that each of the Security Documents is enforceable against it.

II. Assumptions

For the purposes of the opinions expressed herein, we have, without independent investigation or verification, assumed:

(a) the genuineness of all signatures on documents examined by us, the authenticity of all documents submitted to us as originals, the authenticity of all documents filed or registered in public offices, the legal capacity of all natural persons executing documents and the conformity to original documents of all documents submitted to us as certified, conformed or photostatic, or facsimile copies;

(b) that:

(i) Mernova is duly incorporated or otherwise duly formed and organized and is validly subsisting under the laws of its jurisdiction of incorporation or formation;

(ii) Mernova has the corporate power and capacity to own or lease property and assets, to carry on its business as presently conducted, and to execute, deliver and perform its obligations under the Loan Documents to which it is a party;

(iii) Mernova has taken all necessary corporate action to authorize the execution, delivery and performance by Mernova of each of the Loan Documents to which it is a party;

[3] Note there are seven separate Assignment Agreements.

(iv) Mernova has duly executed and delivered each of the Loan Documents to which it is a party; and

(v) the exercise by Mernova, of its rights and the performance of its obligations under each Loan Document is not contrary to its constating documents or its governing legislation;

(c) that each of the Loan Documents constitutes the legal, valid and binding obligation of the parties thereto (including Mernova), enforceable against each of them in accordance with its terms;

(d) that value has been given;

(e) that Mernova has rights in any personal property charged by Mernova in the Assigned GSA and La Plata GSA (the "**Collateral**");

(f) that neither Briant nor La Plata has agreed to postpone the time for attachment of any of the security interests created by the Security Documents (collectively, the "**Security Interests**" and individually, each a "**Security Interest**");

(g) the currency and accuracy of (i) any printed search result from the Personal Property Registry in the Province of Nova Scotia (the "**PPR**"), and (ii) the indices and records maintained at the other public offices where we have conducted searches or made inquiries or caused searches or inquiries to be made; and

(h) that the Loan Documents have not been amended, restated or replaced and there are no agreements or understandings between the parties thereto, whether written or oral, and there is no usage of trade or course of dealing between the parties that would, in either case, define, supplement, limit or qualify the terms of the Loan Documents.

In addition to the Loan Documents, we have also examined such statutes, public and corporate records and documents and considered such questions of law as we have deemed necessary for the opinions hereinafter expressed.

III. Laws Addressed

We are qualified to practice law in the Province of Nova Scotia and have made no investigation of the laws of any jurisdiction other than the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein. The opinions hereinafter expressed are limited to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein in effect on the date hereof. Without limiting the generality of the immediately preceding sentence, we express no opinion with respect to the laws of any other jurisdiction to the extent that those laws may govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests as a result of the application of conflict of laws rules of the Province of Nova Scotia including, without limitation, sections 6 to 9 of the *Personal Property Security Act* (Nova Scotia) (the "**PPSA**"). In addition, we express no opinion whether, pursuant to those conflict of laws rules, the laws of the Province of Nova Scotia would govern the validity, perfection, effect of perfection or non-perfection or enforcement of the Security Interests.

IV. Searches

We have conducted or caused to be conducted searches in the Province of Nova Scotia, as indicated below, current to the dates noted below, with respect to names or other search criteria listed below for registrations or filings of security:

Legislation / Public Office	Names Searched	Current to
Personal Property Security Act	Mernova Medicinal Inc. Creso Canada Limited	June 19, 2025
Bank Act (Canada)	Mernova Medicinal Inc. Creso Canada Limited	June 19, 2025
Judgment Roll (Halifax County & Hants County)	Mernova Medicinal Inc. Creso Canada Limited	June 23, 2025
Land Registration Act (Statement of Registered and Recorded Interests)	The Property	June 23, 2025
Property Taxes	The Property	June 23, 2025

Subject to the currency and accuracy of the registry and filing systems searched, our searches revealed the following against Mernova:

1. *Personal Property Security Act* – PPSA searches conducted in the PPR revealed the following results:

   (a) Registration no. 37104577 dated November 17, 2022, against Mernova in favour of La Plata in relation to all of its present and after acquired personal property.[4]

   (b) Registration no. 39791611 dated June 27, 2024 against Mernova in favour of Bruce Leasing Limited in relation to a motor vehicle (2024 Mazada CX-30, S/N number 3MVDMBCM4RM688724);

   (c) Registration no. 41148180 dated April 4, 2025 against Mernova in favour of La Plata in relation to all of its present and after acquired personal property;[5] and

   (d) There were no PPSA registrations against Creso.

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[4] This registration was originally registered in favour of Briant, and La Plata replaced Briant as secured creditor pursuant to an amendment registered on June 11, 2025.

[5] This registration states that it was a re-registration of registration number 37338035 which expired on January 18, 2025

2. *Bank Act* (Canada) – Searches were conducted for notices of intention to give security under Section 427 of the *Bank Act* registered in the Province of Nova Scotia. No results were returned.

3. *Judgment Roll* (Halifax County and Hants County) – Searches were conducted of the records maintained by the Land Registration Office in the Property Online database pursuant to the *Land Registration Act* (Nova Scotia) (the "**LRA**") for documents registered in the judgment roll in Halifax County and Hants County. The searches revealed no results.

4. *Land Registration Act* (Statement of Registered and Recorded Interests) – We have obtained a statement of registered and recorded interests for the Property dated June 23, 2025 (the "**SRRI**"). The SRRI disclosed the following:

   (a) Mernova is the registered owner of the Property.

   (b) The Briant Mortgage and Briant GARL were each recorded against title to the Property on November 17, 2022, as document nos. 121642848 and 121642855, respectively.

   (c) The La Plata Mortgage and La Plata GARL were each recorded against title to the Property on January 18, 2023, as document nos. 121927090 and 121927116, respectively.

   (d) The La Plata Mortgage Amendment was recorded against title to the Property on April 3, 2025, as document no. 125644303.

   (e) A right of first refusal agreement dated May 22, 2014 was recorded on May 29, 2014 as document no. 105136312 (the "**ROFR**"). The ROFR was granted by Nova Scotia Business Incorporated, being the prior owner of the Property, in favour of Mernova, and expired on May 20, 2019.

   (f) Creso does not own real property in Nova Scotia.

5. Property Taxes – We have obtained tax certificates from the Hants Municipality which are current to June 23, 2025, which indicate that taxes in the amount of $63,189.50 are due and owing for Ivey Lane, Lot 31, roll number 03182846 (PID 45018595), and there is a credit balance in the amount of $7,500.00 for Ivey Lane, Lot 28A, roll number 10579511 (PID 45395514).

V. Opinions

Based and relying upon and subject to the foregoing, and the qualifications and limitations set forth below, we are of the opinion that:

Personal Property Security

1. The Briant GSA creates a valid security interest in favour of La Plata (as assignee pursuant to the Assignment Agreements) in the Collateral described therein in which Mernova now has rights, and is sufficient to create a valid security interest in favour of La Plata in any

such Collateral in which Mernova acquires rights when those rights are acquired by Mernova, in each case to secure payment and performance of the obligations of Mernova described in the Briant GSA as being secured thereunder.

2. Subject to our comments below concerning the La Plata security, the La Plata GSA creates a valid security interest in favour of La Plata in the Collateral described therein in which Mernova now has rights, and is sufficient to create a valid security interest in favour of La Plata in any such Collateral in which Mernova acquires rights when those rights are acquired by Mernova, in each case to secure payment and performance of the obligations of Mernova described in the La Plata GSA as being secured thereunder.

3. As noted above, there are PPSA registrations against Mernova in favour of La Plata in relation to all present and after-acquired personal property of Mernova. By virtue of such registrations, the Security Interests in favour of La Plata created by the Briant GSA and, subject to our comments below concerning the La Plata security, the La Plata GSA in the Collateral described in such registrations, to the extent capable of perfection by registrations of financing statements under the PPSA, have been perfected.

<u>Real Property Security</u>

4. Based on the SRRI:

   (a) the Briant Mortgage and Braint GARL constitute a valid mortgage and charge against the Property, as security for the obligations of Mernova to La Plata (as assignee pursuant to the Assignment Agreement) described therein; and

   (b) subject to our comments below concerning the La Plata security, the La Plata Mortgage (as amended by the La Plata Mortgage Amendment) and La Plata GARL constitute a valid mortgage and charge against the Property, as security for the obligations of Mernova to La Plata described therein.

5. Based on the SRRI, the recorded security interests and liens charging the Property rank in the following priority:[6]

   (a) first, the Briant Mortgage and Briant GARL[7]; and

   (b) subject to our comments below concerning the La Plata security, second, the La Plata Mortgage and La Plata GARL.

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[6] For greater certainty, the priority of the recorded security interests and mortgages charging the property is subject to all applicable qualifications set out herein, including with respect to unregistered statutory liens or deemed trusts which would rank prior to the security interests and mortgages.

[7] We note that the Briant Mortgage and GARL remain registered in the name of Briant (i.e. notice of its assignment to La Plata has not been registered against title to the Property).

La Plata Security - Potential Preference Claims

We note that the La Plata Guarantee, La Plata GSA, and La Plata Mortgage Amendment are each dated April 3, 2025, being shortly before the Companies made an application for protection under the CCAA (on April 9, 2025) and the Initial Order was granted (on April 16, 2025). Given this timing, this raises that prospect that these agreements (and the obligations and security interests created thereby) resulted in a preferential transaction in favour of La Plata, contrary to the *Bankruptcy and Insolvency Act* (the "**BIA**") and other creditor laws.

As you know, under the BIA preferential transactions may include a charge on property made or an obligation incurred by an insolvent person to a creditor which gives that creditor a preference over other creditors. Section 95 of the BIA provides that preferences are void as against the trustee in bankruptcy.[8] In order for a transaction to be considered a preference, the debtor must first be an insolvent person under the BIA, and the preferential transaction must have occurred three months before the initial bankruptcy event, if it was in favour of an arm's length creditor and was made with a view to giving that creditor a preference over another creditor.[9] Section 95(2) of the BIA provides for a rebuttable presumption that, if a transaction has the effect of giving the creditor a preference, such transaction was made with a view to giving the creditor the preference.

Similarly, Section 4 of *Assignments and Preferences Act (Nova Scotia)* (the "**APA**") provides that a transfer of property by an insolvent person, with an intent to defeat or delay creditors, or to a creditor with an intent to give such creditor an unjust preference of other creditors, shall be void.[10]

Whether the issuing of La Plata Guarantee, La Plata GSA, and La Plata Mortgage Amendment by Mernova shortly before its commencement of proceedings under the CCAA constitutes a preferential transaction, contrary to the BIA or APA, is dependent on the facts and circumstances concerning their issuance, including whether there was intent to prefer La Plata and any value received by Mernova for the issuance of the documents, and the evidence available to support any claims as to Mernova's intention.

We understand that (i) the La Plata Guarantee, La Plata GSA, and La Plata Mortgage Amendment were contemplated by the parties at the time of the La Plata Loan Agreement, however, were either not provided at the closing of the La Plata Loan Agreement due to inadvertence, or were provided at closing but subsequently lost, and (ii) in discussions with Mernova concerning a potential CCAA application, La Plata became aware that it did not have copies of such documents and therefore requested that they be re-issued by Mernova and delivered to La Plata. We have not been provided with any documentation to support the foregoing statements; however we do note that the La Plata Loan Agreement contemplated that the loan would secured by the 'Security' charging the 'Collateral', which are defined as follows:

- *Security means a general security and property mortgage granted over the land and buildings of Mernova's Cannabis Cultivation Facility located in Nova Scotia, Canada (but for clarity, Security will be subordinate to any Convertible Notes issued up to a maximum*

[8] The text of Section 95 of the BIA is set out in Appendix I hereto.

[9] The date of the initial bankruptcy event includes the commencement of proceedings under the CCAA (BIA, s. 2).

[10] The text of Section 4 of the APA is set out in Appendix I hereto.

amount of AUD$5 million relating to the Trustee Obligation and will be second highest ranking a) Security of the Borrower, and b) Encumbrance against the personal property of Mernova and the land and Facility described in this paragraph, subject only to the mortgage granted to the Trustee for the benefit of the Lenders under the Loan Trust Deed dated November 11, 2022 between Borrower and Trustee).

- *Collateral means the present and after acquired Property of Mernova including Mernova's personal property and the real property and improvements in respect of which the Security has been granted.*

Accordingly, it appears that security over the real and personal property of Mernova was contemplated at the time of the La Plata Loan Agreement.[11]

As no creditor has made a claim in the CCAA proceedings that the La Plata documents constitute a preferential transaction, we have not undertaken complete examination of a potential preference claim and the evidence to support or rebut such a claim and take no position on the matter at this time.

VI. Qualifications

In addition to any other qualifications, limitations and restrictions set forth in this opinion letter, our opinions herein are subject to the following qualifications, limitations and restrictions:

1. This opinion letter is limited to the facts stated herein. If the facts change or additional facts arise, the opinion(s) set forth herein may change.

2. For greater certainty, we provide no opinion as to the enforceability of the Briant Loan Agreement or La Plata Loan Agreement, which are governed by the laws of Australia. We have assumed that the indebtedness and obligations owing thereunder are valid and remain outstanding.

3. The enforcement of the Security Documents and Security Interests is subject to applicable laws relating to bankruptcy, moratorium, reorganization, insolvency and other similar laws of general application affecting the enforcement of creditors' rights generally, including the power of a court to stay proceedings in the enforcement of remedies and to impose limitations on the rights of creditors to require immediate payment of amounts stated to be payable on demand prior to the expiration of a reasonable period of time after such demand is made.

4. The discretion exercisable by courts of competent jurisdiction in respect of the availability of equitable remedies and, more generally, the enforcement of the Security Documents and Security Interests is subject to general principles of equity, whether applied by a court of law or equity, which include principles:

[11] It is also possible that the security requirements were waived, but we have been provided with no such statements or evidence to this effect.

(a) governing the availability of specific performance, injunctive relief, the power to grant relief from forfeiture, to stay proceedings before it, to stay execution of judgments or other traditional equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which the application for such relief is made;

(b) limiting or affecting the enforceability of provisions governing judicial discretion regarding the determination of damages and entitlement to legal fees and other costs; and

(c) limiting the right to require immediate payment of amounts which are stated to be payable on demand.

5. If any of the provisions of the Loan Documents are held to be illegal, invalid or unenforceable, the severance of such provisions from the remaining provisions thereof will be subject to the exercise of the discretion of the Court.

6. The Security Interests may not be enforceable in respect of proceeds which are not identifiable or traceable.

7. We have taken no steps to provide the notices or to obtain the acknowledgements prescribed in the *Financial Administration Act* (Canada) relating to the assignment of federal Crown debts. An assignment of Crown debts which does not comply with such Act is ineffective as between the assignor and the assignee and as against the Crown. Consequently, a secured party would not have a valid security interest in Crown debts unless there is compliance with such Act.

8. No searches have been made with respect to any the Security Documents under, and no opinion is given with respect to the creation of a security interest pursuant to, the Canada *Shipping Act* (Canada), the *Copyright Act* (Canada), the *Industrial Design Act* (Canada), the *Integrated Circuit Topography Act* (Canada), the *Patent Act* (Canada), the *Plant Breeders' Rights Act* (Canada), the *Canada Transportation Act* (Canada) and the *Trademarks Act* (Canada) or the consequences of compliance or non-compliance with such statutes.

9. No searches have been made with respect to the Security Interests insofar as such security interests relate to any of the following collateral:

(a) any crops or mineral claims; or

(b) any permits, quotas, licences or other similar property which is not personal property.

10. We express no opinion as to the validity or perfection of the Security Interests in respect of any contractual rights, which by their terms or by the nature of the contract, or any permits, quotas, licenses or other similar property, which by its terms, its nature or by the nature of the business of Mernova cannot be the subject of a lien or other interest without the consent, authorization or approval of a third person.

11. We have not made any inquiries or any investigations with regard to any consents or approvals which may be required in connection with the transfer of any contractual interests made subject to a Security Interest.

12. If the Collateral now or hereafter includes any motor vehicle, trailer, mobile home, aircraft, boat or an outboard motor for a boat situate in the Province of Nova Scotia within the meaning of those terms under the general regulations made under the PPSA which is not held by Mernova as inventory (as such term is defined in the PPSA), the security interests in such Collateral or their proceeds must be registered against the applicable serial number description in order to maintain the perfection of such security interests in such Collateral as against certain persons who may have an interest in such Collateral.

13. If the Collateral now or hereafter includes an interest or claim in or under a contract of annuity or policy of insurance, no opinion is expressed herein as to the creation, validity or perfection of the security interest created therein other than in respect of the transfer of a right to money or other value payable under a policy of insurance as indemnity or compensation for loss of, or damage to, Collateral.

14. No opinion is expressed herein as to:

    (a) the title of Mernova to, or ownership of, the Collateral; or

    (b) except as expressly set out herein with respect to the Property, the priority of any security interest.

15. We express no opinion as to whether a security interest may be created in any Collateral consisting of a receivable (other than a receivable subject to section 42(10) of the PPSA), licence, approval, privilege, franchise, permit, lease or agreement (collectively, "**Special Property**") to the extent that the terms of the Special Property or any applicable law prohibit its assignment or require a consent, approval or other authorization or registration which has not been made or given.

16. With respect to the Property, we express no opinion as to any:

    (a) unregistered services agreements, subdivision agreements, site plan control agreements, development or similar agreements;

    (b) unregistered easements, rights-of-ways, rights in the nature of easements and agreements with respect thereto;

    (c) the actual boundaries of the Property or any encroachments affecting the Property;

    (d) current or past compliance or non-compliance of Mernova or any predecessors with applicable provincial or federal environmental protection or rehabilitation legislation nor do we express any opinion with respect to the environmental status of the Property;

    (e) whether the Property, or any buildings or improvements constructed thereon, comply with any applicable enactments governing location and use, including, without limitation, zoning, land use and building restrictions, bylaws, regulations and ordinances of any governmental authority having jurisdiction;

(f) whether any native or aboriginal land claims now or hereafter affect the Property; or

(g) subsisting restrictions, exceptions, reservations, limitations, provisos and conditions (including, without limitation, royalties, reservation of mines, mineral rights and timber rights, access to navigable waters and similar rights) expressed in any original grants from the Crown, as the same may be varied by statute and any statutory limitations, exceptions, reservations and qualifications.

17. Title to the Property is subject to any rights which may have been acquired by prescription or by adverse possession in respect of the Property and we have not inquired concerning and consequently express no opinion as to any rights which may have been acquired by prescription or by adverse possession in respect of the Property.

18. Title to the Property is subject to the overriding interests set out in Sections 73, 74, 75 and 76 of the *Land Registration Act* (Nova Scotia) and being:

(a) interests of His Majesty in right of the Province of Nova Scotia being reserved in or excepted from the original grant of the fee simple absolute from His Majesty, or that has been vested in His Majesty pursuant to an enactment;

(b) liens in favour of a municipality or His Majesty in right of the Province of Nova Scotia pursuant to an enactment, such as liens for assessments pursuant to the Workers' Compensation Act (Nova Scotia);

(c) a leasehold interest for a term of three years or less if there is actual possession under the lease;

(d) a "utility interest", being an easement or other right in or to use land (including a fee simple interest), in existence before the coming into force of the Act, in favour of a public utility or a municipality;

(e) an easement or right of way that is being used and enjoyed; and

(f) rights granted by or pursuant to an enactment of Canada or of the Province of Nova Scotia to enter, cross or do things on land for the purpose expressed in the enactment; to recover municipal taxes, duties, rates, assessments; or to control, regulate or restrict the use of land or subdivision of land.

19. Except as and against the person making the instrument, no instrument, until registered or recorded pursuant to the *Land Registration Act* (Nova Scotia), passes any estate or interest in a registered parcel.

20. In addition to the other qualifications set out herein, the priority of the mortgages and charges created by the Security Documents against the Property is subject to:

(a) those registered or recorded instruments registered in priority as disclosed on the SRRI; and

(b) any encroachments not registered at the applicable Land Registration Office in accordance with the applicable laws of the Province of Nova Scotia.

21. There may be unregistered statutory liens or deemed trusts, which would rank prior to the security interests, mortgages, charges and assignments contained in the Security Documents. We have not conducted searches or made inquiries in respect of any statutory liens or deemed trusts which may arise against the Collateral or Property pursuant to the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein (other than in respect of real property taxes, the arrears of which form a priority lien against the Property).

For greater certainty, a specific assumption, limitation or qualification in this opinion is not to be interpreted to restrict the generality of an assumption, limitation or qualification expressed in general terms that includes the subject matter of the specific assumption, limitation or qualification.

VII. Reliance

The opinions expressed in this opinion letter are provided solely for the benefit of the addressees hereof for the purposes of the transactions contemplated by this opinion letter in connection with the Loan Documents. Accordingly, this opinion letter may not be relied upon by or disclosed to anyone else or used for any other purpose, nor may it be quoted in whole or in part or otherwise referred to, without our prior written consent.

Yours truly,

Stewart McKelvey

Stewart McKelvey

RDW/wmi

Enclosures

APPENDIX I
Statutory Provisions

Bankruptcy and Insolvency Act s. 95

95 (1) A transfer of property made, a provision of services made, a charge on property made, a payment made, an obligation incurred or a judicial proceeding taken or suffered by an insolvent person

(a) in favour of a creditor who is dealing at arm's length with the insolvent person, or a person in trust for that creditor, with a view to giving that creditor a preference over another creditor is void as against—or, in Quebec, may not be set up against—the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is three months before the date of the initial bankruptcy event and ending on the date of the bankruptcy; and

(b) in favour of a creditor who is not dealing at arm's length with the insolvent person, or a person in trust for that creditor, that has the effect of giving that creditor a preference over another creditor is void as against—or, in Quebec, may not be set up against—the trustee if it is made, incurred, taken or suffered, as the case may be, during the period beginning on the day that is 12 months before the date of the initial bankruptcy event and ending on the date of the bankruptcy.

(2) If the transfer, charge, payment, obligation or judicial proceeding referred to in paragraph (1)(a) has the effect of giving the creditor a preference, it is, in the absence of evidence to the contrary, presumed to have been made, incurred, taken or suffered with a view to giving the creditor the preference — even if it was made, incurred, taken or suffered, as the case may be, under pressure — and evidence of pressure is not admissible to support the transaction.

Assignments and Preferences Act s. 4

4(1) Every transfer of property made by an insolvent person

(a) with intent to defeat, hinder, delay or prejudice his creditors, or any one or more of them; or

(b) to or for a creditor with intent to give such creditor an unjust preference over other creditors of such insolvent person, or over any one or more of such creditors,

shall be as against the creditor or creditors injured, delayed, prejudices or postponed, be utterly void.

Appendix F

Professional Fees Summary- Grant Thornton Limited, Monitor

In the matter of a plan of compromise or arrangement of Creso Canada Limited
Summary of Monitor's Significant Activities
From April 4, 2025 to August 31, 2025

Name	Position	Avg. Hourly Rate	Total Hours	Total Fees	Significant activities
Liam Murphy	Partner	$ 550.00	148.95	$ 81,922.50	Overall administration, carriage and responsiblity of the mandate. Initial calls and meetings with C. Hines, M. MacKay and J. Carree of Mernova regarding CCAA filing; Initial research of Mernova, company searches and registered security searches; Assist and review of initial cash flow forecast; Preparation, review and finalizing the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Supplement to the Third Report and the Fourth Report; Review Company and other filings ahead of Court hearings; Attend Court hearings throughout CCAA proceedings; Review KERP documents; Review bi-weekly reporting throughout CCAA proceedings, and correspondence with Mernova and the Interim Financing Lender regarding the same; Correspondence with La Plata regarding CCAA filing, purchase of Bryant Nominee debt and SISP; Review of initial creditor notice and OSB forms 1 and 2; Various calls and emails with creditors, employees and other stakeholders throughout CCAA proceedings regarding initial filing, updates, sale process and Court filings; Correspondence with Mernova throughout CCAA proceedings regarding supplier inquires, CRA and tax related matters, SISP matters and cash flow reporting; Emails with Monitor team regarding website updates throughout CCAA proceedings; Draft, review and finalize SISP materials including solicitation letter, initial email to Prospective Purchasers, compiling of VDR, CIM and NDA; Correspondence with Critical Supplier, Mernova and Company counsel regarding status of Critical Supplier and payment pursuant to Initial Order; Correspondence with Company counsel and Monitor's counsel regarding filings ahead of the various Court hearings; Correspondence with Interim Financing Lender regarding advances to Mernova, bi-weekly cash flow updates, Court filings, SISP matters and operational matters; Correspondence with Monitor's counsel regarding La Plata security; Administer SISP including initial kick-off to Prospective Purchasers, calls and emails with Prospective Purchasers and Bidders, review and address due diligence questions from Bidders; Review binding offers received and correspondence with Bidders, Interim Financing Lender, Company counsel, Mernova and Monitor's counsel regarding same; Correspondence with Successful Bidder and various counsel regarding drafting and finalizing share purchase agreement; Review closing materials and books of authorities; Correspondence with Successful Bidder and counsels regarding closing matters and finalizing Quick Ratio; Review WEPP calculation; Prepare for discharge matters.
Partner less than 15 hours		$ 550.00	0.25	$ 137.50	Correspondence on SISP related matters
Total Partner		**550.00**	**149.20**	**$ 82,060.00**	
Senior Manager less than 15 hours		$ 425.00	1.25	531.25	Review list of Prospective Purchasers with team; Discuss SISP matters including drafting of solicitation letter and CIM.
Total Senior Manager		**425.00**	**1.25**	**$ 531.25**	

In the matter of a plan of compromise or arrangement of Creso Canada Limited
Summary of Monitor's Significant Activities
From April 4, 2025 to August 31, 2025

Name	Position	Avg. Hourly Rate	Total Hours	Total Fees	Significant activities
Corey Hines	Manager	$ 370.00	261.50	96,755.00	Initial calls and meetings with L. Murphy, M. MacKay and J. Carree of Mernova regarding CCAA filing; Assist and review of initial cash flow forecast; Preparation, review and finalizing the Pre-Filing Report, the First Report, the Second Report, the Third Report, the Supplement to the Third Report and the Fourth Report; Review Company and other filings ahead of Court hearings; Attend Court hearings throughout CCAA proceedings; Work with Mernova on bi-weekly cash flow reporting to the Monitor and Interim Financing Lender; Review bi-weekly reporting throughout CCAA proceedings, and correspondence with Mernova and the Interim Financing Lender regarding the same; Review and drafting of initial creditor notice and correspondence with F. Capone regarding same; Various calls and emails with creditors, employees and other stakeholders throughout CCAA proceedings regarding initial filing, updates, sale process and Court filings; Correspondence with Mernova throughout CCAA proceedings regarding supplier inquires, CRA and tax related matters, revised cash flow forecasts; SISP matters and cash flow reporting; Emails with Monitor team regarding website updates throughout CCAA proceedings; Draft, review and finalize SISP materials including solicitation letter, initial email to Prospective Purchasers, compiling of VDR, CIM and NDA; Attend site tours with Bidders; Correspondence with Critical Supplier, L. Murphy, Mernova and Company counsel regarding status of Critical Supplier and payment pursuant to Initial Order; Correspondence with Company counsel and Monitor's counsel regarding filings ahead of the various Court hearings; Correspondence with Interim Financing Lender regarding advances to Mernova, bi-weekly cash flow updates, Court filings, SISP matters and operational matters; Correspondence with L. Murphy regarding file matters, Court reports and filings, cash flow reporting and forecasts, various SISP matters, various creditor and Critical Supplier matters; Initiate and administer SISP including initial kick-off to Prospective Purchasers, calls and emails with Prospective Purchasers and Bidders, review and address due diligence questions from Bidders; Review binding offers received and correspondence with Bidders, Interim Financing Lender, Company counsel, Mernova and Monitor's counsel regarding same; Correspondence with Successful Bidder and various counsel regarding drafting and finalizing share purchase agreement; Correspondence with Successful Bidder and counsels regarding closing matters and finalizing Quick Ratio; Review and compile WEPP calculation and packages to employees
Manager less than 15 hours		$ 292.48	8.08	2,363.20	Discuss file matters with team; Compile list of Prospective Purchasers for Partner and Manager review; Compile listing of Nova Scotia Power invoices for team.
Total Manager		**331.24**	**269.58**	**$ 99,118.20**	
Senior Associates less than 15 hours		$ 290.00	6.50	1,885.00	Upload documents to OSB for initial filing; Drafting of SISP advertising in allNS and Strattcan; Various correspondence with L. Murphy and vendors for SISP advertising; Correspondence with M. MacKay regarding SISP advertisements; Document SISP advertisements for Court report and file.
Total Senior Associate		**290.00**	**6.50**	**$ 1,885.00**	
Annie Chen	Associate	$ 190.00	15.50	$ 2,945.00	Consulting and formatting of SISP materials, including solicitation letter, CIM and newspaper ads.
Associates less than 15 hours		$ 190.00	5.10	969.00	Website and e-mail administration re SISP, Court filings, and case management.
Total Associate		**190.00**	**20.60**	**$ 3,914.00**	
Faith Capone		$ 190.00	15.95	$ 3,030.50	Setup Ascend file and trust accounts; Compiling and filing of Form 1 and 2 for OSB; Mailout creditor packages for Initial Order; Various banking matters throughout CCAA proceedings, including bank reconciliations, recording deposits received during SISP and recording disbursements of Court ordered charges; Drafting of Monitor invoicing throughout CCAA proceedings; Emails with M. MacKay regarding WEPP and payment of Monitor's invoices during CCAA proceeding; Scanning to server and filing of paperwork; Organize newspaper advertisements for CCAA and SISP; Printing and binding of Court materials; Administer WEPP and correspondence with employees regarding same.
Carly Churchill		$ 190.00	16.75	3,182.50	Review of various Court reports throughout CCAA proceedings; Prepare invoice summary.
Total Administration		**190.00**	**32.70**	**$ 6,213.00**	
Grand Total		**403.73**	**479.83**	**$ 193,721.45**	

Appendix G

Professional Fees Summary- Stewart McKelvey

2025 **Hfx No. 542329**

SUPREME COURT OF NOVA SCOTIA

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

Affidavit

I, Sara L. Scott, of Halifax, Province of Nova Scotia, make oath and give evidence as follows:

1. I am a Partner at Stewart McKelvey, solicitors for Grant Thronton Limited, the Court appointed Monitor in this proceeding.

2. I have personal knowledge of the evidence sworn in this affidavit except where otherwise stated to be based on information or belief.

3. I state, in this affidavit, the source of any information that is not based on my own personal knowledge, and I state my belief of the source.

4. Attached as **Exhibit "1"** is a summary of Stewart McKelvey's accounts for the period of March 26, 2025 to August 31, 2025, as well as the time spent by each professional and the average hourly rate, and summary of the significant issues addressed.

5. Stewart McKelvey expended a total of 199 hours at an average hourly rate of approximately $362.00 in connection with this matter during the period from March 26, 2025 to August 31, 2025, giving rise to fees of $77,340.00, plus disbursements of $1,222.18, plus HST of $10,984.72, amounting in all to $89,546.90.

6. The Invoices are a fair and accurate description of the services provided and the amounts charged by Stewart McKelvey. To the best of my knowledge, Stewart McKelvey's rates and disbursements are consistent with those in the Atlantic Canada market for these types of matters and the hourly billing rates charged by Stewart McKelvey are comparable to the rates charged by Stewart McKelvey for services rendered in similar proceedings.

7. I make this affidavit in support of the Monitor's motion for, among other things, approval of the fees and disbursements of the Monitor and its legal counsel.

SWORN to before me at Halifax, Nova Scotia on September 16, 2025.

A Barrister of the Supreme Court of Nova Scotia	**Sara L. Scott**

RODERICK H. ROGERS

2025 **Hfx No. 542329**

This is Exhibit "1" to the affidavit of Sara L. Scott sworn to before me at Halifax, Nova Scotia on September 16, 2025

A Barrister of the Supreme Court of Nova Scotia

RODERICK H. ROGERS

Summary of Accounts Rendered by Stewart McKelvey
For the period of March 26, 2025 to August 31, 2025

Invoice No.	Invoice Date	Total Billed	Fees	Disb.	HST	Average Hourly Rate
91210000	May 22, 2025	$27,336.46	$23,517.50	$461.85	$3,357.11	$ 366.67
91218770	June 26, 2025	$7,022.06	$5,887.50	$272.20	$862.36	$ 450.00
91226080	July 28, 2025	$14,144.80	$12,272.50	$147.50	$1,724.80	$ 365.83
91230497	August 20, 2025	$26,640.76	$23,115.00	$254.08	$3,271.68	$ 315.00
TBD	TBD	$14,402.82	$12,547.50	$86.55	$1,768.77	$ 312.50
		$89,546.90	**$77,340.00**	**$1,222.18**	**$10,984.72**	**$362.00**

Summary of Individual Timekeepers

Individual	Title	Hourly Rate	Hours	Fees
Chiasson K.C., M.P.	Partner	$670	0.5	$ 335.00
Dunlavy, Christa	Paralegal	$175	0.9	$ 157.50
Gregory, Eryka	Associate	$300	19.5	$ 5,850.00
Marshall, Shana A.	Paralegal	$150	0.5	$ 75.00
Scott, Sara L.	Partner	$525	37.8	$ 19,845.00
Smith, Laura M.	Paralegal	$200	7.7	$ 1,540.00
Wedlake, David R.	Partner	$375	132.1	$ 49,537.50
			199	**$ 77,340.00**

Summary of Activities of Stewart McKelvey
For the period of March 26, 2025 to August 31, 2025

- Performed due diligence searches and reviewed the credit facilities and security of the Companies and provided opinion as to the validity of the security. Conducted legal research on various issues, including certain releases and WEPPA.
- Drafted and/or attended court hearings, including initial application hearing, comeback motion, sales process (**"SISP"**) approval motion, stay extension motion and motion for the approval of the results of the SISP. Drafted termination motion.
- Various meetings, phone calls and correspondence regarding development of SISP, market and potential bids, request for reverse vesting order and implementation and results of SISP. Review and advise on communication to bidders. Drafting and advising on form of offers and agreements, and facilitation of execution of same.
- Closed transactions resulting from the SISP and discharged certain security.